



# 2019 Annual Financial Report





Northumberland  
county

# 2019 Annual Financial Report

## Fiscal year ending December 31, 2019

The 2019 Annual Financial Report has been prepared in an electronic format and is available on the County's website at [Northumberland.ca/2019AnnualReport](http://Northumberland.ca/2019AnnualReport).

**The Corporation of the County of Northumberland Financial Report 2019**  
**For the fiscal year ending December 31, 2019**  
**Cobourg, Ontario, Canada**

Not for reproduction without permission.

## Accessibility

Northumberland County is committed to complying with the Accessibility for Ontarians with Disabilities (AODA) Act and all standards under it in order to create a barrier-free Ontario. The County is committed and guided by the four core principles of dignity, independence, integration and equal opportunity, and supports the full inclusion of persons as set out in the Canadian Charter of Rights and Freedoms, and the AODA.

This document is available in an accessible format, upon request.

# Table of Contents

## County Overview

Who We Are .....	1
Where to Find Us.....	2
The County at a Glance .....	3
What We Offer .....	5
Special Places .....	6
2018-2022 County Council.....	7
Warden's Letter .....	9
Meet our Leadership Team .....	11
CAO's Letter.....	12
What We Do .....	14
Treasurer's Letter .....	18

## 2019 Highlights

Economic Prosperity and Innovation .....	21
Sustainable Growth.....	22
Thriving and Inclusive Communities.....	23
Leadership in Change.....	24
Policy and Strategy Updates.....	25
Community Engagement .....	26

## 2020 Priorities

Looking Ahead to 2020.....	28
----------------------------	----

## Financial Overview

Financial Management .....	31
Financial Results Overview.....	33
Capital Projects Overview .....	35

## 2019 Financial Statements

Consolidated Financial Statements.....	37
--	----

## Get Involved

Volunteer with the County .....	79
Connect with the County .....	80





# County Overview

# Who We Are

## Vision

To bring together people, partnerships and possibilities for a strong and vibrant Northumberland County.

## Mission

To be a best practices leader of County government, and a collaborative partner with our member municipalities and community partners.

## Values

The County has a set of values—shared beliefs—that guide us toward our ultimate goals and unite us along the way. In all of our actions and decision-making, we reference these values:

- Accountability
- Care and Support
- Collaboration and Communication
- Honesty and Integrity
- Innovation and Excellence
- Mutual Trust and Respect



# Where to Find Us



The County of Northumberland is the upper tier level of municipal government that weaves together seven diverse, yet complementary municipalities:

Township of Alnwick/Haldimand

[www.alnwickhaldimand.ca](http://www.alnwickhaldimand.ca)

Municipality of Brighton

[www.brighton.ca](http://www.brighton.ca)

Town of Cobourg

[www.cobourg.ca](http://www.cobourg.ca)

Township of Cramahe

[www.cramahe.ca](http://www.cramahe.ca)

Township of Hamilton

[www.hamiltontownship.ca](http://www.hamiltontownship.ca)

Municipality of Port Hope

[www.porthope.ca](http://www.porthope.ca)

Municipality of Trent Hills

[www.trenthills.ca](http://www.trenthills.ca)

We also value our long-standing relationship with Alderville First Nation | [www.alderville.ca](http://www.alderville.ca)

# The County at a Glance

## How to find us



drive from Toronto  
and Kingston



drive from most  
large northeastern  
cities in the US



access from Lake  
Ontario, Rice Lake &  
Trent-Severn Waterways

Northumberland County is a thriving, south-eastern Ontario community. It is easily accessible from Highway 401, exits 45 (Port Hope) through to 509 (Brighton).



POPULATION  
**90,437**

PROJECTED  
POPULATION FOR 2019



EMPLOYMENT  
**47,435**

TOTAL EXPERIENCES  
LABOUR FORCE (2015)

TOURISM  
REVENUE  
**\$122 M**

FROM CANADIAN VISITORS





## 2019 tax rates (County only)\*



RESIDENTIAL

**0.00473056**



MULTI-RESIDENTIAL

**0.00946113**



COMMERCIAL

**0.00716775**



INDUSTRIAL

**0.01102221**

(\*\*MUNICIPAL AND EDUCATION IN ADDITION)

## Our services in 2019



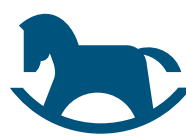
**519+**

LINEAR  
METRES OF  
ARCHIVAL  
MATERIALS



**39,000**

CURBSIDE  
WASTE  
COLLECTION  
STOPS/WEEK



**8**

EARLYON  
CHILD AND  
FAMILY  
CENTRES



**151**

BEDS IN OUR  
LONG-TERM  
CARE HOME



**344**

COMMUNITY  
HOUSING  
UNITS  
MAINTAINED



**6**

PARAMEDIC  
BASES AND  
**25,000+**  
CALLS/YEAR



**34**

COUNTY  
FACILITIES



**5,424**

ACRES OF  
COUNTY  
FOREST

# What We Offer



**175 km**  
BIKE LANES



**118 km**  
OF TRAILS IN THE  
COUNTY FOREST  
INCLUDING  
**4 km**  
OF ACCESSIBLE  
TRAILS

**503 km**  
OF COUNTY  
ROADS

## Diverse scenery

A range of living experiences from historic towns to scenic rural areas.

## Outdoor adventures

37 trails, 15 conservation areas, two forests, two provincial parks, one nature reserve, and access to the Trent-Severn Waterway and Lake Ontario. World-class cycling routes and some of the best diverse places to fish in Southern Ontario.

## A beautiful place to relax

The rolling hills feature historic inns, B&Bs and destination spas.

## Vibrant arts and culture

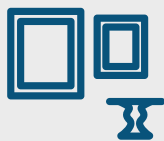
Historic main streets, exceptional architecture, festivals, music and art galleries, and unique performance venues.

## Farm fresh destinations

Specialty outlets, craft breweries, the Butter Tart Tour, and farm fresh destinations.



# Special Places



**700+**  
ARTEFACTS AT  
OUR ARCHIVES  
& MUSEUM



**7.3 M+**  
POTENTIAL  
TOURISTS  
WITHIN A  
3 HOUR DRIVE

**600+**  
TOURISM  
BUSINESSES

## Picturesque Port Hope

Historic lakeshore, early churches and unique downtown.

## Cobourg and Rice Lake

Roseneath carousel, Gores Landing Warf, and Cobourg waterfront and historic downtown.

## Rolling Hills, Adventures and Arts

Shops brimming with treasures, and historic and natural sites.

## Beaches, Barns and the Big Apple

Wicklow and Presqu'île beaches, Proctor House, the Barn Theatre, the Big Apple and the Apple Route.

## Trent Hills Charm

Chocolate and cheese factories, local craft beer and river-side towns.





# 2018-2022 County Council



Gail Latchford  
Mayor of the Township  
of Alnwick/Haldimand

Brian Ostrander  
Mayor of the Municipality  
of Brighton

Bob Crate  
Mayor of the Municipality  
of Trent Hills





Bob Sanderson  
2020 County Warden  
and Mayor of the  
Municipality of Port Hope

Bill Cane  
Mayor of the Township  
of Hamilton

John Henderson  
Mayor of the Town  
of Cobourg

Mandy Martin  
Mayor of the Township  
of Cramahe



# Warden's Letter



Northumberland County Council sets direction based on the important priorities and goals outlined in the 2019-2023 Strategic Plan. The path forward for fostering a strong and vibrant Northumberland is marked by the pillars of Economic Prosperity and Innovation, Sustainable Infrastructure, Thriving & Inclusive Community, and Leadership in Change.

2019 was this Council's first full year in office. Over the course of this year, we worked together to tackle many challenges and cultivate new opportunities for our community in line with this Plan.

- With a critical need for affordable housing in our community, as in communities across Ontario, the County was pleased to release an Affordable Housing Strategy in

2019, designed to help stimulate the development of public, private and non-profit rental housing. And, demonstrating a commitment to concrete actions, we announced plans for the redevelopment of community housing on Elgin Street East, and the purchase of land on Ontario Street, in Cobourg to increase the number of subsidized and market rental housing units in Northumberland.

- We made significant progress on major infrastructure initiatives. We retained an architect to commence detailed design of the new Campbellford Bridge; we came one step closer to construction of the new Golden Plough Lodge and Northumberland County Archives & Museum with the completion of a detailed design; and we welcomed the community to the grand opening of a new EarlyON and Child Care Centre in Grafton.
- Beyond infrastructure work, the County continued to focus on developing and diversifying our workforce and fostering entrepreneurship. 800 businesses received support through the Business & Entrepreneurship Centre in 2019, resulting in 54 new business start-ups and the creation of 133 jobs for our community. With funding from



the federal government, we announced a partnership with the Ontario East Economic Development Commission, along with local community partners, to support 225 women entrepreneurs in Eastern Ontario—45 of whom will be based in Northumberland—to start and grow their own business. And we also announced dedicated Settlement Services—thanks to three-year federal funding—to support new Canadian attraction and retention.

- We also continued to explore opportunities in 2019 to improve service delivery and achieve savings for taxpayers through innovative shared service models. The County's Information Technology Department now provides IT support services for three of our member municipalities along with two local police services. In addition, our Transportation division surface-treated 143 kilometers of roadway across Northumberland in 2019, with 135 of these kilometers completed for member municipalities. It is estimated that, by working together on this joint surface-treatment program, we collectively achieved savings of nearly \$700,000 – or nearly \$5000 per kilometer.

Respectful of our long-standing relationship with the traditional keepers of this land, Northumberland County Council was honoured to continue learning about the history of Alderville First Nation and the Mississauga Anishinabeg through a joint meeting of our two councils in the fall of 2019. County Council looks forward to exploring new ways of working with our Alderville neighbours going forward, and further strengthening our partnership.

