

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**TABLE OF CONTENTS**

	Page Number
<b>MANAGEMENT REPORT</b>	
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Change in Net Debt	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 21
Schedule of Tangible Capital Assets	22
Schedules of Segment Disclosure	23 - 24
<b>TRUST FUNDS</b>	
Independent Auditor's Report	25
Statement of Financial Position	27
Statement of Continuity	27
Notes to the Financial Statements	28
<b>LOCAL BOARD</b>	
Northumberland County Housing Corporation	29 - 43



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

**For The Year Ended December 31, 2024**

### **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.

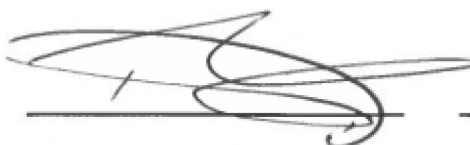
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen 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.

  
\_\_\_\_\_  
Warden

  
\_\_\_\_\_  
Treasurer

June 18, 2025

**Baker Tilly KDN LLP**  
272 Charlotte St.  
Peterborough, ON  
Canada K9J 2V4

## **INDEPENDENT AUDITOR'S REPORT**

**T: (705) 742-3418**  
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**To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the County of Northumberland**

**[www.bakertilly.ca](http://www.bakertilly.ca)**

### *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, 2024, the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2024, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
July 18, 2025



# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2024

	2024	2023
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	9,048,016	7,745,587
Investments (note 4)	122,705,494	121,050,657
Accounts receivable	6,154,947	5,997,308
<b>TOTAL FINANCIAL ASSETS</b>	<b>137,908,457</b>	<b>134,793,552</b>
<b>LIABILITIES</b>		
Short term advances (note 5)	85,464,893	66,788,389
Accounts payable and accrued liabilities	29,827,935	32,287,946
Deferred revenue - obligatory reserve funds (note 6)	4,634,205	3,881,472
Deferred revenue - other	1,484,180	1,370,055
Employee future benefits liability (note 9)	5,768,120	5,106,426
Long term debt (note 8)	9,511,357	7,401,617
Asset retirement obligation (note 10)	28,665,604	28,290,204
<b>TOTAL LIABILITIES</b>	<b>165,356,294</b>	<b>145,126,109</b>
<b>NET DEBT</b>	<b>(27,447,837)</b>	<b>(10,332,557)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 11)	320,422,171	288,266,955
Prepaid expenses	778,558	939,149
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>321,200,729</b>	<b>289,206,104</b>
<b>ACCUMULATED SURPLUS (note 12)</b>	<b>293,752,892</b>	<b>278,873,547</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, 2024

	Budget 2024 \$ (note 17)	Actual 2024 \$	Actual 2023 \$
<b>REVENUES</b>			
Tax levy from lower tiers	74,153,797	74,893,318	68,722,279
User charges	11,178,284	11,607,841	11,907,619
Government of Canada	2,364,716	1,346,991	2,408,388
Province of Ontario	54,744,353	61,374,902	51,369,417
Other municipalities	1,582,200	1,572,570	1,754,169
Provincial Offenses Act - fines (note 14)	1,500,000	1,240,099	1,354,068
Investment income	2,587,000	5,911,322	5,102,338
Waste Diversion	3,170,000	3,266,961	2,186,844
Rents	3,096,994	3,026,853	2,851,978
Development charges earned (note 6)	2,158,550	481,509	663,484
Canada Community-Building Fund earned (note 6)	2,364,412	2,729,078	4,878,844
Other	484,679	326,587	337,180
<b>TOTAL REVENUES</b>	<b>159,384,985</b>	<b>167,778,031</b>	<b>153,536,608</b>
<b>EXPENSES</b>			
General government	7,390,167	6,733,581	5,137,695
Protection services	4,512,467	3,986,170	3,926,729
Transportation services	22,330,158	22,618,433	19,185,101
Environmental services	16,457,050	19,970,294	18,566,023
Health services	23,553,446	23,329,364	20,834,737
Social and family services	51,697,531	56,162,517	48,097,012
Social housing	17,697,639	15,011,249	13,499,009
Economic development, tourism and forest	5,435,620	5,087,078	4,755,037
Landfill adjustment due to change in standards	-	-	(10,699,800)
<b>TOTAL EXPENSES</b>	<b>149,074,078</b>	<b>152,898,686</b>	<b>123,301,543</b>
<b>ANNUAL SURPLUS</b>	<b><u>10,310,907</u></b>	<b>14,879,345</b>	<b>30,235,065</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>278,873,547</b>	<b>248,638,482</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>293,752,892</b>	<b>278,873,547</b>

