

2021

Annual Financial Report

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2021

THE COUNTY OF NORTHUMBERLAND
COBOURG, ON





2021 ANNUAL FINANCIAL REPORT

Fiscal year ending December 31, 2021

The 2021 Annual Financial Report has been prepared in an electronic format and is available on the County's website at **[Northumberland.ca/2021AnnualReport](https://northumberland.ca/2021AnnualReport)**.

The Corporation of the County of Northumberland
Financial Report 2021

For the fiscal year ending December 31, 2021
Cobourg, Ontario, Canada

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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 to 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 alternative format, upon request.

Special thanks

Special thanks to Northumberland Tourism for providing photography of Northumberland County communities.

In this report

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**Welcome to
Northumberland**

Our story

Our vision

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

Our mission

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

Our 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

**HONESTY +
INTEGRITY**

**CARE +
SUPPORT**

**INNOVATION +
EXCELLENCE**

**COLLABORATION +
COMMUNICATION**

**MUTUAL
TRUST +
RESPECT**



Our location

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

Township of Alnwick/Haldimand
AlnwickHaldimand.ca

Municipality of Brighton
Brighton.ca

Town of Cobourg
Cobourg.ca

Township of Cramahe
Cramahe.ca

Township of Hamilton
HamiltonTownship.ca

Municipality of Port Hope
PortHope.ca

Municipality of Trent Hills
TrentHills.ca

We also value our long-standing relationship with Alderville First Nation.
 For more information visit Alderville.ca



Our community

Located on the traditional territory of the Mississauga Anishinaabeg, Northumberland County is a thriving, south-eastern Ontario community. It is easily accessible from Highway 401, exits 45 (Port Hope) through to 509 (Brighton).

1.5 HR
DRIVE FROM
TORONTO AND
KINGSTON

**1 DAY
DRIVE**
FROM MOST LARGE
NORTHEASTERN
CITIES IN THE US

BOATING

ACCESS FROM LAKE ONTARIO, RICE
LAKE & TRENT-SEVERN WATERWAYS

205 KM

OF CYCLING LANES

POPULATION IN 2021

89,365

AS REPORTED BY STATISTICS CANADA (2021)

LOCAL EMPLOYMENT OF

47,290

TOTAL LABOUR FORCE EXPERIENCES (2019)

Our lifestyle

A BEAUTIFUL PLACE TO LIVE AND RELAX

A range of living experiences from historic towns to scenic rural areas. The rolling hills feature historic inns, B&Bs and destination spas.

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.

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.

Our attractions

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'ile 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.

Our 2018-2022 County Council



Robert Crate

2022 County Warden and
Mayor of the Municipality
of Trent Hills



Mandy Martin

2022 County Deputy Warden
and Mayor of the Township
of Cramahe



Gail Latchford
Mayor of the Township
of Alnwick/Haldimand



Brian Ostrander
Mayor of the Municipality
of Brighton



John Henderson
Mayor of the Town
of Cobourg



Bob Sanderson
Mayor of the Municipality
of Port Hope



Bill Cane
Mayor of the Township
of Hamilton

A message from the Warden

I am pleased to share with you Northumberland County's 2021 Annual Report.

This report reflects a period of momentum, renewal and opportunity despite another challenging year navigating a global pandemic. Within these pages you will find details about measurable progress on priorities ranging from affordable housing and road and bridge rehabilitation to economic development and community health and well-being. All of this work ties back to Council's four-year strategic plan for the community, and a 2021 Budget that balanced affordability for taxpayers with necessary investments in critical community services and infrastructure.

Access to affordable housing continues to be a pressing priority for all levels of government. It is foundational for achieving the Thriving and Inclusive Communities pillar of our strategic plan.

Northumberland County is leveraging all the tools at its disposal to resolutely pursue a variety of affordable housing solutions. Throughout 2021, we worked with Northumberland County Housing Corporation to finalize plans for construction of the Elgin Park community housing development in Cobourg, which will increase the number of subsidized and market rental housing units at this location from 18 to 40. We also announced an innovative partnership with Ontario Aboriginal Housing Services, the Northumberland County Housing Corporation, and Habitat for Humanity Northumberland that will result in 62 new affordable housing units at 473 Ontario Street in Cobourg. And we acquired an existing house in Campbellford, to be used for new supportive housing as early as 2023.