Council, staff and community partners worked together to push the envelope and deliver outcomes for our residents and businesses in 2019. I believe that this spirit of collaboration, determination and drive for results was a bellwether for our response to the emergence of COVID-19 in our community in early 2020.

From the outset, our focus has been on continuing to provide essential services for our residents while ensuring we have measures in place to protect staff and support community action against the spread of COVID-19 in Northumberland. Our Emergency Control Group—comprised of our CAO, Community Emergency Management Coordinator and the Directors of the organization—has demonstrated enormous leadership in steering the organization through this crisis. And I want to recognize our staff for overcoming significant challenges and persevering to sustain our operations.

Because of our community's hard work to date, the number of COVID-19 cases locally remains low. I urge everyone to stay the course with the strategies that have helped us to achieve these results: practice good hand hygiene, maintain physical distancing where possible, and—where this is not possible—please wear a non-medical face mask to minimize the spread of infection.

Going forward, County Council is mindful of the need to balance effective municipal operations with the pressures facing local ratepayers. As we turn our attention towards recovery and renewal efforts, we will be guided by our Strategic Plan priorities and the County Core Values.

*Bob Sanderson*  
Northumberland County Warden

# Meet our **Leadership** Team



**Jennifer Moore**  
Chief Administrative Officer (CAO)



**Lisa Ainsworth**  
Director,  
Corporate  
Services



**Dan Borowec**  
Director,  
Economic  
Development &  
Tourism



**Kate Campbell**  
Director,  
Communications



**Clare Dawson**  
Administrator,  
Golden Plough  
Lodge



**Glenn Dees**  
Director, Finance/  
Treasurer



**William Detlor**  
Chief,  
Northumberland  
Paramedics



**Lisa Horne**  
Director,  
Community &  
Social Services



**Mobushar Pannu**  
Director,  
Transportation,  
Waste & Facilities



**Tony Paulic**  
Director,  
Information  
Technology

# CAO's Letter

---



I am pleased to share Northumberland County's 2019 Annual Report, which highlights the capital investments and the key initiatives that are helping to shape a thriving community.

Throughout 2019 we made significant strides in achieving objectives outlined in the County's 2019-2023 Strategic Plan. We continued to reinforce a philosophy of continuous improvement in our operations through the increasing integration of 'Lean' practices, eliminating waste from processes to increase value for taxpayers. Several project teams across the organization got started on assessing and streamlining processes related to service agreements, accounts payable, joint tenders, and fleet management, among others, and we have adopted new tools to track these

projects so we can report on the impacts they deliver in 2020 and beyond.

Recognizing that partnerships are essential for delivering the services our residents need and expect, we were proud to be part of several significant collaborations that have generated results for the community. Following several months of planning and collaboration amongst local health and social care partners to form an Ontario Health Team of Northumberland (OHT-N), on December 6, 2019 Deputy Premier and Minister of Health Christine Elliott confirmed the OHT-N as one of the first 24 OHTs in the Province. We also broke ground on a new joint fire/paramedic base in Campbellford in collaboration with the Municipality of Trent Hills, and we welcomed the community to the grand opening of a similar base in Roseneath—a partnership with the Township of Alnwick/Haldimand.

Responding to continuous rapid advancements in technology, Northumberland County launched a Digital Strategy in 2019. This strategy sets out a roadmap for digital modernization activities that will best meet the evolving needs and expectations of the community. This includes development of a Broadband Strategic Plan for tackling gaps in internet service in our community, with an RFP awarded in July 2020



to begin this work. In this same vein, we also continued to support the efforts of the Eastern Ontario Regional Network (EORN) to expand the reach and quality of cellular data services in Eastern Ontario, supporting future business investment, jobs and quality of life.

As we acknowledge and celebrate these advancements over the last year, reflection also prompts me to consider how quickly things can change. The declaration of a global pandemic in March 2020 represented an unprecedented moment for our organization and our community that required an immediate refocus of current priorities. In coordination with our member municipalities and community partners, we took steps to prioritize the health and safety of staff and residents by implementing response measures across our operations.

There was a need for Northumberland County to act swiftly in the early days of COVID-19, even as we were still learning about the implications of this virus. Our Community & Social Services team coordinated with community partners to set up —within 48 hours— a temporary shelter at Cobourg Collegiate Institute for individuals experiencing homelessness. Northumberland Paramedics joined forces with Northumberland Hills Hospital and the Trent Hills Family Health Team to

expand COVID-19 testing out in the community. Our Legislative Services team incorporated changes from new legislation into Council procedures and launched our first-ever virtual County Council meetings. And our Economic Development Team supported the mandate of the industry-led Northumberland Economic Recovery Task Force in developing measures to help local businesses rebuild.

This is but a small snapshot of a much larger effort that has been underway to support our community throughout this exceptional period. I want to express my sincere appreciation to our staff who, despite facing enormous personal and professional pressures as this unique situation has unfolded, have risen to this challenge and demonstrated tremendous adaptability, resilience and teamwork in the service of our community. This journey will not be a sprint, but rather a marathon. As this virus continues to circulate, we will continue to balance the provision of services on which our residents rely with the implementation of precautions to preserve resident and staff health and well-being.

Creating possibilities for our community will remain a primary motivation for us in 2020 and beyond, as we strive to innovate and strengthen the municipal services we provide to the residents of Northumberland County.



Chief Administrative Officer  
Northumberland County

**Creating possibilities** for our community will remain a primary motivation for us in 2020 and beyond.

# What We Do

## Communications



### Communications and media relations

- Provides communications planning, project management and media relations services
- Ensures a coordinated, best-practice approach to informing residents and stakeholders about County programs, services and priorities, and fostering public engagement with local government



### Creative services and corporate identity

- Produces layout and design, photography and videography
- Coordinates consistent messaging, visuals, style guides, and brand identity



### Grant writing

- Identifies grant opportunities and develops proposals to secure funding from other levels of government and external sources for municipal initiatives

## Community & Social Services



### Community outreach & health and wellness supports

- Operates Community Service Hubs throughout the county to meet multiple client needs at a single location, making social services more accessible



### Family and children support programs

- Oversees system planning for licensed child care services and EarlyON Child and Family Centre programming in the County



### Financial and employment support

- Provides social assistance services and employment programs



### Food security programs

- Operates Food 4 All, a centralized food distribution warehouse

### Homelessness support programs

- Develops and implements the Ten Year Housing and Homelessness Plan

### Social and affordable housing programs

- Administers Community Housing and affordable housing programs
- Works to implement the strategic vision of the Northumberland County Housing Corporation (NCHC) Board of Directors

## Corporate Services



### Accessibility

- Works with the Northumberland Accessibility Advisory Committee and Inter-Municipal Accessibility Committee to develop policies, practice and procedures related to accessible and inclusive service delivery



### County clerk and legislative services

- Records and maintains official Council records of agendas, minutes, resolutions, by-laws and other proceedings of Council and Committees
- Oversees a broad range of responsibilities related to County Council



### County Forest

- Manages approximately 5,500 acres of mainly forested land including 118 km of trails and 4 km of accessible trails



### Health, safety and emergency planning

- Ensures a safe and health working environment by adhering to occupational health and safety legislation and regulations
- Conducts hazard identification, emergency planning training and control measures



### Human resources

- Manages payroll and recruitment processes



### Records management & cultural heritage

- Manages corporate archival records and provides leadership and support across corporation with respect to management of corporate information assets
- Operates the Northumberland County Archives and Museum

## Economic Development, Land Use Planning & Tourism



### Business services

- Operates the Business & Entrepreneurship Centre of Northumberland
- Provides agriculture and agri-food services including the operation of the Ontario Agri-Food Venture Centre (OAFVC)



### Economic development

- Fosters economic prosperity and innovation by providing leadership for manufacturing attraction and other economic development activities
- Provides settlement services and New Canadian investment and attraction

### Land use planning

- Provides land use planning and environmental inspection services



### Tourism

- Markets Northumberland County as a travel destination



## Finance & Treasury



### Court services

- Processes Provincial Offences Act (POA) charges and administers court services related to POA matters



### Finance

- Develops budgets including operating and capital financial plans
- Records and reports all financial transactions, collection and investments
- Performs purchasing functions and implements financial policies and internal controls
- Conducts risk management

## Information Technology



### Digital strategy

- Provides strategic technology leadership and guidance to the County



### Digital data protection and cybersecurity

- Ensures security and risk management of the County's technology assets and information



### Technical support

- Delivers helpdesk and technical support, business relationship management, and IT project and implementation expertise
- Maintains a state of good repair of the technology infrastructure (network, server, storage, software and user computing devices)
- Provides managed IT services to a number of member municipalities and organizations

## Long term care: Golden Plough Lodge



### Accommodation

- Provides a home for adults whose needs can no longer be met within the community
- Provides lodging, food services and environmental services for residents



### Hospitality

- Committed to supporting individuals to maintain a life with purpose, dignity, choice and respect
- Offers recreational, active, social and spiritual programming



### Health

- Provides clinical nursing care and therapeutic, social work, pharmaceutical, and physician services
- Provides assistance with activities of daily living

# Northumberland Paramedics



## Pre-hospital healthcare

- Provides emergency health care to County residents and visitors, and transports those in need of further medical care to appropriate medical facilities



## Training and public education

- Ensures that all Paramedics maintain current health care skills to ensure quality of care and continuous improvement
- Delivers community programs to educate the public on Northumberland Paramedics and the use of Emergency Medical Services and 911

# Transportation, Waste & Facilities



## Facilities

- Leads the oversight of all County-owned facilities including buildings, infrastructure and grounds
- Oversees and supports large-scale capital construction projects
- Maintains Northumberland County Housing Corporation facilities



## Transportation

- Maintains County roads, bridges, culverts, traffic signals, street lighting, trails and drainage systems
- Provides summer and winter maintenance, roadside safety maintenance, traffic control, surface treatment program for County and member municipal roads, and fleet management for all County departments



## Waste Management

- Responsible for the collection, processing and disposal of waste and recyclables (including organic waste, yard waste, household hazardous waste and electronic waste)
- Services include maintenance and operation of:
  - One recycling plant (the Material Recovery Facility)
  - Two waste transfer stations
  - One operational landfill site
  - Eight closed landfill sites

# Treasurer's Letter



It is a pleasure to present this Annual Report for the fiscal year ending December 31, 2019. This report details how Northumberland County Council and staff have invested taxpayer dollars to manage the infrastructure and deliver the services that contribute to quality of life in our community.