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

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended December 31, 2024

	Budget 2024 \$ (note 17)	Actual 2024 \$	Actual 2023 \$
<b>ANNUAL SURPLUS</b>	10,310,907	14,879,345	30,235,065
Amortization of tangible capital assets	9,700,000	12,875,202	10,490,724
Purchase of tangible capital assets	(75,268,414)	(53,556,746)	(45,645,922)
Loss on disposal of tangible capital assets	-	3,854,842	195
Proceeds on sale of tangible capital assets	-	4,671,486	-
Change in prepaid expenses	-	160,591	(545,592)
<b>CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)</b>	<b>(55,257,507)</b>	<b>(17,115,280)</b>	<b>(5,465,530)</b>
<b>NET FINANCIAL ASSETS/(NET DEBT) - beginning of year</b>	<b>(10,332,557)</b>	<b>(10,332,557)</b>	<b>12,095,769</b>
<b>ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD</b>	<b>-</b>	<b>-</b>	<b>(16,962,796)</b>
<b>NET DEBT - beginning of year, as restated</b>	<b>(10,332,557)</b>	<b>(10,332,557)</b>	<b>(4,867,027)</b>
<b>NET DEBT - end of year</b>	<b>(65,590,064)</b>	<b>(27,447,837)</b>	<b>(10,332,557)</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, 2024

	2024 \$	2023 \$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	14,879,345	30,235,065
Items not involving cash		
Amortization of tangible capital assets	12,875,202	10,490,724
Loss on disposal of tangible capital assets	3,854,842	195
Accretion expense	865,680	376,439
Change in employee future benefits liability	661,694	395,272
Change in asset retirement obligation for closed sites	(490,280)	10,950,969
Change in landfill closure and post-closure liability	-	(21,995,200)
Change in non-cash assets and liabilities		
Accounts receivable	(157,639)	1,114,486
Prepaid expenses	160,591	(545,592)
Accounts payable and accrued liabilities	(2,460,011)	2,740,141
Deferred revenue - obligatory reserve funds	752,733	(1,041,979)
Deferred revenue - other	114,125	33,829
Net change in cash from operating activities	31,056,282	32,754,349
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(53,556,746)	(45,645,922)
Proceeds on disposal of tangible capital assets	4,671,486	-
Net change in cash from capital activities	(48,885,260)	(45,645,922)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(79,232,233)	(97,012,985)
Disposal of investments	77,577,396	90,162,885
Net change in cash from investing activities	(1,654,837)	(6,850,100)
<b>FINANCING ACTIVITIES</b>		
Long term debt issued	3,181,193	-
Debt principal repayments	(1,071,453)	(1,182,560)
Short term advances	18,676,504	24,681,844
Net change in cash from financing activities	20,786,244	23,499,284
<b>NET CHANGE IN CASH</b>	1,302,429	3,757,611
<b>CASH - beginning of year</b>	7,745,587	3,987,976
<b>CASH - end of year</b>	9,048,016	7,745,587

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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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
- Northumberland Workforce Housing Corporation

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

#### (b) 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.

#### (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) 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, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	10 years
Land improvements - landfill	expected life of landfill
Buildings	50 to 75 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.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (e) 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.

#### (f) 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.

#### (g) 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.

##### Tax levy from lower tiers

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 14)

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

Investment income is recorded in the year in which it is earned.

Canada Community-Building Fund and development charges are recognized in the period in which the related expenditures are recorded.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (h) Employee Future Amounts Payable

The County provides certain employee benefits which will require funding in future periods. These benefits include benefits under the Workplace Safety and Insurance Board Act, extended health and dental benefits, sick leave and life insurances.

#### (i) Use of Estimates

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

- The amount recorded for asset retirement obligation is based on estimates of the assets with potential contaminants and management's estimate of the costs to retire those assets - See Note 1(j) and related costs added to tangible capital assets - See Note 1(d)
- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(d)
- Employee future amounts payable depend on certain actuarial and economic assumptions - See Note 1(h)
- Allowance for doubtful accounts receivable is based in management's estimate of future collectibility

#### (j) Asset Retirement Obligation

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

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

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the County has also been recognized based on estimated future expenses for remediation or disposal.

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

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (k) Financial Instruments

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

Financial Instrument	Measurement Method
Cash	Amortized Cost
Investments:	
Bonds	Amortized Cost
High interest savings	Fair Value
Accounts receivable	Amortized Cost
Short term advances	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Long term debt	Amortized Cost

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

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

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

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

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 2. CHANGES IN ACCOUNTING POLICIES

The County has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the County's consolidated financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the County's consolidated financial statements.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the County's consolidated financial statements.

### 3. TRUST FUNDS

Trust funds administered by the County amounting to \$154,212 (2023 - \$147,767) 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.

### 4. INVESTMENTS

Investments are comprised of the following:

	Level (note 1(k))	2024 \$	2023 \$
<b>Amortized Cost</b>			
Bonds		63,648,888	75,874,019
<b>Fair Value</b>			
BNS investment high interest savings account	1	53,220,818	44,788,651
Renaissance high interest savings account and investment cash account	1	5,835,788	387,987
		59,056,606	45,176,638
		122,705,494	121,050,657

For the investments currently recorded at fair value, fair value is equal to cost resulting in no unrealized gains or losses.

There were no transfers in or out of level 2 and level 3 during the year.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 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, 2024 totaled \$85,464,893 (2023 - \$66,788,389).