Beyond investments in owned infrastructure, we also expanded programs to drive a range of affordability options for residents. 2021 saw the introduction of our Affordable Housing Grant Program – designed to stimulate private and non-profit sector development of affordable housing options for the community. We also

increased County-funded rent supplement agreements to support households on the centralized waitlist for Rent-Geared to Income housing, and we continued to support critical home renovations for low-income homeowners through a partnership with Habitat for Humanity Northumberland.

Maintaining our local transportation network for the travelling public underpins the Sustainable Growth pillar of our strategic plan.

In 2021, we surface treated or paved 120 kilometres of municipal and County roads. We also continued with detailed design for the new Campbellford Bridge, completed Phase 1 rehabilitation work on the Dartford Bridge in Warkworth, and completed reconstruction of County Road 45 at Van Luven Road in Hamilton Township. Well-maintained infrastructure assets are essential to local quality of life and to tourism attraction and economic development. We will continue to balance service levels and risk with sustainable investments to keep our community moving.

In a climate of continuing adjustment to—and also recovery from—the impacts of COVID-19, stimulating economic growth in line with the Economic Prosperity and Innovation pillar of the strategic plan has been imperative.

Working with the business community, we delivered innovative programming in 2021 like the third intake of the Digital Footprint program – helping small businesses enhance their online presence and strengthen their market position. 26 new food businesses launched through the Ontario Agri-Food Venture Centre. And we introduced a wellness experience development program to grow the local tourism market.

Recognizing that access to high-speed internet is imperative to economic recovery, we also placed significant focus on enhancing local broadband connectivity. The County developed a broadband strategy and submitted detailed funding proposals to the federal and

provincial governments in 2021 to deliver a Northumberland home-grown approach for improving broadband connectivity in our community. In April 2022, we were thrilled to join MPP David Piccini for the announcement of \$45 million in joint federal-provincial funding for this initiative, which will enable the provision of high-speed internet to every home and business in our community by the end of 2024.

We have heard from our residents that sustainable health and community services must also continue to be placed front and centre. Through collaboration with community partners, we saw important strides in this area in 2021, consistent with the Leadership in Change pillar of our plan.

The Ontario Health Team of Northumberland collaboration, in which the County is an active partner, continued to deliver important value to our community, with patients, caregivers, and health and community service providers working together on initiatives to improve patient and caregiver experience. With funding announced by the Province, Northumberland Paramedics' began work to expand the Community Paramedicine program to provide increased in-home services for seniors in need of additional support before admission to long-term care. And, recognizing that community contributions are vital to enhance local hospital services, County Council approved a municipal investment of \$1.25 million over five years for essential capital equipment for Northumberland's two community hospitals.

Throughout 2021, our community—and the world—navigated the second year of a global pandemic. Throughout this difficult journey, our community has demonstrated remarkable resilience, and I want to express my gratitude to our residents and businesses for your ongoing contributions to keeping our community safe. I also want to thank my Council colleagues

for their support and collaboration during this time.

Finally, I would like to compliment our County staff for their expertise and professionalism in delivering the strategic initiatives identified by Council and providing the essential programs and services that we all rely on.

I am proud of what our organization has accomplished over the last year, and of how our community has come together during this time, and I am grateful for this unique opportunity to serve as Northumberland County Warden through it all. As we turn the page on 2021, I look forward to a productive 2022 with new milestones to celebrate in the service of our community.

Robert Crate

Northumberland County Warden



Our leadership



Jennifer Moore
Chief Administrative Officer (CAO)



Dan Borowec
Economic Development,
Planning & Strategic
Initiatives Director



Lisa Ainsworth
Corporate Services Director



Lisa Horne
Community & Social Services Director



Kate Campbell
Communications Director



Glenn Dees
Finance Director/Treasurer



William Detlor
Golden Plough Lodge
Administrator



Kamalesan Muthulingam
Information Technology Director



Darrell Mast
Municipal Solicitor



Susan Brown
Northumberland Paramedics Chief



Denise Marshall
Public Works Director



A message from the CAO

The 2021 Annual Report provides details about the County's financial performance and recent achievements. This overview of progress towards both short and long-term objectives provides important insight into how the County is planning for changes on the horizon.