In 2019, Northumberland County Council approved a budget of \$123 million, including \$17.5 million for capital investments, \$98.7 million for core services and \$6.8 million for reserves towards the future financing of identified strategic initiatives and infrastructure needs. The largest proportion of capital spending was an investment of \$10.4 million in construction and maintenance of our road and bridge network, with smaller amounts dedicated to Waste

Services for an organic waste transfer station and the continuation of an Environmental Assessment addressing alternatives for the future management of residual waste, and major projects such as architectural and design work for the redevelopment of the Golden Plough Lodge and Northumberland County Archives and Museum, and construction of an emergency services base in Campbellford.

All of this amounted to a 2.3 per cent tax levy—less than the 2.5 per cent target originally set by Council.

When looking at key indicators of our financial performance, we see that the overall Net Financial Assets decreased slightly over 2018. Although there was continued improvement in Financial Assets as evidenced by increased financial liquidity, an increase to the estimated liability for future landfill closure and post closure costs has negated this along with the acquisition of new debt as was anticipated for the Brighton Landfill expansion and the new Roseneath Emergency Services Base. However, growth of Net Financial Assets has been fairly consistent over the past nine years, thus eliminating a net liability position from 2010. 2019 also logged a continued positive trend of increased Accumulated Surplus, strengthening the stability of County reserves, the management of debt, expansion of capital assets and

building financial capacity to address future needs.

The net change in reserves from 2018 was an increase of \$5.8 million. Annual reserve contributions aligned with long-term financial strategies occurred during the year, as did contributions for financing carry-over projects for continuation of works in future years. Reserves provide a critical resource for financing future project and infrastructure needs while minimizing levy fluctuations and future years' debt servicing costs.

For 2019, there is unfinanced capital of \$1.1 million as represented in the Accumulated Surplus for the ongoing construction of the Trent Hills Emergency Services Base. This will be funded from a debenture upon completion of the project, as contemplated in the long-term financial model.

Northumberland County has a rigorous annual budgeting and planning process, which includes updates to a rolling 10-year financial plan. Aligning our budgeting and long-range planning processes helps in establishing strategic priorities that achieve progress for the community while respecting the ever-present pressures on our ratepayers.

Delivering an Annual Report is an important component of Northumberland County's financial management process, enhancing public confidence and trust in local government by demonstrating transparency and accountability. The results captured in this year's report once again reflect the County's strategy for efficient, cost-effective delivery of programs and services based on careful long-term planning and strong governance.

My sincere thanks to the skilled and accomplished members of the Finance Team for their commitment to excellence in financial management and reporting. And on behalf of the Finance Team, we thank our internal partners and members of Council for their close collaboration on the long-range planning that ultimately positions our organization to meet the needs of the community and sustain strong financial health well into the future.

*Glenn Dees*

Director of Finance/Treasurer  
Northumberland County

Delivering an Annual Report is an important component of Northumberland County's financial management process, enhancing public confidence and trust in local government by demonstrating **transparency and accountability**.







# 2019 Highlights

# Economic Prosperity and **Innovation**

- Promote awareness of Northumberland
- Deliver on the fundamental building blocks
- Maximize our key assets
- Ensure Northumberland is open for business



## Affordable housing

Began pre-construction and design work for the NCHC's Elgin Park Redevelopment project in Cobourg with the support of CMHC Seed Funding and a draw from Housing reserves.

Purchased 473 Ontario Street, Cobourg for the future creation of affordable and rental housing in partnership with Ontario Aboriginal Housing Services, Northumberland County Housing Corporation and Habitat for Humanity Northumberland.



## FinTech partnership

Signed a Memorandum of Understanding (MOU) with Lending Loop to support non traditional access to capital for local new business start-ups.



## Northumberland Food Tourism Landscape Assessment

Identified areas of opportunity and mobilized industry around specific food tourism development initiatives in Northumberland County.



## Settlement Services funding

Secured a long term agreement with the Ministry of Citizenship and Immigration Canada to fund dedicated settlement services in Northumberland County.



## Women Entrepreneurship Strategy

Secured federal funding to lead a regional initiative in partnership with OEECD to create 225 women entrepreneurs over the next three years utilizing technology and mentorship.



## Hastings Marina

Hastings Marina Investment through Canadian Experience Fund to attract foreign tourism investment.



## Digital Footprint 2019

Developed a new marketing assessment program, Digital Footprint 2019, which assisted individual tourism business by increasing their digital competitiveness.



## Tourism communication

Increased visitor communication engagement on social media by 98% and e-mail newsletter subscriptions by 96%.

# Sustainable **Growth**

- Ensure growth pays for growth
- Ensure we maintain our infrastructure
- Implement key Master Plans and advance key projects
- Demonstrate leadership in environmental stewardship
- Increase public access to high-speed digital services



## Golden Plough Lodge and NCAM redevelopment

Advanced work on the detailed design for the Golden Plough Lodge and Northumberland County Archives and Museum Redevelopment, for launch of construction in 2020.



## GHG Emission Reduction Plan

Commenced work on Green House Gas Emission Reduction Plan including a 90% completion of GHG Emission Inventory in 2019. GHG Emission Inventory and GHG Emission Reduction Plan to be completed in 2020.



## Community Recycling Centre improvements

Launched year-round household hazardous waste access at Bewdley and Brighton CRCs, introduced year-round access to E-Waste diversion and Styrofoam Diversion Program at all CRCs.



## Green Bin organics program

Implemented the Green Bin organics waste collection program and transition to Phase 1 of the dual-stream recycling collection program.



## Emergency service bases

Completed construction of the Roseneath base and welcomed the community to the grand opening.

Launched construction of the Campbellford base for completion in 2020.



## Annual road improvements

Completed the 2019 Capital Pavement Rehabilitation and Preservation Program.



## Joint construction projects

Construction of two joint projects including a Multi-Use Trail (MUT) on Elgin Street in partnership with the Town of Cobourg, and the construction of a pedestrian link on Molson/Jocelyn/Cavan Street in partnership with the Municipality of Port Hope.



## Development charges

Undertook a countywide development charges background study. This study will inform Council's decision on the use of development charges to ensure future financing is available for incremental growth-driven infrastructure costs, such that growth pays for growth-related costs.



# Thriving and **Inclusive Communities**

- Strengthen services to people
- Promote diversity and inclusion
- Enhance transit services
- Demonstrate leadership in healthcare transition
- Demonstrate leadership in public safety



## Ontario Health Team

Collaborated with local health and social care partners, patient and family representatives on strategic planning and submission of an application to the Province to form an Ontario Health Team for Northumberland. In December 2019, Ontario Minister of Health Christine Elliott announced the Ontario Health Team of Northumberland as one of the first 24 OHTs in the province.



## Grafton EarlyON and child care

Opened a new EarlyON Child and Family Centre and a Family Age Grouping Child Care Centre in Grafton with support from the Ministry of Education, and in partnership with the Township of Alnwick/Haldimand.



## Increased accessibility

Increased accessibility at County facilities including the installation of powered door openers at the Material Recovery Facility and POA Courtroom 5, and the addition of priority seating for people with disabilities at Council Meetings.



## RentSmart program

Built capacity across agencies in Northumberland to help build sustainable tenancies through the launch of the RentSmart program.



## Food Policy Council

Worked with community partners in the Food Policy Council to develop a new work plan, outlining an approach to review local municipal official plans to identify all food security related information and create one cohesive strategy for Northumberland.



## Rail safety improvements

Finalized the design for safety improvements at the County Road 64 at-grade railway crossing in the Municipality of Brighton and submitted to Transport Canada for funding to implement improvements.



## Joint Council Meeting

Hosted a joint Council meeting with Alderville First Nation.



## Leadership in Change

- Engage in continuous improvement
- Ensure solid finances and fiscal management
- Improve digital service delivery
- Develop a comprehensive HR strategy
- Intensify intergovernmental relations
- Reinforce collaboration
- Strengthen public engagement



### Council structure updates

Introduced Deputy Warden role and achieved legislative compliance regarding Bill 68 including: Council Alternates, public registry for Conflict of Interest Declarations, Transparency Disclosures, and Gifts & Benefits Statements.



### SMARTnorthumberland

Developed and launched SMARTnorthumberland, a countywide digital strategy with an initial focus on broadband, advanced modernization of IT infrastructure at County facilities and digital literacy.



### Records management

Commenced the development of new retention compliant records management systems for each division within the Community & Social Services department.



### Website redesign

Delivered a new corporate website on-time and on-budget, marking a dramatic improvement in the County's delivery of online information and services for the public. This website was awarded a Gold 'dotCOMM' award from the Association of Marketing and Communication Professionals, and a 'Government Standard of Excellence' award from the Web Marketing Association.



### Improving service communication

Community & Social Services implemented a digital service that allows caseworkers to text clients from their computers. This service improves and expands opportunities for communication with clients.



### LEAN implementation

Prepared for the formal launch of LEAN throughout the organization through the strategic planning and creation of the Lean Governance Model and the 2020 Roadmap.



### GPL CARF accreditation

Golden Plough Lodge achieved three-year CARF accreditation for the second time in a row.