### 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:

	2024 \$	2023 \$
Canada Community-Building Fund	882,008	737,760
Development charges	3,752,197	3,143,712
	4,634,205	3,881,472

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

	2024 \$	2023 \$
Balance - beginning of year	3,881,472	4,923,451
Add amounts received:		
Canada Community-Building Fund	2,834,654	2,816,405
Development charges	1,006,974	1,547,614
Interest	121,692	136,330
	3,963,320	4,500,349
Less transfer to operations:		
Canada Community-Building Fund earned	2,729,078	4,878,844
Development charges earned	481,509	663,484
	3,210,587	5,542,328
Balance - end of year	4,634,205	3,881,472

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 7. 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 08-2024. At December 31, 2024 there was no balance outstanding (2023 - \$Nil).

### 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:

	2024	2023
	\$	\$
Ontario Infrastructure and Lands Corporation due September 3, 2049, repayable in blended semi-annual instalments of \$107,504 and bears interest at 4.58% per annum.	3,181,193	-
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.	571,439	717,632
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.	1,563,369	1,671,051
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.	392,070	515,708
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.	765,717	909,105
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.	2,150,624	2,553,351
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.	886,945	1,034,770
	9,511,357	7,401,617

- (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 \$208,840 (2023 - \$240,935).

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 8. LONG TERM DEBT, continued

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

	Principal \$	Interest \$	Total \$
2025	1,169,235	323,837	1,493,072
2026	1,201,110	289,775	1,490,885
2027	1,234,120	254,577	1,488,697
2028	1,040,375	219,169	1,259,544
2029	975,380	192,095	1,167,475
	5,620,220	1,279,453	6,899,673
2030 to 2034	1,400,847	732,891	2,133,738
2035 and subsequent years	2,490,290	916,689	3,406,979
	9,511,357	2,929,033	12,440,390

### 9. EMPLOYEE FUTURE AMOUNTS PAYABLE

The liability is comprised of the following amounts:

	2024 \$	2023 \$
WSIB	4,074,212	3,537,541
Health benefits	1,693,908	1,568,885
	5,768,120	5,106,426

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 \$4,074,212 (2023 - \$3,537,541) has been determined by an actuarial review completed as of December 31, 2023. 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	4.50%
WSIB administration and physician fees	20% of benefit costs
Expected level of increase in claims	0.01%
Expected average remaining service life	11 years

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 9. EMPLOYEE FUTURE AMOUNTS PAYABLE, continued

The continuity of the WSIB liability is as follows:

	2024	2023
	\$	\$
Accrued benefit obligation at January 1	4,918,725	4,051,647
Unamortized actuarial losses	(1,381,184)	(866,189)
Liability at January 1	3,537,541	3,185,458
Current year benefit cost	861,941	600,036
Interest	225,236	113,609
Amortization of actuarial loss/(gain)	138,412	79,323
Less: benefit payments	(688,918)	(440,885)
Liability at December 31	4,074,212	3,537,541

The liability for extended health care and sick leave benefits has been determined by an actuarial review completed as of December 31, 2023.

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

Discount rate	4.50%
Inflation rate	2.00%
Future salary escalation	3.00%
Future dental escalation	4.00%
Future health cost escalation	6.00% reducing to 4.00% in 2030

The continuity of the health benefits is as follows:

	2024	2023
	\$	\$
Accrued benefit obligation at January 1	2,228,728	1,525,696
Unamortized actuarial gains/(losses)	(659,843)	-
Liability at January 1	1,568,885	1,525,696
Current year benefit cost	116,524	100,414
Interest	99,873	49,482
Amortization of actuarial loss/(gain) (amortized over the expected average remaining service life)	43,786	-
Less: benefit payments	(135,160)	(106,707)
Liability at December 31	1,693,908	1,568,885

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 10. ASSET RETIREMENT OBLIGATION

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

#### (a) Landfill obligation

The County owns and operates nine landfill sites. The liability for the remaining closure costs of the one operational site as well as the post-closure costs for all sites has been recognized under PS 3280 – Asset Retirement Obligations. The costs have been estimated based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years after the closure date using a discount rate of 4.38% and an inflation rate of 3%. For the closed sites, there are between 11 and 15 years of remaining monitoring costs; however, the 25 year estimate could be extended based on the results of the monitoring. For the one operational site, the site is projected to close in 2034.

#### (b) Asbestos obligation

The County owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the County recognized an obligation relating to the removal of the asbestos in these building as estimated at January 1, 2023. The buildings have estimated useful lives between 5 and 25 years.

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

	Operational site	Closed sites	Landfills Total 2024	Landfills Total 2023
<b>Landfill closure and post-closure</b>	\$	\$	\$	\$
Opening balance	12,065,700	10,970,700	23,036,400	-
Adjustment on adoption of the asset retirement obligation standard	-	-	-	23,201,600
Opening balance, as restated	12,065,700	10,970,700	23,036,400	23,201,600
Post-closure costs incurred	-	(490,280)	(490,280)	(344,431)
Accretion expense	520,600	345,080	865,680	179,231
Closing balance	12,586,300	10,825,500	23,411,800	23,036,400
			Asbestos 2024	Asbestos 2023
<b>Asbestos obligation</b>			\$	\$
Opening balance			5,253,804	-
Adjustment on adoption of the asset retirement obligation standard			-	5,056,596
Opening balance, as restated			5,253,804	5,056,596
Accretion expense			-	197,208
Closing balance			5,253,804	5,253,804
Total			28,665,604	28,290,204