Provincial forecasts indicate that Northumberland will grow to 122,000 people over the next 30 years. The record-setting \$470.3 million dollars in local development activity in 2021 is consistent with these projections. This activity points to the importance of our current Northumberland Next initiative to ensure a strong Official Plan and policies are in place to guide growth and development in Northumberland in a very intentional manner.

Through the Northumberland Next Official Plan Update process, a Natural Heritage System Amendment was finalized in 2021. This amendment will preserve and enhance significant natural features and areas across the county for future generations. Consultation on a Growth Management Amendment launched at the end of December. Work on this amendment continues in 2022 as we assess long-term growth and land needs. A newly launched Agriculture Amendment, along with Water Resource and Affordable Housing amendments planned for the coming year, will round out this process.

As we consider how new development will be planned, phased and accommodated over the long-term, managing our impacts on the environment will also be critical. That is why the County is pursuing Leadership in Energy and Environmental Design (LEED) Silver Certification for major construction projects like the Golden Plough Lodge & Northumberland County Archives and Museum redevelopment and the Elgin Park community housing development. LEED provides a framework for healthy, efficient, carbon and cost-saving green buildings. 2021 also saw our community fully transition to two stream

recycling. This shift increased residential waste diversion from 47 to 52 per cent – with even greater gains anticipated for 2022 – as we strive towards a goal of 75 per cent diversion from our remaining landfill.

In addition to waste diversion, we are also focused on conservation. A Northumberland County Forest Management Plan was finalized in 2021, which will strengthen recreation opportunities for the community while ensuring a strong natural and cultural heritage conservation of this asset over the long-term. We also partnered with the Lower Trent Conservation Authority for the fourth year in a row to distribute 20,000 tree saplings across Northumberland as part of the Emerald Ash Borer Replacement Tree Program. In 2022, we will complete a Green House Gas Emission Reduction Plan, further advancing our commitment to environment sustainability.

Financial sustainability is another pressing priority as the County adjusts operations to meet the evolving needs of the community. County Council strives to establish budgets that fund necessary investments in essential services and infrastructure while maintaining affordability for taxpayers. In an era of rising inflation, significant municipal infrastructure deficits, and increasing needs for community services, this can be a complex task. The Dedicated Infrastructure Levy—introduced in 2015—is helping us to gain some ground on the level of investment required to maintain and renew our roads and bridges. In 2021, we updated the County-wide Development Charge to maximize revenue, ensuring growth pays for growth rather than placing the burden of cost of new development on existing taxpayers. We will continue to make prudent fiscal choices guided by our rigorous financial management practices in order to ensure value for local ratepayers.

As our community grows and changes, the County continues to assess program and service delivery to address gaps, capitalize on new opportunities, and ensure we are

positioned to meet the needs of residents and businesses. In 2021, this saw us continue with the shift to a life stabilization framework for social assistance under the Province's Recovery and Renewal transformation. Recognizing the essential nature of fast and reliable transit options, we completed a GO Expansion Business Case to inform the 2022 launch of a regional transit pilot with shuttle service to the Oshawa GO station. And, as the local tourism industry recovers from the impacts of the pandemic, we introduced the Northumberland Wellness Tourism Experience Initiative. As the first wellness tourism experience development program in Ontario, this program will encourage and foster the growth of the wellness tourism industry as an emerging niche market for our community.

In 2022, we will tackle further strategic planning and service development, including assessment of local child care needs to understand pressures and gaps, creation of a workforce strategy to help retain and recruit early years professionals, completion of a three-year accessibility plan, and development of a social housing master plan. We will also be continuing work with patients, caregivers, health and community services providers through the Ontario Health Team of Northumberland collaboration to identify and address community health and well-being priorities.

Planning for the future also means assessing our organization and taking steps to retain and attract employees who have the skills to deliver the services that our community members expect today, and the expertise to plan and implement those that will be needed tomorrow. In 2021, Council approved a comprehensive corporate People Plan Strategy for the County, which will link development, training, succession planning and recruitment for effective long-term County operations.