### NCHC Board of Directors

Appointed the first skills-based Board of Directors for the Northumberland County Housing Corporation.

# Policy and Strategy Updates

- Released Northumberland County's 2019-2023 Strategic Plan
- Developed Northumberland County's Asset Management Policy in accordance with O. Reg. 588/17
- Finalized Digital Strategy and launched SMARTnorthumberland
- Concluded the Rural Emergency Response Vehicle (ERV) Pilot study, confirming that this deployment decreased Northumberland Paramedics' Overall Response Time for Emergent-level calls. A rural ERV was permanently deployed in 2020 based on the results of this pilot, also facilitating the 2020 launch of Community Paramedicine services
- Renewed our 10-year Housing and Homelessness Plan
- Launched the Northumberland County Affordable Housing Strategy
- Implemented the Provincial Community Housing Renewal Strategy

## 2019 Fast Facts



**54**

BUSINESSES  
STARTED  
WITH  
SUPPORT  
FROM BECN



**13,320**

TONNES  
OF WASTE  
DIVERTED



**12,000**

TREES  
PLANTED  
THROUGH  
EMERALD  
ASH BORER  
PROGRAM



**1.5 M**

LBS OF FOOD  
& ESSENTIAL  
ITEMS  
DISTRIBUTED  
THROUGH  
FOOD 4 ALL

# Community Engagement



County staff support  
Keep the County Clean



AED program with  
Town of Cobourg



Paramedic Community  
Awards and BBQ



Raising flags on the  
community flagpole



Fleming College students tour Material  
Recovery Facility in Grafton



Ambulance donation to  
Habitat for Humanity



Oaktober County  
Forest event



Walk a Mile in Her Shoes campaign



BBQ lunch in support  
of United Way



Cornerstone Wrapped  
in Courage campaign



Local Government  
Week Paint the Plow



Roseneath Emergency  
Services Base Opening



AED donations to Cornerstone and the  
Centreton Community Centre



Council enjoy Smile Cookies in support of Ed's  
House, Northumberland Hospice Care Centre





# 2020 **Priorities**



# Looking Ahead to 2020

## Economic innovation and prosperity

- Begin implementation of the Affordable Housing Strategy
- Complete the Social Housing Master Plan and Northumberland County Housing Corporation Strategic Asset Management Plan
- Continue design process for the Elgin Park Redevelopment affordable housing project in Cobourg
- Start the design process for the Ontario Street, Cobourg affordable housing project

## Sustainable growth

- Develop Broadband Strategy for Northumberland, and assess and invest in local connectivity infrastructure
- Begin final approval stages and go to tender for the Golden Plough Lodge and Northumberland County Archives and Museum redevelopment project
- Begin operations at the new Trent Hills Emergency Services Base in partnership with the Municipality of Trent Hills
- Implement Phase 2 of Recycle Right program
- Complete Organic Waste Transfer Station Building
- Complete upgrades to Public Drop Off areas at Community Recycling Centres (CRCs) including new Household Hazardous Waste Buildings at Brighton and Bewdley CRCs
- Continue with Detailed Design for new bridge in Campbellford including first public information centre
- Complete the County Road 2 Master Drainage Plan Study in partnership with the Town of Cobourg, Hamilton Township and the Ganaraska Region Conservation Authority as per the recommendation in the County Road 2 Environmental Assessment
- Deliver Capital Construction Program including 9 km of paving, 45/Van Luven Road reconstruction, Hastings Bridge Rehabilitation, 25 km of micro surfacing, 120 km of Surface Treatment
- Commence public consultations regarding the introduction of countywide development charges and consider by-law enactment
- Develop GHG Emission Reduction Plan
- Finalize the Forest Master Plan
- Continue developing County Forest volunteer program with pilots in Trail Monitoring and Tree Marking

## Thriving and inclusive communities

- Train 15 paramedics to deliver Community Paramedicine services, enhancing the delivery of health care in Northumberland County and fulfilling a key Year One priority for the Ontario Health Team of Northumberland
- Introduce the COVID-19 Community Paramedicine Initiative to provide COVID-19 testing out in the community, in partnership with Trent Hills Family Health Team, Northumberland Hills Hospital and Haliburton, Kawartha, Pine Ridge District Health Unit
- Continue implementing corporate due diligence strategies, including enhancing pandemic and infection control plans based on lessons learned during COVID-19
- Advance the development of a Northumberland Community Safety & Well-being Plan through community consultation and collaboration with key stakeholders
- Pursue Museum Assistance Program funding for development of permanent and premier temporary exhibitions at the Northumberland County Archives and Museum
- Lay foundations for partnership with local Indigenous communities to ensure accurate and authentic representation in Northumberland County Archives and Museum exhibition narratives

## Leadership in change

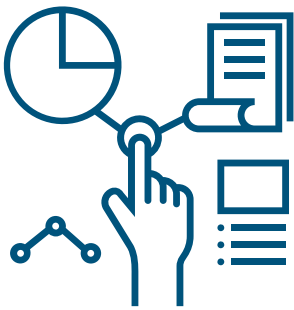
- Enhance County digital service delivery
- Continue workplace modernization of Information Technology including support for a remote workforce
- Commence review for drafting a policy on multi-year budgeting as identified in 2019-2023 Strategic Plan
- Implement the recruitment module in our Human Resources Information System to drive efficiency within the recruitment process
- Increase efficiency and effectiveness of service delivery related to Provincial Offences matters, and assess requirements for transition of prosecution of Part III offences under various Acts from the Province to municipalities
- Launch and implement organization-wide LEAN initiative in order to drive efficiency by providing employees with the tools and training they require to drive continuous improvement through the innovation of work and processes



# Financial Overview



# Financial Management



## County business planning

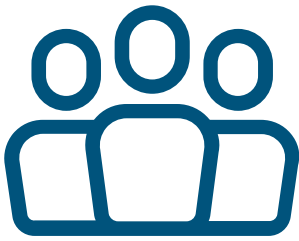
The County goes through a rigorous budgeting and planning process each year. Each operating department develops an annual business plan that is aligned with the County's Corporate Strategic Plan. This process looks at programs and services, budgets and key priorities for the year. In addition to the annual budget, the long term plan is reviewed and updated to create a rolling 10-year financial outlook.



## Financial statement preparation

Northumberland County management is responsible for all information contained in the Annual Financial Report. These financial statements and accompanying notes have been prepared using reasonable limits of materiality and within the framework of the accounting principles and disclosure requirements of the Canadian Institute of Chartered Accountants guidelines included in the Public Sector Accounting and Auditing Standards Manual.





## Internal control management

Management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed with proper authorization, that assets are properly accounted for and safeguarded, and that the financial information produced is relevant, reliable and timely.



## External audit

The role of the external auditor, Baker Tilly KDN LLP, is to express an independent opinion on the fair presentation of the County's financial position and operating results as contained in the Financial Statements, confirming that the statements are free from material misstatements. It is the responsibility of the auditor to advise management and the Finance Department Coordinators of any control or operational issues that may be identified during the execution of their audit procedures.



## Financial reporting

To ensure accountability and transparency, the Finance Director and Treasurer presents quarterly updates to Council on the status of County finances relative to the current budget. County auditors, together with the Finance Director/Treasurer, present to Council the final annual Audited Financial Statement for the County, for Council approval, closing out the previous fiscal year.



# Financial Results Overview

## Annual overview

↑ \$9.7M

EXPENSES

↑ \$11.1M

CASH & INVESTMENTS

↑ \$5.8M

RESERVES

↑ \$5.3M

NET BOOK VALUE OF ASSETS

↑ \$4.3M

LONG-TERM DEBT

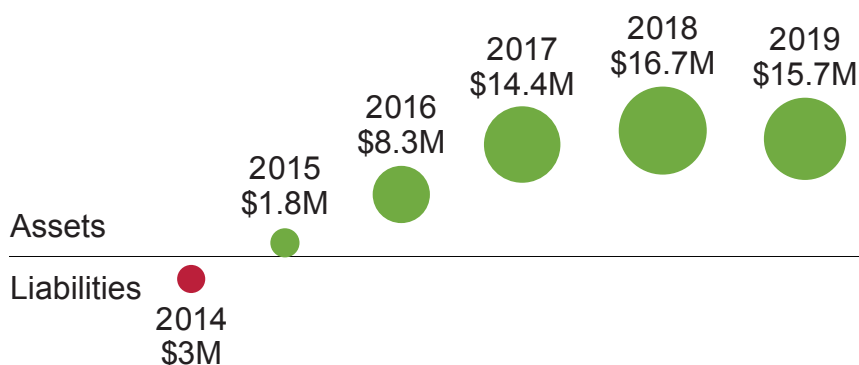
↑ \$1.5M

TOTAL REVENUE

\*All comparative data references 2018 results.

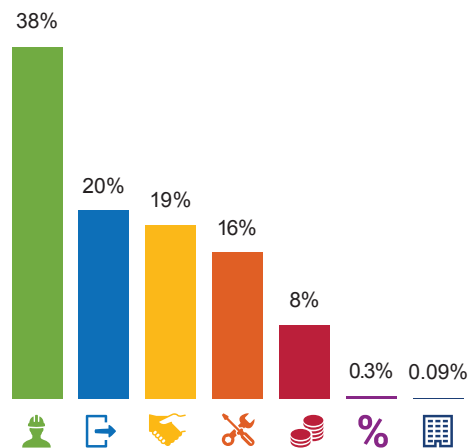
## Financial assets

The County is now in a positive net financial asset position of \$15.7 million.