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 11. TANGIBLE CAPITAL ASSETS

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

	2024	2023
	\$	\$
General		
Land	13,158,939	14,363,886
Land improvements	13,757,090	14,849,770
Buildings	30,196,359	32,369,900
Equipment and computers	14,597,156	14,064,362
Vehicles	5,489,961	5,622,100
Infrastructure		
Roads and bridges	116,769,937	118,090,951
	193,969,442	199,360,969
Assets under construction	126,452,729	88,905,986
	320,422,171	288,266,955

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

During the year there were no write-downs of assets (2023 - \$Nil), interest capitalized of \$3,825,676 (2023 - \$2,742,785) and no contributed assets (2023 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2024	2023
	\$	\$
General government	18,335,041	18,241,819
Protection services	152,436	165,682
Transportation services	128,287,018	126,049,856
Environmental services	32,375,168	40,874,975
Health services	2,946,735	3,166,131
Social and family services	107,496,425	76,410,230
Social housing	28,681,690	21,187,491
Economic development, tourism and forest	2,147,658	2,170,771
	320,422,171	288,266,955

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 12. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2024	2023
	\$	\$
<b>Surplus/(Deficit)</b>		
County operations	76,835	-
Northumberland Workforce Housing Corporation	(76,835)	-
Unfunded employee future benefits liability	(5,768,120)	(5,106,426)
Unfunded operating costs	(56,424)	(30,162)
	(5,824,544)	(5,136,588)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	320,422,171	288,266,955
Long term debt	(9,511,357)	(7,401,617)
Unfunded capital - GPL rebuild (b)	(88,107,049)	(67,027,763)
Unfunded capital - Archives (b)	(1,630,801)	(1,560,020)
Unfunded capital - Other	(323,687)	-
Unfunded capital - Northumberland County Housing Corporation	(4,520,031)	(3,510,491)
Asset retirement obligation	(28,665,604)	(28,290,204)
	187,663,642	180,476,860
<b>Surplus</b>	181,839,098	175,340,272
<b>Reserves</b>		
Corporate services	44,258,892	34,117,452
Transportation services	27,839,539	22,447,463
Waste services	5,518,885	5,523,885
Social services	1,853,605	1,505,869
Social housing	12,191,320	13,062,798
Golden Plough Lodge	3,866,194	10,517,757
Ambulance services	2,258,496	1,589,238
Technological development	1,647,385	1,248,280
Emergency planning	414,518	379,518
Employee health, safety and related costs	6,286,616	7,352,524
Facilities	2,138,256	2,410,702
Economic development, tourism and forest	334,374	211,052
Plumbing and septic inspections	294,159	405,183
Landfill closure	2,750,000	2,550,000
Land use planning	261,555	211,554
<b>Total Reserves</b>	111,913,794	103,533,275
	293,752,892	278,873,547

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

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 13. FINANCIAL INSTRUMENTS

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

The County is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The County has interest rate exposure on its long term debt and investments. The exposure on its long term debt is low as they have a fixed interest rates. The County manages the exposure on its investments through highly liquid short term investments as well as bonds with varying maturity rates that are generally held to maturity.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The County reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The County monitors and assesses the collectability of accounts receivable based on past experience to derive a net realizable value.

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

### 14. 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:

	2024	2023
	\$	\$
Gross revenues	1,240,099	1,354,068
Operating costs and allocated charges	(1,296,874)	(1,229,856)
Net County revenue (expense)	(56,775)	124,212

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 15. EXPENSES BY OBJECT

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

	Budget 2024 \$ (note 17)	Actual 2024 \$	Actual 2023 \$
Salaries and benefits	61,710,325	58,616,353	52,992,001
Interest charges	309,983	208,840	240,935
Materials	21,401,087	23,052,691	21,330,187
Contracted services	22,605,537	20,439,368	19,694,127
Rents and financial	927,703	1,198,070	822,946
External transfers	32,419,443	32,653,320	28,430,228
Amortization	9,700,000	12,875,202	10,490,724
Loss (gain) on disposal of tangible capital assets	-	3,854,842	195
Landfill adjustment due to change in standards	-	-	(10,699,800)
	149,074,078	152,898,686	123,301,543

### 16. 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 2024 Annual Report disclosed total actuarial liabilities of \$142,489 million in respect of benefits accrued for service with actuarial assets of \$139,576 million indicating an actuarial deficit of \$2,913 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 total contributions to OMERS in 2024 were \$7,379,892 (2023 - \$6,626,144) of which \$3,689,946 (2023 - \$3,313,072) was contributed by employees.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 17. BUDGET FIGURES

The budget, approved by the County differs from the budget reflected on the Consolidated Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Council's approved budget to the annual surplus:

	2024 \$
Council approved budgeted surplus	-
Tangible capital asset additions	75,268,414
Amortization of tangible capital assets	(9,700,000)
Long term debt proceeds	(13,295,225)
Principal repayment of long term debt	1,316,405
Transfers to/(from) reserves	(15,284,117)
Change in employee future benefits	(1,000,000)
Change in unfunded capital	(26,994,570)
Annual surplus reported on the Consolidated Statement of Operations	10,310,907

### 18. 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.

### 19. 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 projected cost of the rebuild is \$144,928,664. Total costs of \$108,962,451 have been incurred to December 31, 2024.