As I reflect on a year of challenges overcome and accomplishments delivered, I'd like to express my sincere thanks to County staff for their agility in responding to an ever-changing environment and for their commitment to service excellence. As we embark on a new year, I am confident that, guided by the prudent financial management practices reflected in this report, and by working together with our partners and community members, we are sure to create bright possibilities for recovery and renewal for Northumberland.

Jennifer Moore

Northumberland County
Chief Administrative Officer



Our service overview



Our 2021 tax rates (County only)*

RESIDENTIAL

0.00493389

MULTI-RESIDENTIAL

0.00986778

COMMERCIAL

0.00740084

INDUSTRIAL

0.01036117

(**Municipal and education in addition)

Our teams

Communications

COMMUNICATIONS AND MEDIA RELATIONS

- Provides communications planning, project management and media relations
- 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 AND AFFORDABLE HOUSING PROGRAMS

- Administers Community Housing and affordable housing programs, supporting implementation of our Ten-Year Housing and Homelessness Plan
- Works to implement the strategic vision of the Northumberland County Housing Corporation (NCHC) Board of Directors

COMMUNITY OUTREACH & HEALTH AND WELLNESS

- Connects residents in need with the appropriate County, community and government services and supports
- Manages initiatives to reduce homelessness and the risk of homelessness
- Leads the development and implementation of the Community Safety and Well-Being Plan for Northumberland

FAMILY AND CHILDREN SUPPORT PROGRAMS

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

FOOD SECURITY PROGRAMS

- Operates Food 4 All, a centralized food distribution warehouse

ONTARIO WORKS SERVICES

- Coordinates social assistance services, including financial and life stabilization supports



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

CULTURAL HERITAGE

- Operates the Northumberland County Archives and Museum

HEALTH, SAFETY AND EMERGENCY PLANNING

- Ensures a safe and healthy 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



Economic Development, Planning & Strategic Initiatives

BUSINESS SERVICES

- Business incubation services and supports for the agriculture and agri-food industry through the Ontario Agri-Food Venture Centre (OAFVC)
- Operates the Business & Entrepreneurship Centre of Northumberland

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 and Treasury

COURT SERVICES

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

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
- Provides managed IT services to a number of member municipalities and organizations



Long-Term Care: Golden Plough Lodge

ACCOMMODATION

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

HEALTH

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

LIFE ENRICHMENT

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



Northumberland Paramedics

COMMUNITY PARAMEDICINE

- Provides proactive health care services for patients who use 9-1-1 services due to system gaps/challenges/ access to community care

PRE-HOSPITAL HEALTHCARE

- Administers 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



Public Works

FACILITIES

- Leads the oversight of all County-owned facilities including buildings, infrastructure and grounds
- Maintains Northumberland County Housing Corporation facilities

MAJOR PROJECTS

- Oversees and supports large-scale capital construction projects

ROADS AND INFRASTRUCTURE

- 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



A message from the Treasurer

It is my pleasure to present Northumberland County's ninth Annual Report, sharing the Audited Financial Statements for the organization, for the fiscal year ending December 31, 2021.

One of Northumberland County's core values is accountability. The Annual Report is this value in action. It is a cornerstone of our commitment to transparent governance, detailing the allocation of budget dollars to program and service delivery, infrastructure maintenance and renewal, debt servicing and reserves.

For 2021, Northumberland County Council approved a budget of \$188.4M, including \$75.3M for capital investments, \$106.3M for core services and \$6.8M for reserves towards the future financing of identified strategic initiatives and infrastructure needs. The outcome was a tax increase coming in at 1.58% after assessment growth comprised of 0.94% for base budget and 0.64% dedicated towards infrastructure investments. There was significant effort of Council and staff to achieve as close to possible a targeted 0% base budget increase.

Construction of the multi-year Golden Plough Lodge & Northumberland County Archives and Museum Project represented the most significant proportion of the 2021 actual capital investment at \$15.3M with these works continuing into 2022. Construction and maintenance of our road and bridge network represented our second most significant capital expenditure at \$7.1M. The Elgin Park community housing redevelopment project commenced in 2021, with construction fully underway in 2022. Further, we saw recurring type investments directed to fleet and equipment maintenance for our paramedic, roads and facilities work, and to upgrades to community housing.