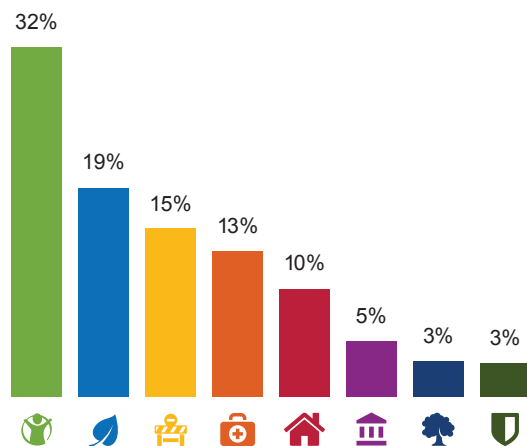


## Expenses by type (m)



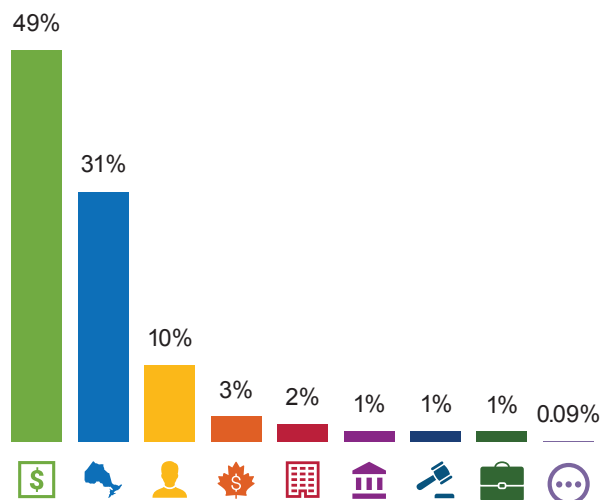
**Salaries & Benefits** \$41.9  
**External Transfers** \$22.4  
**Contracted Services** \$20.7  
**Materials** \$17.4  
**Amortization** \$8.8  
**Interest Charges** \$0.3  
**Rents & Financial** \$0.1

## Expenses by service (m)



**Social & Family Services** \$35.3  
**Environmental Services** \$21.1  
**Transportation** \$17.0  
**Health Services** \$14.7  
**Social Housing** \$10.9  
**General Government** \$5.6  
**Ec. Development/Tourism/Forest** \$3.6  
**Protection Services** \$3.4

## Revenues by type (m)



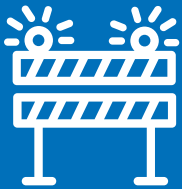
**Tax Levy** \$57.0  
**Provincial Government** \$36.4  
**User Charges** \$11.2  
**Federal Government** \$3.7  
**Rents** \$2.6  
**Other Municipalities** \$1.6  
**Provincial Offences** \$1.6  
**Investment Income** \$1.5  
**Other** \$0.1

\*Percentages may not add up to 100 due to decimal point rounding.

\*Health services: Northumberland Paramedics and Health Unit funding. Environmental services: waste management. Protection services: Provincial Offences, Court Security, Plumbing and Septic Inspections, and Emergency Planning. General government: Corporate Support departments and facilities, MPAC payment, and Council.

# Capital Projects Overview

Dollars spent on capital projects in 2019



**\$6.7 M**

ROAD PROJECTS



**\$1.3 M**

WASTE PROJECTS



**\$2.7 M**

GPL & NCAM  
REBUILD

Part of a multi-year  
investment of approx. \$105 M

## FLEETS & EQUIPMENT

**\$0.04 M**

FACILITIES

**\$0.6 M**

PARAMEDICS

**\$0.6 M**

ROADS



**\$0.2 M**

NORTHUMBERLAND  
COUNTY HOUSING  
CORPORATION

## EMERGENCY SERVICE BASES

**\$0.9 M**

TRENT HILLS

Part of a multi-year investment of  
approx. \$1.6 M



**\$0.05 M**

ALNWICK/HALDIMAND

Part of a multi-year \$1.5 M investment



# 2019 Financial **Statements**



**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**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 Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 18
Schedule of Tangible Capital Assets	19
Schedules of Segment Disclosure	20 - 21
<b>TRUST FUNDS</b>	
Independent Auditor's Report	22
Statement of Financial Position	24
Statement of Continuity	24
Notes to the Financial Statements	25
<b>LOCAL BOARD</b>	
Northumberland County Housing Corporation	26 - 36



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

**For The Year Ended December 31, 2019**

### **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

May 20, 2020

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

## **INDEPENDENT AUDITOR'S REPORT**

**T: (705) 742-3418**  
**F: (705) 742-9775**

**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, 2019, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2019, 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.

ASSURANCE • TAX • ADVISORY

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

Peterborough

Courtice

Lindsay

Cobourg



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

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

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

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

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

***Baker Tilly KDN LLP***

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 22, 2020

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
At December 31, 2019**

	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	5,639,486	7,044,098
Investments (note 4)	61,801,596	49,246,911
Accounts receivable	7,392,800	5,065,680
<b>TOTAL FINANCIAL ASSETS</b>	<b>74,833,882</b>	<b>61,356,689</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	13,872,222	13,593,838
Deferred revenue - Federal gas tax (note 5)	2,626,984	-
Deferred revenue - other	360,764	99,704
Long term debt (note 6)	11,943,502	7,669,782
Landfill closure and post-closure liability (note 7)	28,134,648	21,255,900
Employee future benefits liability (note 8)	2,243,207	2,033,761
<b>TOTAL LIABILITIES</b>	<b>59,181,327</b>	<b>44,652,985</b>
<b>NET FINANCIAL ASSETS</b>	<b>15,652,555</b>	<b>16,703,704</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 9)	177,871,097	172,613,862
Prepaid expenses	284,025	277,430
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>178,155,122</b>	<b>172,891,292</b>
<b>ACCUMULATED SURPLUS (note 10)</b>	<b>193,807,677</b>	<b>189,594,996</b>

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

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**For the Year Ended December 31, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
<b>REVENUES</b>			
Tax levy from lower tiers	56,393,449	56,961,401	54,341,442
User charges	11,095,549	11,226,121	11,168,371
Government of Canada	942,542	1,020,571	983,284
Province of Ontario	34,332,056	35,261,309	36,928,470
Other municipalities	1,370,301	1,634,224	1,583,621
Investment income	985,475	1,517,957	1,109,310
Provincial Offences Act charges (note 11)	1,500,000	1,550,320	1,410,326
Rents	2,432,005	2,584,469	2,456,962
Federal gas tax earned	2,581,705	2,630,144	2,772,091
Waste Diversion Ontario grants	1,060,000	1,142,101	1,033,657
Other	181,200	119,650	125,778
Donations	15,000	17,149	21,454
Gain (loss) on disposal of tangible capital assets	-	140,819	372,079
<b>TOTAL REVENUES</b>	<b>112,889,282</b>	<b>115,806,235</b>	<b>114,306,845</b>
<b>EXPENSES</b>			
General government	5,411,353	5,632,416	4,454,322
Protection services	3,571,552	3,443,123	3,134,726
Transportation services	17,958,472	17,004,466	16,092,464
Environmental services	13,874,245	21,074,564	10,509,106
Health services	14,856,979	14,664,019	14,376,588
Social and family services	36,608,715	35,263,974	36,434,367
Social housing	11,431,256	10,866,129	12,853,765
Economic development, tourism and forest	4,015,417	3,644,863	4,007,823
<b>TOTAL EXPENSES</b>	<b>107,727,989</b>	<b>111,593,554</b>	<b>101,863,161</b>
<b>ANNUAL SURPLUS</b>	<b><u>5,161,293</u></b>	<b>4,212,681</b>	<b>12,443,684</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>189,594,996</b>	<b>177,151,312</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>193,807,677</b>	<b>189,594,996</b>

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

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the Year Ended December 31, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
<b>ANNUAL SURPLUS</b>	5,161,293	4,212,681	12,443,684
Amortization of tangible capital assets	8,900,000	8,759,403	8,443,738
Purchase of tangible capital assets	(16,488,982)	(14,115,585)	(18,249,196)
Gain on disposal of tangible capital assets	-	(140,819)	(372,079)
Proceeds on sale of tangible capital assets	-	239,766	23,305
Change in prepaid expenses	-	(6,595)	(22,797)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(2,427,689)	(1,051,149)	2,266,655
<b>NET FINANCIAL ASSETS - beginning of year</b>	16,703,704	16,703,704	14,437,049
<b>NET FINANCIAL ASSETS - end of year</b>	14,276,015	15,652,555	16,703,704

*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, 2019

	2019 \$	2018 \$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	4,212,681	12,443,684
Items not involving cash		
Amortization of tangible capital assets	8,759,403	8,443,738
Gain on disposal of tangible capital assets	(140,819)	(372,079)
Change in landfill closure and post-closure liability	6,878,748	(1,504,088)
Change in employee future benefits liability	209,446	214,766
Change in non-cash assets and liabilities		
Accounts receivable	(2,327,120)	(2,216,843)
Prepaid expenses	(6,595)	(22,797)
Accounts payable and accrued liabilities	278,384	2,520,498
Deferred revenue - Federal gas tax	2,626,984	(169,121)
Deferred revenue - other	261,060	-
Net change in cash from operating activities	20,752,172	19,337,758
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(14,115,585)	(18,249,196)
Proceeds on disposal of tangible capital assets	239,766	23,305
Net change in cash from capital activities	(13,875,819)	(18,225,891)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(57,102,678)	(30,547,598)
Disposal of investments	44,547,993	22,981,763
Net change in cash from investing activities	(12,554,685)	(7,565,835)
<b>FINANCING ACTIVITIES</b>		
Long term debt issued	5,531,761	649,217
Debt principal repayments	(1,258,041)	(1,220,850)
Net change in cash from financing activities	4,273,720	(571,633)
<b>NET CHANGE IN CASH</b>	<b>(1,404,612)</b>	<b>(7,025,601)</b>
<b>CASH - beginning of year</b>	<b>7,044,098</b>	<b>14,069,699</b>
<b>CASH - end of year</b>	<b>5,639,486</b>	<b>7,044,098</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Reporting Entity**

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

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

- Northumberland County Housing Corporation

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

**(b) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, commencing in the year of acquisition except for road surface betterments where amortization commences in the year following construction, over the expected useful life of the asset, as follows:

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

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

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

**(c) Non-financial Assets**

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

**(d) Reserves and Reserve Funds**

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

---

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

**(e) Recognition of Revenues and Expenses**

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

**Taxation**

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

**Government funding and other grants**

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

**Other revenue**

Fines levied under the Provincial Offenses Act 1997 are recognized when the funds are received. (see note 11).