The Northumberland County Housing Corporation has entered into agreements for the redevelopment of Elgin Park. The total projected costs for the various phases of the redevelopment is \$18,097,796. Total costs of \$14,488,738 have been incurred to December 31, 2024.

### 20. 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.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 20. SEGMENTED INFORMATION, continued

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.

#### **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.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 21. 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."

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2024

	General					Infrastructure		
	Land	Land	Buildings	Equipment and Computers	Vehicles	Roads and Bridges	Assets Under Construction	Totals
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Balance, beginning of year	14,363,886	17,251,694	73,510,625	29,954,380	18,137,912	209,902,141	88,905,986	452,026,624
Add: additions during the year	850,000	2,273,361	2,623,165	2,572,902	1,406,326	6,261,334	37,569,658	53,556,746
Less: disposals during the year	2,054,947	129,909	6,649,881	6,555,362	2,148,001	6,864,977	22,915	24,425,992
Balance, end of year	13,158,939	19,395,146	69,483,909	25,971,920	17,396,237	209,298,498	126,452,729	481,157,378
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	2,401,924	41,140,725	15,890,018	12,515,812	91,811,190	-	163,759,669
Add: additions during the year	-	3,366,041	1,968,987	1,533,664	1,492,213	4,514,297	-	12,875,202
Less: disposals during the year	-	129,909	3,822,162	6,048,918	2,101,749	3,796,926	-	15,899,664
Balance, end of year	-	5,638,056	39,287,550	11,374,764	11,906,276	92,528,561	-	160,735,207
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	13,158,939	13,757,090	30,196,359	14,597,156	5,489,961	116,769,937	126,452,729	320,422,171

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2024

	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	3,928,741	1,630,641	23,589,098	6,729,736	12,367,160	12,138,796	10,076,912	4,432,234	74,893,318
User charges	503,768	403,266	600,480	5,777,694	182,173	3,871,231	43,832	225,397	11,607,841
Government transfers - operating	225,722	553,015	-	-	11,725,597	42,415,850	3,276,583	635,769	58,832,536
Government transfers - capital	2,218	-	1,530,317	-	-	-	2,306,704	50,118	3,889,357
Other municipalities	-	-	1,514,696	57,874	-	-	-	-	1,572,570
Provincial Offenses Act - fines	-	1,240,099	-	-	-	-	-	-	1,240,099
Investment income	5,881,329	-	-	-	-	-	29,993	-	5,911,322
Waste Diversion	-	-	-	3,266,961	-	-	-	-	3,266,961
Rents	891,550	-	-	6,191	-	-	1,953,285	175,827	3,026,853
Development charges earned	17,919	-	86,767	34,817	-	117,154	224,852	-	481,509
Canada Community-Building Fund earned	-	-	2,729,078	-	-	-	-	-	2,729,078
Other	655	-	8,740	1,522	2,370	102,604	-	210,696	326,587
<b>Total revenues</b>	<b>11,451,902</b>	<b>3,827,021</b>	<b>30,059,176</b>	<b>15,874,795</b>	<b>24,277,300</b>	<b>58,645,635</b>	<b>17,912,161</b>	<b>5,730,041</b>	<b>167,778,031</b>
<b>Expenses</b>									
Salaries and benefits	11,246,734	1,559,632	5,090,820	2,514,817	14,979,126	19,853,149	915,901	2,456,174	58,616,353
Interest charges	121,584	-	-	74,387	-	12,869	-	-	208,840
Materials	4,098,155	255,053	5,337,670	1,304,042	1,797,444	5,640,112	3,875,890	744,325	23,052,691
Contracted services	2,458,565	1,527,858	3,014,683	9,068,256	479,573	2,079,769	837,583	973,081	20,439,368
Rents and financial	171,702	19,125	1,675	844,930	57,437	102,104	829	268	1,198,070
External transfers	-	-	-	-	3,008,182	23,856,218	5,663,420	125,500	32,653,320
Amortization	871,395	8,722	5,320,865	4,112,166	1,003,817	460,699	1,004,083	93,455	12,875,202
Loss (gain) on disposal of tangible capital assets	(2,679)	-	2,994,845	854,506	8,170	-	-	-	3,854,842
Internal transfers	(12,231,875)	615,780	857,875	1,197,190	1,995,615	4,157,597	2,713,543	694,275	-
<b>Total expenses</b>	<b>6,733,581</b>	<b>3,986,170</b>	<b>22,618,433</b>	<b>19,970,294</b>	<b>23,329,364</b>	<b>56,162,517</b>	<b>15,011,249</b>	<b>5,087,078</b>	<b>152,898,686</b>
<b>Net surplus/(deficit)</b>	<b>4,718,321</b>	<b>(159,149)</b>	<b>7,440,743</b>	<b>(4,095,499)</b>	<b>947,936</b>	<b>2,483,118</b>	<b>2,900,912</b>	<b>642,963</b>	<b>14,879,345</b>