Net Financial Assets increased to \$23.9M in 2021 – an increase of \$2.3M over 2020 – attributable to several factors including a reduction in the landfill closure and post-

closure liability estimate from \$28.8M to \$24.5M reflective of trend for reduced landfill monitoring and maintenance costs.

Aligned with the County's newly adopted Reserve Policy, an initial contribution was made to a Landfill Closure Reserve for \$2.4M towards financing future costs. This, in conjunction with timing of cash flows for financing multi-year capital projects such as the Golden Plough Lodge & Northumberland County Archives and Museum redevelopment as well as other reserve contributions, has enhanced the County's reserve position from \$69.2M to \$83.2M.

The County's newly adopted Reserve Policy is aligned with our Long-term Financial Planning Framework for minimizing levy fluctuations and future years' debt servicing costs. Reserves provide for future financial flexibility, contingencies, and dedicated funds within the County's long-term financial plan for financing critical infrastructure projects such as the new Campbellford Bridge and expansion of social housing stock through the Northumberland County Housing Corporation.

Short Term Advances increased by \$11.8M to \$16.8M. This is representative of construction financing sourced from Infrastructure Ontario for the Golden Plough Lodge & Northumberland County Archives and Museum project. This will continue to grow as the project progresses, with this financing converted into an Infrastructure Ontario long-term debenture upon the project's completion.

Key indicators of our financial performance point to the County's fiscal health, with a continued positive trend of increased Accumulated Surplus resulting in stable reserves, careful and strategic management of debt, expansion of capital assets and enhanced financial capacity to address long-term priorities.

COVID-19 continued to place strain on municipal budgets. Funding from the Province was instrumental in offsetting these impacts and

ensuring resilience to community needs and response initiatives ensuring the health and safety of our communities. The County again extends its thanks to the provincial government for their partnership to ensure municipalities have had access to necessary resources to overcome some of the operational challenges presented by the global pandemic, enabling us to continue delivering priority services to residents and businesses.

Despite a fluctuating economic environment, robust financial management practices and prudent long-term planning have sustained our operations as we continue to invest in key infrastructure and essential program and service delivery to stimulate economic growth, job creation and community supports.

As always, I would like to close my report with sincere thanks to the County Finance team for their expertise and professionalism. The consolidated financial statements shared in this report confirm a strong fiscal position, achieved through partnership with internal partners and members of Council, and a shared commitment to delivering value for Northumberland ratepayers.

Glenn Dees

Northumberland County
Director of Finance/Treasurer





2021 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



ELGIN PARK REDEVELOPMENT

Launched construction on a community housing project in Cobourg to increase subsidized and market rental housing at this location from 18 to 40 units.



ONTARIO STREET DEVELOPMENT

Announced an innovative partnership between Ontario Aboriginal Housing Services (OAHS), Northumberland County Housing Corporation (NCHC), Habitat for Humanity Northumberland (HFHN) and Northumberland County to co-design, and jointly develop and manage, an affordable housing complex with 62 units in Cobourg.



CAPITAL INCENTIVES PROGRAM

Launched a program to stimulate development of private and non-profit affordable housing in the county, in alignment with our Affordable Housing Strategy.

Tourism & business support



NORTHUMBERLAND WELLNESS TOURISM EXPERIENCE INITIATIVE

Introduced the first wellness tourism experience development program in Ontario, designed to encourage and foster the growth of the wellness tourism industry.



SMALL BUSINESS SUPPORT

Helped local small businesses thrive with coaching, support and grants, along with innovative new program launches like the Faster Forward Summit Program and the third intake of our Digital Footprint program.



LAUNCHED 26 FOOD BUSINESSES

The Ontario Agri-Food Venture Centre (OAFVC) helped launch 26 new food businesses.



GO EXPANSION BUSINESS CASE

Completed a GO Expansion Business Case & Economic Impact Study.

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

717

NEW HOUSING
STARTS

120 KM

OF ROADS PAVED
OR SURFACE
TREATED

PHASE 1

OF DARTFORD
BRIDGE
REHABILITATION

Preparing for growth



NORTHUMBERLAND NEXT

Advanced the Official Plan update by finalizing an Enhanced Natural Heritage System for the county and releasing a draft Growth Management Plan for review.



DEVELOPMENT CHARGES

Updated the County-wide Development Charge (D.C.) By-Law, following updates to provincial legislation, to allow for the maximization of D.C. revenues.