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

Investment income is recorded when earned.

Federal gas tax is recognized in the period in which the related expenditures are recorded.

**(f) Use of Estimates**

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

---

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(g) Trust Funds

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

**2. TRUST FUNDS**

Trust funds administered by the County amounting to \$151,896 (2018 - \$143,602) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the County for the benefit of others, they are not presented as part of the County's financial position or operations.

**3. 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 0.85% per annum. Council authorized the temporary borrowing limit by by-law 2019-03. At December 31, 2019 there was no balance outstanding (2018 - \$Nil).

**4. INVESTMENTS**

	2019 \$	2018 \$
BNS Investment high interest savings account	34,369,194	-
ONE Investment high interest savings account	6,693	23,005,000
Renaissance high interest savings account.	30,576	474,312
Corporate bonds bearing interest, rates between 1.8% and 4.86%, maturing between April 23, 2021 and April 4, 2028.	27,395,133	25,767,599
	61,801,596	49,246,911



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**5. 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 balance in the obligatory reserve funds of the County is summarized below:

	2019 \$	2018 \$
Federal gas tax	2,626,984	-

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

	2019 \$	2018 \$
Balance - beginning of year	-	169,121
Add amounts received:		
Federal gas tax	5,230,998	2,600,853
Interest	26,130	2,117
	5,257,128	2,602,970
Less transfer to operations:		
Federal gas tax earned	2,630,144	2,772,091
Balance - end of year	2,626,984	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**6. LONG TERM DEBT**

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

	2019 \$	2018 \$
Ontario Infrastructure and Lands Corporation due December 3, 2023, repayable in blended semi-annual instalments of \$70,528, and bears interest at 3.07% per annum.	527,162	649,217
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.	1,236,261	1,350,913
Ontario Infrastructure Projects Corporation due March 1, 2019, repayable in blended semi-annual instalments of \$127,039 and bears interest at 4.37% per annum.	-	124,323
Ontario Infrastructure Projects Corporation due September 1, 2022, repayable in blended semi-annual instalments of \$266,865 and bears interest of 2.27% per annum.	1,539,459	2,029,878
Ontario Infrastructure Projects Corporation due September 15, 2019, repayable in blended semi-annual instalments of \$35,104 and bears interest at 4% per annum.	-	68,156
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.	2,056,814	2,142,972
Ontario Infrastructure Projects Corporation due May 4, 2020, repayable in blended semi-annual instalments of \$76,095 and bears interest at 4.15% per annum.	74,547	219,130
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.	977,497	1,085,193
Ontario Infrastructure and Lands Corporation due September 16, 2029, repayable in blended semi-annual instalments of \$81,259 and bears interest at 2.19% per annum.	1,452,424	-
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.	4,079,338	-
	<b>11,943,502</b>	<b>7,669,782</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**6. LONG TERM DEBT, continued**

(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 \$264,872 (2018 - \$288,047).

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

	Principal \$	Interest \$	Total \$
2020	1,272,067	286,990	1,559,057
2021	1,228,791	254,171	1,482,962
2022	1,261,047	221,914	1,482,961
2023	757,565	191,667	949,232
2024	637,507	170,668	808,175
	5,156,977	1,125,410	6,282,387
2025 to 2029	2,923,530	573,521	3,497,051
2030 and subsequent years	3,862,995	322,927	4,185,922
	11,943,502	2,021,858	13,965,360

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

The estimated liability for landfill closure and post-closure costs for the County's one operational site and the eight closed sites that the County has obtained from the lower tier municipalities by way of a settlement process (see Note 16) is \$28,134,648 (2018 - \$21,255,900). The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfill. The total discounted future cash flows for closure and post-closure cost is estimated at \$32,907,859 as at December 31, 2019 (2018 - \$25,592,387) using a discount factor of 3% and an inflation rate of 2%.

The remaining capacity of the one operational landfill site is estimated at 409,116 m<sup>3</sup> (2018 - 444,997 m<sup>3</sup>) which is 32.5% (2018 - 48.7%) of the site's total capacity. The total capacity of the site was revised in 2019 which resulted in 12.2% of the 16.2% decrease in the remaining capacity and resulted in an increase in the liability of \$1,805,762. The County estimates the site will continue to operate until 2030.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**8. EMPLOYEE FUTURE BENEFITS LIABILITY**

Under the Workplace Safety and Insurance Board (WSIB), the County is self-insured (Schedule II) and remits payments to the WSIB as required to fund disability payments. The liability recorded of \$2,243,207 (2018 - \$2,033,761) has been determined by an actuarial review completed as of December 31, 2017. 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 liability is comprised of the following amounts:

	2019 \$	2018 \$
Accrued benefit obligation	2,519,574	2,330,513
Unamortized actuarial gains/(losses)	(276,367)	(296,752)
	<u>2,243,207</u>	<u>2,033,761</u>

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

Interest discount rate	3.75%
WSIB administration and physician fees	38% of benefit costs
Expected level of employee cost increases	1.01%
Expected average remaining service life	9.96 years

The continuity of the WSIB liability is as follows:

	2019 \$	2018 \$
Accrued benefit obligation at January 1	2,330,513	2,136,132
Unamortized actuarial losses	(296,752)	(317,137)
Liability at January 1	2,033,761	1,818,995
Increase due to plan amendment	-	16,959
Current year benefit cost	392,386	380,739
Interest	89,265	82,521
Amortization of actuarial loss/(gain) (amortized over the expected average remaining service life)	20,385	20,385
Less: benefit payments	(292,590)	(285,838)
Liability at December 31	<u>2,243,207</u>	<u>2,033,761</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**9. TANGIBLE CAPITAL ASSETS**

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

	2019	2018
	\$	\$
General		
Land	14,170,087	14,127,981
Land improvements	4,077,407	3,520,637
Buildings	22,592,355	23,627,018
Equipment and computers	6,824,498	6,927,129
Vehicles	5,987,966	5,992,871
Infrastructure		
Roads and bridges	104,966,086	103,005,190
	158,618,399	157,200,826
Assets under construction	19,252,698	15,413,036
	177,871,097	172,613,862

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

During the year there were no write-downs of assets (2018 - \$Nil) and no interest capitalized (2018 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2019	2018
	\$	\$
General government	17,886,758	17,567,789
Protection services	110,559	119,956
Transportation services	111,330,886	109,304,194
Environmental services	32,579,722	31,632,538
Health services	1,656,483	1,660,134
Social and family services	5,141,880	2,349,189
Social housing	6,588,483	7,013,951
Economic development, tourism and forest	2,576,326	2,966,111
	177,871,097	172,613,862

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**10. ACCUMULATED SURPLUS**

(a) Accumulated surplus consists of the following:

	2019	2018
	\$	\$
<b>Surplus/(Deficit)</b>		
Unfunded landfill closure and post-closure liability	(28,134,648)	(21,255,900)
Unfunded employee future benefits liability	(2,243,207)	(2,033,761)
	(30,377,855)	(23,289,661)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	177,871,097	172,613,862
Long term debt	(11,943,502)	(7,669,782)
Unfunded capital (b)	(1,078,193)	(5,579,933)
	164,849,402	159,364,147
<b>Surplus</b>	134,471,547	136,074,486
<b>Reserves</b>		
Working funds	821,275	821,274
Corporate services	14,985,661	12,303,006
Transportation services	11,920,881	8,535,169
Waste services	4,381,418	4,272,470
Social services	715,903	726,903
Social housing	11,116,089	11,027,006
Golden Plough Lodge	5,377,053	6,001,408
Ambulance services	1,771,075	1,731,318
Technological development	1,456,379	1,168,773
Emergency planning	295,050	290,050
Employee health, safety and related costs	3,984,235	4,221,505
Facilities	1,725,645	1,655,398
Economic development, tourism and forest	316,724	341,924
Plumbing and septic inspections	214,153	191,717
Land use planning	254,589	232,589
<b>Total Reserves</b>	59,336,130	53,520,510
	193,807,677	189,594,996

(b) Unfunded capital amounts are for projects in progress. When the projects are complete, the amounts will be funded with long term debt.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**11. 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:

	2019 \$	2018 \$
Gross revenues	1,550,320	1,410,326
Operating costs and allocated charges	(1,144,731)	(1,148,567)
Net County revenue used to reduce tax levy	405,589	261,759

**12. EXPENSES BY OBJECT**

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

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
Salaries and benefits	42,824,895	41,920,300	40,637,163
Interest charges	356,579	264,872	288,047
Materials	15,851,591	17,438,186	16,065,591
Contracted services	16,399,075	20,711,375	10,604,103
Rents and financial	155,313	124,464	161,347
External transfers	23,240,536	22,374,954	25,663,172
Amortization	8,900,000	8,759,403	8,443,738
	107,727,989	111,593,554	101,863,161

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**13. BUDGET FIGURES**

The budget, approved by the County, for 2019 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

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

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget:		
Operating and capital	123,031,787	123,031,787
Total Council approved budget	123,031,787	123,031,787
Less: Tangible capital assets capitalized	-	(16,488,982)
Add: Amortization of tangible capital assets	-	8,900,000
Less: Long term debt proceeds	(1,571,627)	-
Less: Principal repayment of long term debt	-	(1,491,304)
Less: Net transfers to/from reserves	(8,395,878)	(6,848,512)
Less: Change in unfunded liabilities	-	800,000
Revenues and expenses netted for financial reporting	(175,000)	(175,000)
Adjusted budget per Consolidated Statement of Operations	112,889,282	107,727,989

**14. 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 2019 Annual Report disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service with actuarial assets of \$104,290 million indicating an actuarial deficit of \$3,397 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the County does not recognize any share of the OMERS pension surplus or deficit.