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

	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	931,293	1,496,698	21,057,157	8,372,383	11,498,081	11,423,214	10,425,878	3,517,575	68,722,279
User charges	589,325	583,075	407,199	6,527,678	97,604	3,512,006	53,869	136,863	11,907,619
Government transfers - operating	127,728	452,304	-	-	10,575,412	35,344,820	3,686,658	451,462	50,638,384
Government transfers - capital	-	-	1,741,239	-	-	-	1,194,093	204,089	3,139,421
Other municipalities	-	-	1,687,926	66,243	-	-	-	-	1,754,169
Provincial Offenses Act - fines	-	1,354,068	-	-	-	-	-	-	1,354,068
Investment income	5,083,484	-	-	-	-	-	18,854	-	5,102,338
Waste Diversion	-	-	-	2,186,844	-	-	-	-	2,186,844
Rents	903,482	-	-	6,191	-	-	1,792,181	150,124	2,851,978
Development charges earned	26,613	-	98,370	34,974	37,734	170,655	295,138	-	663,484
Canada Community-Building Fund earned	-	-	4,878,844	-	-	-	-	-	4,878,844
Other	205	-	-	2,468	7,500	102,454	-	224,553	337,180
<b>Total revenues</b>	<b>7,662,130</b>	<b>3,886,145</b>	<b>29,870,735</b>	<b>17,196,781</b>	<b>22,216,331</b>	<b>50,553,149</b>	<b>17,466,671</b>	<b>4,684,666</b>	<b>153,536,608</b>
<b>Expenses</b>									
Salaries and benefits	8,464,988	1,401,037	4,103,440	4,362,441	13,405,815	18,293,734	875,509	2,085,037	52,992,001
Interest charges	134,883	-	-	87,338	3,183	15,531	-	-	240,935
Materials	3,305,848	236,003	5,517,373	1,940,420	1,741,477	4,914,837	2,883,295	790,934	21,330,187
Contracted services	2,316,826	1,551,846	3,666,482	8,705,635	225,896	1,338,439	785,100	1,103,903	19,694,127
Rents and financial	212,051	20,840	18,318	183,201	27,950	114,622	245,964	-	822,946
External transfers	-	-	-	-	2,879,339	19,775,258	5,664,631	111,000	28,430,228
Amortization	861,235	8,233	5,046,560	2,103,400	960,550	475,980	949,119	85,647	10,490,724
Loss (gain) on disposal of tangible capital assets	-	-	195	-	-	-	-	-	195
Internal transfers	(10,158,136)	708,770	832,733	1,183,588	1,590,527	3,168,611	2,095,391	578,516	-
Landfill adjustment due to change in standards	-	-	-	(10,699,800)	-	-	-	-	(10,699,800)
<b>Total expenses</b>	<b>5,137,695</b>	<b>3,926,729</b>	<b>19,185,101</b>	<b>7,866,223</b>	<b>20,834,737</b>	<b>48,097,012</b>	<b>13,499,009</b>	<b>4,755,037</b>	<b>123,301,543</b>
<b>Net surplus/(deficit)</b>	<b>2,524,435</b>	<b>(40,584)</b>	<b>10,685,634</b>	<b>9,330,558</b>	<b>1,381,594</b>	<b>2,456,137</b>	<b>3,967,662</b>	<b>(70,371)</b>	<b>30,235,065</b>

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## **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, 2024, 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 financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2024, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Qualified Opinion*

In common with many municipal trust funds, the completeness of the revenue derived from resident receipts and donations 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. Therefore, we were not able to determine whether any adjustments might be necessary to resident receipts and donations for the years ended December 31, 2024 and 2023, and assets and fund balances as at December 31, 2024 and 2023. Our opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

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

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

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

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

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

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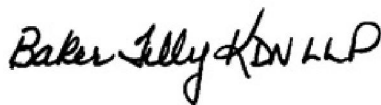
### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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



Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
July 18, 2025

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2024

	Blacklock Bequest \$	Safekeeping Pensioners \$	2024 Total \$	2023 Total \$
<b>FINANCIAL ASSETS</b>				
Cash	763	22,022	22,785	22,096
Investment (note 3)	131,427	-	131,427	125,671
	132,190	22,022	154,212	147,767
<b>FUND BALANCES</b>				
Due to Residents	-	22,022	22,022	21,371
Bequests	132,190	-	132,190	126,396
	132,190	22,022	154,212	147,767

## TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2024

	Blacklock Bequest \$	Safekeeping Pensioners \$	2024 Total \$	2023 Total \$
<b>BALANCES - beginning of year</b>	126,396	21,371	147,767	145,881
<b>RECEIPTS</b>				
Residents' contributions	-	28,482	28,482	27,841
Interest earned	5,794	-	5,794	5,388
	5,794	28,482	34,276	33,229
<b>EXPENSES</b>				
Residents' personal costs	-	27,831	27,831	31,343
<b>BALANCES - end of year</b>	132,190	22,022	154,212	147,767

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

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## TRUST FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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#### 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 fair value 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, 2024**

**Baker Tilly KDN LLP**  
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## **INDEPENDENT AUDITOR'S REPORT**

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**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, 2024, the statements of operations and accumulated surplus, change in net debt 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, 2024, 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.

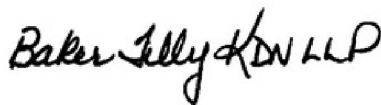
### *Auditor's Responsibilities for the Audit of the Financial Statements*

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  
July 18, 2025

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NORTHUMBERLAND COUNTY HOUSING CORPORATION STATEMENT OF FINANCIAL POSITION At December 31, 2024

	2024 \$	2023 \$
<b>FINANCIAL ASSETS</b>		
Accounts receivable	391,220	49,842
<b>LIABILITIES</b>		
Accounts payable	62,220	24,567
Due to County (note 6)	2,496,177	998,241
Deferred revenue	46,946	80,090
Asset retirement obligation (note 3)	3,349,114	3,349,114
Long term debt (note 5)	3,181,193	-
<b>TOTAL LIABILITIES</b>	9,135,650	4,452,012
<b>NET DEBT</b>	(8,744,430)	(4,402,170)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	22,348,114	17,895,957
<b>ACCUMULATED SURPLUS (note 4)</b>	13,603,684	13,493,787

*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, 2024

	Budget 2024 \$ (note 8)	Actual 2024 \$	Actual 2023 \$
<b>REVENUES</b>			
County contributions (note 6)			
Levy contribution	4,229,702	4,451,406	3,682,190
Capital contribution	-	-	2,686,867
Government of Canada	1,168,510	-	929,573
Province of Ontario	-	548,792	4,515
Rent	1,927,444	1,953,285	1,792,181
Development charges earned	-	224,852	295,138
Interest	12,000	29,993	18,854
Other	22,000	33,082	46,119
<b>TOTAL REVENUES</b>	<b>7,359,656</b>	<b>7,241,410</b>	<b>9,455,437</b>
<b>EXPENSES</b>			
Materials and supplies	22,350	23,941	39,548
Insurance	130,509	131,602	104,441
Professional fees	107,000	54,938	134,445
Utilities	975,339	786,325	708,616
Property tax	603,984	538,330	535,858
Repairs and maintenance	831,900	1,411,113	951,668
Major repairs	1,008,500	627,999	631,600
Financial expenses	124,138	829	120,251
Internal chargebacks			
Allocated administrative services (note 6)	721,486	734,174	700,131
Allocated maintenance services (note 6)	1,780,064	1,862,762	1,519,382
Accretion	-	-	125,713
Amortization	710,000	959,500	949,119
<b>TOTAL EXPENSES</b>	<b>7,015,270</b>	<b>7,131,513</b>	<b>6,520,772</b>
<b>ANNUAL SURPLUS</b>	<b><u>344,386</u></b>	<b>109,897</b>	<b>2,934,665</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>13,493,787</b>	<b>10,559,122</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>13,603,684</b>	<b>13,493,787</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 DEBT For the Year Ended December 31, 2024

	Budget 2024 \$ (note 8)	Actual 2024 \$	Actual 2023 \$
<b>ANNUAL SURPLUS</b>	344,386	109,897	2,934,665
Amortization of tangible capital assets	710,000	959,500	949,119
Acquisition of tangible capital assets	(6,688,314)	(5,411,657)	(7,398,376)
<b>CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)</b>	(5,633,928)	(4,342,260)	(3,514,592)
<b>NET FINANCIAL ASSETS/(NET DEBT) - beginning of year</b>	(4,402,170)	(4,402,170)	2,335,823
<b>ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD</b>	-	-	(3,223,401)
<b>NET DEBT - beginning of year, as restated</b>	(4,402,170)	(4,402,170)	(887,578)
<b>NET DEBT - end of year</b>	(10,036,098)	(8,744,430)	(4,402,170)

*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, 2024

	2024	2023
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	109,897	2,934,665
Items not involving cash		
Amortization of tangible capital assets	959,500	949,119
Accretion expense	-	125,713
Change in non-cash assets and liabilities		
Accounts receivable	(341,378)	87,354
Due from County	-	2,722,324
Accounts payable	37,653	(17,797)
Due to County	1,497,936	998,241
Deferred revenue	(33,144)	(401,243)
Net change in cash from operating activities	2,230,464	7,398,376
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(5,411,657)	(7,398,376)
<b>FINANCING ACTIVITIES</b>		
Long term debt issued	3,181,193	-
<b>NET CHANGE IN CASH</b>	-	-
<b>CASH - beginning of year</b>	-	-
<b>CASH - end of year</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, 2024

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#### 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) 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:

- Asset retirement obligation is based on estimated future costs - See Note 1(i) and related costs added to tangible capital assets - See Note 1(e)
- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(e)
- Allowance for doubtful accounts receivable is based in management's estimate of future collectibility

##### (c) 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.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NORTHUMBERLAND COUNTY HOUSING CORPORATION NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

---

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) Financial Instruments

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

Financial Instrument	Measurement Method
Accounts receivable	Amortized Cost
Accounts payable	Amortized Cost
Due to County	Amortized Cost
Long term debt	Amortized Cost

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

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

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

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

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NORTHUMBERLAND COUNTY HOUSING CORPORATION NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

---

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (e) 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, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	10 years
Buildings	50 to 75 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.