The County's required contributions to OMERS in 2019 were \$2,746,069 (2018 - \$2,511,492).

**15. CONTINGENT LIABILITIES**

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

---

**16. 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.

During 2015, the County entered into a multi-year agreement with Peterborough Fire Services for fire dispatch services. The annual costs under the agreement, which goes until the end of 2020, were approximately \$377,000 in the first year with annual increases as per the agreement. The total costs for 2019 were \$413,140.

During 2019, the County entered into a multi-year agreement for the collection of garbage. The annual costs under the agreement, which goes until November 30, 2027, are approximately \$1,550,000.

**17. SEGMENTED INFORMATION**

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

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

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

**General Government**

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

**Protection Services**

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

**Transportation Services**

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

**17. SEGMENTED INFORMATION, continued**

**Environmental Services**

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

**Health Services**

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

**Social and Family Services**

The social and family services consist of general assistance to inhabitants, homes 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.

**Economic Development, Tourism and Forest**

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

**18. 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.”

**19. COMPARATIVE FIGURES**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

**20. SUBSEQUENT EVENTS**

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social impact.

At the time of approval of these consolidated financial statements, the County has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Permitting a deferral of lower-tier municipal levy payments waiving any interest charges
- Additional costs for enhanced facility cleaning and acquisition of personal protective equipment
- Additional labour costs for front line workers
- Temporary closure of the Ontario Agri-food Venture Centre
- Temporarily closed all facilities for walk-in access
- Expected decline in investment income
- Working from home requirements have been setup for those able to do so
- Waived bag tag fees for first weekly bag of waste per household for April and May 2020
- Some employees have been laid off and some hirings have been deferred
- Reduced revenues from Provincial Offences Act charges

The County plans to mitigate any additional operating costs with committed Provincial government funding, costs savings in other budget items and tight controls over the operating expenses.

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. Estimates and assumptions have been made by management to try and quantify the financial effect of these activities on the 2020 County operations.

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND



## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2019

	General					Infrastructure		
	Land	Land	Buildings	Equipment and Computers	Vehicles	Roads and Bridges	Assets Under Construction	Totals
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Balance, beginning of year	14,127,981	4,060,888	57,929,524	17,396,833	14,831,212	184,791,360	15,413,036	308,550,834
Add: additions during the year	-	58,683	303,896	335,412	1,212,794	6,437,837	5,766,963	14,115,585
Less: disposals during the year	-	-	-	177,664	1,073,048	2,675,954	-	3,926,666
Internal transfers	42,106	638,295	816,651	430,249	-	-	(1,927,301)	-
Balance, end of year	14,170,087	4,757,866	59,050,071	17,984,830	14,970,958	188,553,243	19,252,698	318,739,753
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	540,251	34,302,506	10,469,704	8,838,341	81,786,170	-	135,936,972
Add: additions during the year	-	140,208	2,155,210	868,292	1,211,804	4,383,889	-	8,759,403
Less: disposals during the year	-	-	-	177,664	1,067,153	2,582,902	-	3,827,719
Balance, end of year	-	680,459	36,457,716	11,160,332	8,982,992	83,587,157	-	140,868,656
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	14,170,087	4,077,407	22,592,355	6,824,498	5,987,966	104,966,086	19,252,698	177,871,097



# CORPORATION OF THE COUNTY OF NORTHUMBERLAND



## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2019

	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	3,264,273	1,066,905	17,873,186	6,826,554	10,661,835	8,750,156	5,605,946	2,912,546	56,961,401
User charges	503,553	441,617	255,291	5,896,846	31,435	3,610,032	219,289	268,058	11,226,121
Government transfers - operating	725,000	415,424	-	58,648	6,282,571	24,033,824	3,614,949	343,801	35,474,217
Government transfers - capital	-	-	729,632	-	-	-	78,031	-	807,663
Other municipalities	-	-	1,572,166	62,058	-	-	-	-	1,634,224
Investment income	1,517,957	-	-	-	-	-	-	-	1,517,957
Provincial Offences Act charges	-	1,550,320	-	-	-	-	-	-	1,550,320
Rents	761,390	-	-	5,691	-	-	1,682,499	134,889	2,584,469
Federal gas tax earned	-	-	2,630,144	-	-	-	-	-	2,630,144
Waste Diversion Ontario grants	-	-	-	1,142,101	-	-	-	-	1,142,101
Other	-	-	-	-	-	-	-	119,650	119,650
Donations	195	-	-	-	-	16,954	-	-	17,149
Gain (loss) on disposal of tangible capital assets	6,079	-	(54,704)	32,578	156,866	-	-	-	140,819
<b>Total revenues</b>	<b>6,778,447</b>	<b>3,474,266</b>	<b>23,005,715</b>	<b>14,024,476</b>	<b>17,132,707</b>	<b>36,410,966</b>	<b>11,200,714</b>	<b>3,778,944</b>	<b>115,806,235</b>
<b>Expenses</b>									
Salaries and benefits	5,714,892	1,130,756	3,955,299	4,059,027	9,842,807	14,941,220	595,748	1,680,551	41,920,300
Interest charges	125,112	2,051	-	93,733	19,001	24,975	-	-	264,872
Materials	2,600,984	311,664	4,601,280	3,386,420	1,040,586	2,706,447	2,134,521	656,284	17,438,186
Contracted services	2,485,804	1,340,634	3,234,685	11,875,661	49,019	651,500	649,246	424,826	20,711,375
Rents and financial	50,129	12,293	-	3,652	28,152	(119)	30,357	-	124,464
External transfers	2,000	-	-	-	2,094,792	14,781,460	5,416,702	80,000	22,374,954
Amortization	745,528	9,396	5,144,465	607,073	578,638	120,104	1,158,668	395,531	8,759,403
Internal transfers	(6,092,033)	636,329	68,737	1,048,998	1,011,024	2,038,387	880,887	407,671	-
<b>Total expenses</b>	<b>5,632,416</b>	<b>3,443,123</b>	<b>17,004,466</b>	<b>21,074,564</b>	<b>14,664,019</b>	<b>35,263,974</b>	<b>10,866,129</b>	<b>3,644,863</b>	<b>111,593,554</b>
<b>Net surplus/(deficit)</b>	<b>1,146,031</b>	<b>31,143</b>	<b>6,001,249</b>	<b>(7,050,088)</b>	<b>2,468,688</b>	<b>1,146,992</b>	<b>334,585</b>	<b>134,081</b>	<b>4,212,681</b>

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND



## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2018

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Economic Development, Tourism and Forest \$	Consolidated \$
<b>Revenues</b>									
Tax levy from lower tiers	2,997,491	1,017,136	17,264,529	6,126,155	8,304,116	10,032,751	5,709,745	2,889,519	54,341,442
User charges	394,256	435,984	286,084	6,054,080	97,660	3,495,340	64,118	340,849	11,168,371
Government transfers - operating	-	359,617	-	14,929	6,080,930	25,236,147	5,144,879	479,490	37,315,992
Government transfers - capital	-	-	496,412	-	-	-	66,950	32,400	595,762
Other municipalities	-	-	1,531,000	52,621	-	-	-	-	1,583,621
Investment income	1,109,310	-	-	-	-	-	-	-	1,109,310
Provincial Offences Act charges	-	1,410,326	-	-	-	-	-	-	1,410,326
Rents	783,437	-	-	5,894	-	-	1,607,946	59,685	2,456,962
Federal gas tax earned	-	-	2,772,091	-	-	-	-	-	2,772,091
Waste Diversion Ontario grants	-	-	-	1,033,657	-	-	-	-	1,033,657
Other	-	-	-	-	-	-	-	125,778	125,778
Donations	156	-	-	-	-	-	6,298	15,000	21,454
Gain (loss) on disposal of tangible capital assets	-	5,203	357,279	8,000	1,597	-	-	-	372,079
<b>Total revenues</b>	<b>5,284,650</b>	<b>3,228,266</b>	<b>22,707,395</b>	<b>13,295,336</b>	<b>14,484,303</b>	<b>38,764,238</b>	<b>12,599,936</b>	<b>3,942,721</b>	<b>114,306,845</b>
<b>Expenses</b>									
Salaries and benefits	5,331,581	1,076,354	3,813,414	3,736,981	9,602,300	14,780,641	555,378	1,740,514	40,637,163
Interest charges	131,803	4,698	-	124,484	-	27,062	-	-	288,047
Materials	2,350,007	296,366	4,463,988	2,251,423	1,054,722	2,502,656	2,200,792	945,637	16,065,591
Contracted services	2,383,202	1,251,375	2,273,472	2,945,953	45,802	561,715	637,850	504,734	10,604,103
Rents and financial	94,507	9,870	-	605	26,500	2,572	27,293	-	161,347
External transfers	1,600	-	-	-	2,050,362	16,321,042	7,132,168	158,000	25,663,172
Amortization	647,461	9,396	4,864,327	723,861	528,326	104,068	1,174,583	391,716	8,443,738
Internal transfers	(6,485,839)	486,667	677,263	725,799	1,068,576	2,134,611	1,125,701	267,222	-
<b>Total expenses</b>	<b>4,454,322</b>	<b>3,134,726</b>	<b>16,092,464</b>	<b>10,509,106</b>	<b>14,376,588</b>	<b>36,434,367</b>	<b>12,853,765</b>	<b>4,007,823</b>	<b>101,863,161</b>
<b>Net surplus/(deficit)</b>	<b>830,328</b>	<b>93,540</b>	<b>6,614,931</b>	<b>2,786,230</b>	<b>107,715</b>	<b>2,329,871</b>	<b>(253,829)</b>	<b>(65,102)</b>	<b>12,443,684</b>

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

**T: (705) 742-3418**  
**F: (705) 742-9775**

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

## **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, 2019, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2019, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Qualified Opinion*

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

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

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

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

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

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

ASSURANCE • TAX • ADVISORY

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

Peterborough

Courtice

Lindsay

Cobourg

*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.