#### (f) 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.

#### (g) 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.

#### (h) 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.

#### (i) Asset Retirement Obligation

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

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

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

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

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NORTHUMBERLAND COUNTY HOUSING CORPORATION NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

### 2. TANGIBLE CAPITAL ASSETS

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

	Land and Land Improvements	Buildings	Equipment	Assets Under Construction	2024 Totals	2023 Totals
	\$	\$	\$	\$	\$	\$
<b>COST</b>						
Balance, beginning of year	2,308,617	36,949,808	1,524,536	685,151	41,468,112	33,223,522
Add: additions during the year	-	72,051	-	5,339,606	5,411,657	7,398,376
Less: disposals during the year	-	-	-	-	-	2,377,187
Add: Asset retirement obligation	-	-	-	-	-	3,223,401
Balance, end of year	2,308,617	37,021,859	1,524,536	6,024,757	46,879,769	41,468,112
<b>ACCUMULATED AMORTIZATION</b>						
Balance, beginning of year	171,628	23,332,481	68,046	-	23,572,155	25,000,223
Add: additions during the year	45,109	852,096	62,295	-	959,500	949,119
Less: disposals during the year	-	-	-	-	-	2,377,187
Balance, end of year	216,737	24,184,577	130,341	-	24,531,655	23,572,155
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>						
	2,091,880	12,837,282	1,394,195	6,024,757	22,348,114	17,895,957

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NORTHUMBERLAND COUNTY HOUSING CORPORATION NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

### 3. ASSET RETIREMENT OBLIGATION

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

#### (a) Asbestos obligation

The Corporation owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS3280 – Asset retirement obligations, the Corporation recognized an obligation relating to the removal of the asbestos in these building as estimated at January 1, 2023. The buildings have estimated useful lives between 5 and 25 years.

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

	Asbestos 2024 \$	Asbestos 2023 \$
Asbestos obligation		
Opening balance	3,349,114	-
Adjustment on adoption of the asset retirement obligation standard	-	3,223,401
Opening balance, as restated	3,349,114	3,223,401
Accretion expense	-	125,713
Closing balance	3,349,114	3,349,114

### 4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 \$	2023 \$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	22,348,114	17,895,957
Long term debt	(3,181,193)	-
Asset retirement obligation	(3,349,114)	(3,349,114)
Unfunded capital - Elgin Park	(4,520,031)	(3,510,491)
<b>Surplus</b>	11,297,776	11,036,352
<b>Reserve</b>		
Operations	2,305,908	2,457,435
	13,603,684	13,493,787

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NORTHUMBERLAND COUNTY HOUSING CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

#### 5. LONG TERM DEBT

(a) Long term debt consists of the following:

	2024	2023
	\$	\$
Ontario Infrastructure and Lands Corporation due September 3, 2049, repayable in blended semi-annual instalments of \$107,504 and bears interest at 4.58% per annum.	3,181,193	-

(b) The long term debt in (a) issued in the name of the County has been approved by by-law. The annual principal and interest payments required to service this liability is within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

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

	Principal	Interest	Total
	\$	\$	\$
2025	70,104	144,905	215,009
2026	73,351	141,658	215,009
2027	76,749	138,260	215,009
2028	80,305	134,704	215,009
2029	84,025	130,984	215,009
2030 to 2034	482,244	592,801	1,075,045
2035 and subsequent years	2,314,415	910,718	3,225,133
	3,181,193	2,194,030	5,375,223

#### 6. 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. In addition, the County approved a further contribution to the Corporation during the year. These contributions are identified on the Statement of Operations and Accumulated Surplus.

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

	2024	2023
	\$	\$
Allocated costs:		
Internal chargebacks - allocated administrative service	734,174	700,131
Internal chargebacks - allocated maintenance services	1,862,762	1,519,382
	2,596,936	2,219,513

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.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NORTHUMBERLAND COUNTY HOUSING CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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#### 7. CHANGES IN ACCOUNTING POLICIES

The Corporation has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Corporation's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Corporation's financial statements.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Corporation's financial statements.

#### 8. BUDGET FIGURES

The budget, approved by the Corporation differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Corporation's approved budget to the annual surplus:

	2024
	\$
Corporation approved budgeted surplus	-
Tangible capital asset additions	6,688,314
Amortization of tangible capital assets	(710,000)
Long term debt proceeds	(4,910,840)
Principal repayment of long term debt	45,765
Transfers to/(from) reserves	(768,853)
Annual surplus reported on the Statement of Operations	344,386

#### 9. COMMITMENT

The Corporation has entered into agreements for the redevelopment of Elgin Park. The total projected costs for the various phases of the redevelopment is \$18,097,796. Total costs of \$14,488,738 have been incurred to December 31, 2024.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

## NORTHUMBERLAND COUNTY HOUSING CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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#### 10. FINANCIAL INSTRUMENTS

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

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Corporation has interest rate exposure on its long term debt. This exposure is low as the long term debt has a fixed interest rates.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

The Corporation reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The Corporation monitors and assesses the collectability of accounts receivable based on past experience to derive a net realizable value.

In the opinion of management, the Corporation is not exposed to any significant interest rate, currency, market or liquidity risks.