***Baker Tilly KDN LLP***

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 22, 2020

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2019**

	Blacklock Bequest \$	Safekeeping Pensioners \$	2019 Total \$	2018 Total \$
<b>FINANCIAL ASSETS</b>				
Cash	662	34,284	34,946	28,788
Investment (note 3)	116,950	-	116,950	114,814
	117,612	34,284	151,896	143,602
<b>FUND BALANCES</b>				
Due to Residents	-	34,284	34,284	28,140
Bequests	117,612	-	117,612	115,462
	117,612	34,284	151,896	143,602

**TRUST FUNDS  
STATEMENT OF CONTINUITY  
For the Year Ended December 31, 2019**

	Blacklock Bequest \$	Safekeeping Pensioners \$	2019 Total \$	2018 Total \$
<b>BALANCES - beginning of year</b>	115,462	28,140	143,602	151,365
<b>RECEIPTS</b>				
Residents' contributions	-	56,243	56,243	38,042
Interest earned	2,150	-	2,150	1,657
	2,150	56,243	58,393	39,699
<b>EXPENSES</b>				
Residents' personal costs	-	50,099	50,099	47,462
<b>BALANCES - end of year</b>	117,612	34,284	151,896	143,602

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



**TRUST FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

**1. PURPOSE OF TRUST FUNDS**

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

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

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

**(b) Use of Estimates**

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

**3. INVESTMENT**

The investment is recorded at cost 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, 2019**

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

## **INDEPENDENT AUDITOR'S REPORT**

**T: (705) 742-3418**  
**F: (705) 742-9775**

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

**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, 2019, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2019, 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.

ASSURANCE • TAX • ADVISORY

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

Peterborough

Courtice

Lindsay

Cobourg

*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.

***Baker Tilly KDN LLP***

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 22, 2020

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2019**

---

	2019 \$
<hr/>	
<b>FINANCIAL ASSETS</b>	
Accounts receivable	86,261
Due from County (note 7)	1,332,303
<b>TOTAL FINANCIAL ASSETS</b>	<b>1,418,564</b>
<hr/>	
<b>LIABILITIES</b>	
Accounts payable	61,466
Deferred revenue	26,768
<b>TOTAL LIABILITIES</b>	<b>88,234</b>
<hr/>	
<b>NET FINANCIAL ASSETS</b>	<b>1,330,330</b>
<hr/>	
<b>NON-FINANCIAL ASSETS</b>	
Tangible capital assets (note 4)	6,059,476
<b>ACCUMULATED SURPLUS (note 5)</b>	<b>7,389,806</b>

---

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



**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
For the Year Ended December 31, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$
<b>REVENUES</b>		
Municipal contributions	2,002,105	1,532,530
Rent	1,494,800	1,682,499
Recovery of expenses	-	183,342
Other	38,000	35,947
<b>TOTAL REVENUES</b>	<b>3,534,905</b>	<b>3,434,318</b>
<b>EXPENSES</b>		
Insurance	46,319	53,895
Professional fees	10,000	41,926
Utilities	660,716	593,059
Property tax	508,312	496,934
Repairs and maintenance	765,900	900,632
Major repairs	503,000	335,855
Bad debts	20,000	30,357
Internal chargebacks		
Allocated administrative services (note 7)	91,250	48,740
Allocated maintenance services (note 7)	732,408	605,055
Amortization	1,200,000	1,158,668
<b>TOTAL EXPENSES</b>	<b>4,537,905</b>	<b>4,265,121</b>
<b>ANNUAL DEFICIT</b>	<b><u>(1,003,000)</u></b>	<b>(830,803)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>8,220,609</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>7,389,806</b>

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

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
For the Year Ended December 31, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$
<b>ANNUAL DEFICIT</b>	(1,003,000)	(830,803)
<b>AMORTIZATION OF TANGIBLE CAPITAL ASSETS</b>	1,200,000	1,158,668
<b>ACQUISITION OF TANGIBLE CAPITAL ASSETS</b>	(247,000)	(204,193)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(50,000)	123,672
<b>NET FINANCIAL ASSETS - beginning of year</b>	1,206,658	1,206,658
<b>NET FINANCIAL ASSETS - end of year</b>	1,156,658	1,330,330

*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, 2019**

	2019 \$
<b>CASH PROVIDED BY (USED IN)</b>	
<b>OPERATING ACTIVITIES</b>	
Annual deficit	(830,803)
Items not involving cash	
Amortization of tangible capital assets	1,158,668
Change in non-cash assets and liabilities	
Accounts receivable	(3,853)
Due from County	(185,365)
Accounts payable	61,466
Deferred revenue	4,080
Net change in cash from operating activities	204,193
<b>CAPITAL ACTIVITIES</b>	
Acquisition of tangible capital assets	(204,193)
<b>NET CHANGE IN CASH</b>	<b>-</b>

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

**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

**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:

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

**(c) 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. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

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

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

**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(d) 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.

(e) 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.

(f) Reserves and Reserve Funds

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

(g) Related Party Transactions

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

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

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

**2. SUBSEQUENT EVENT**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Corporation's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Corporation's operations. The extent of the impact of this outbreak and related containment measures on the Corporation's operations cannot be reliably estimated at this time.

**3. COMPARATIVE FIGURES**

Comparative figures have not been presented as the 2018 amounts were not segregated in the County records in a similar format as the 2019 figures. The additional detail of the 2019 financial information is a result of the Corporation and Board of Directors becoming active again during 2018. Prior to 2019, the financial activities of the Corporation were presented as part of the consolidated financial statements of the County of Northumberland and separate financial statements for the Corporation were not prepared.



# CORPORATION OF THE COUNTY OF NORTHUMBERLAND



## NORTHUMBERLAND COUNTY HOUSING CORPORATION NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2019

### 4. TANGIBLE CAPITAL ASSETS

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

	Land and Land Improvements \$	Buildings \$	Equipment \$	Assets Under Construction \$	2019 Totals \$
<b>COST</b>					
Balance, beginning of year	1,352,595	26,777,689	-	-	28,130,284
Add: additions during the year	44,344	25,216	131,377	3,256	204,193
Balance, end of year	1,396,939	26,802,905	131,377	3,256	28,334,477
<b>ACCUMULATED AMORTIZATION</b>					
Balance, beginning of year	54,335	21,061,998	-	-	21,116,333
Add: additions during the year	20,250	1,135,134	3,284	-	1,158,668
Balance, end of year	74,585	22,197,132	3,284	-	22,275,001
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	1,322,354	4,605,773	128,093	3,256	6,059,476

### 5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019 \$
<b>Invested In Capital Assets</b>	
Tangible capital assets - net book value	6,059,476
<b>Surplus</b>	6,059,476
<b>Reserve</b>	
Operations	1,330,330
	7,389,806

**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

**6. BUDGET FIGURES**

The operating budget, approved by the Corporation, for 2019 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**7. RELATED PARTY TRANSACTIONS**

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

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

Details of the related party expense transactions are as follows:

---

	2019
	\$
<hr/>	
Allocated costs:	
Internal chargebacks - allocated administrative service	48,740
Internal chargebacks - allocated maintenance services	605,055
	<hr/>
	653,795

---

In addition, as the Board has no employees, the County's Social Housing staff spend time on the Corporation's activities which is not currently included in the internal chargebacks calculation. As such this staff cost as well as related human resources and information technology services for those staff have been provided to the Corporation at no cost.

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.



Get **Involved**



# Volunteer with the County

## Support your community

Whether it is distributing food donations from the Food 4 All warehouse to local programs, providing entertainment for the residents of the Golden Plough Lodge, or offering coaching to small business entrepreneurs, Northumberland residents make invaluable contributions to County programs and services that leave a lasting impression on our community.

Looking to get involved? We always welcome new volunteers! Join our volunteer team and work with us to create possibilities for a thriving Northumberland!

Volunteer opportunities include positions in:

- Northumberland County Archives
- Business & Entrepreneurship Centre Northumberland
- Food 4 All warehouse
- Golden Plough Lodge long term care home

For more information on how to apply to become a volunteer, please call 905-372-3329.



# Connect with the County

## Where to find us



### Visit online

[Northumberland.ca](http://Northumberland.ca)



### Call us

905-372-3329  
Toll Free: 1-800-354-7050



### Visit us

555 Courthouse Road  
Cobourg, ON K9A 5J6

## News and notices

News, as well as information about community consultations and other public notices, is regularly posted in Northumberland newspapers. This information, along with photos, videos and other details, can also be found in the County Newsroom at [Northumberland.ca/Newsroom](http://Northumberland.ca/Newsroom)

## Social media

We're social! Connect with Northumberland County via Facebook, Twitter, and YouTube. Visit [Northumberland.ca/FollowUs](http://Northumberland.ca/FollowUs)

## County Council meetings

Council meetings are open to the public, and take place on the third Wednesday of each month (Note: subject to change).

## Click on council

Access minutes, agendas, and reports through our easy-to-use Council Web Portal. Visit [Northumberland.ca/Portal](http://Northumberland.ca/Portal)

## Questions or comments?

Councillors welcome and appreciate your feedback. Share your comments by calling or mailing our headquarters building (contact information above). Council email addresses are also available at [Northumberland.ca/MeetYourCouncil](http://Northumberland.ca/MeetYourCouncil)