RECORD-SETTING DEVELOPMENT

Oversaw a record-setting \$470.3M in development activity across the County.



RAIL SAFETY IMPROVEMENTS

Advanced safety improvements at the Prince Edward Street crossing in Brighton and completed improvements at the Brook Road crossing in Cobourg.



INTERSECTION IMPROVEMENTS

Completed safety improvements at 3 intersections in Campbellford, including installation of accessible audible pedestrian signals and tactile walking plates.

Environmental stewardship



INCREASED DIVERSION TO 52%

Fully transitioned to our two-stream recycling program and increased residential waste diversion rate from 47% to 52%.



20,000 TREES DISTRIBUTED

Distributed trees across the county through the Emerald Ash Borer Tree Replacement Program in collaboration with the Lower Trent Conservation Authority.

Roads, bridges and facilities



CAMPBELLFORD BRIDGE

Continued the detailed design for the new Campbellford Bridge and Arterial Road Network.

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

525 KM
OF FOREST
TRAILS
INSPECTED

25,000+
9-1-1 CALLS
RESPONDED
TO

**GPL &
NCAM**
REDEVELOPMENT
PROGRESSING

Caring for the community



REMOTE PATIENT MONITORING

Community Paramedics provided proactive services for 62 individuals who are frail, elderly or have mobility restrictions.



ONTARIO HEALTH TEAM SUPPORT

Helped advance priority projects for the Ontario Health team of Northumberland (OHT-N).

Services in the community



FOREST TRAIL MAINTENANCE

Enhanced trails in the County Forest, including brushing over 70 km of trail, pruning over 45 km of trail, and grading 20 km of trails.



SOCIAL ASSISTANCE FRAMEWORK

Continued the shift to a life stabilization framework for social assistance under the Province's Recovery and Renewal transformation.

Ensuring community safety



COMMUNITY SAFETY & WELL-BEING PLAN

Submitted a Community Safety & Well-Being Plan, co-designed with community partners, to the Province and began implementation of priorities and action items.



EMERGENCY EXERCISE

Conducted an emergency exercise to prepare for potential risk of cyber-attack and develop robust business continuity planning in case of an emergency.

Strengthening relationships



INDIGENOUS ADVISORY CIRCLE

Sought guidance from e wiindmaagzijig, (Indigenous Advisory Circle) to lead the development of NCAM's inaugural exhibitions in the new the NCAM.

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



Continuous improvement



ANNUAL REPORT DESIGN AWARD

Awarded a MarCom Gold Award for the design of Northumberland County's 2020 Annual Report.



MODERNIZE IT INFRASTRUCTURE

Continued modernization of internal IT infrastructure, and completed security enhancements for the organization.



ACCESSIBILITY FOR ALL

Provided internal training, support and expertise to help staff improve the accessibility of their documents, programs, facilities, technology and more.



\$800 K IN FUNDING SECURED

Secured nearly \$800,000 in funding from other levels of government and external sources for investment in County and partner agency programs and services for the community.

Budget engagement



BUDGET SIMULATION TOOL

Engaged community members in the use of a budget simulation tool designed to increase awareness about the scope of programs and services administered by the upper-tier level of municipal government, and to obtain key insights on resident and stakeholder budget priorities.

Fiscal management



RESERVE POLICY

County Council approved a comprehensive reserve policy to guide future reserve strategies based on future priorities and needs, as highlighted in the 10-year financial forecast.



In this together

Supporting our community during COVID-19

Community health and safety

- Paramedics collaborated with health system partners to administer COVID-19 testing and over 2,400 vaccines throughout the community in 2021.
- County staff operated a community call centre to schedule eligible residents for the first available round of COVID-19 vaccines.

Community support

- Collaborated with local child care providers to coordinate Emergency Child Care to support essential workers in the community during COVID-19 school closures.
- Collaborated with St. Peter's Anglican Church and Transition House Shelter in Cobourg to provide an overnight warming room where residents in need could take shelter from the cold during the winter.
- Transitioned the widely successful Northumberland Eats pilot program to a permanent program administered by Northumberland United Way. This food voucher program enhanced food security and increased options for people in need, while supporting local food businesses during the pandemic.

Corporate health and safety

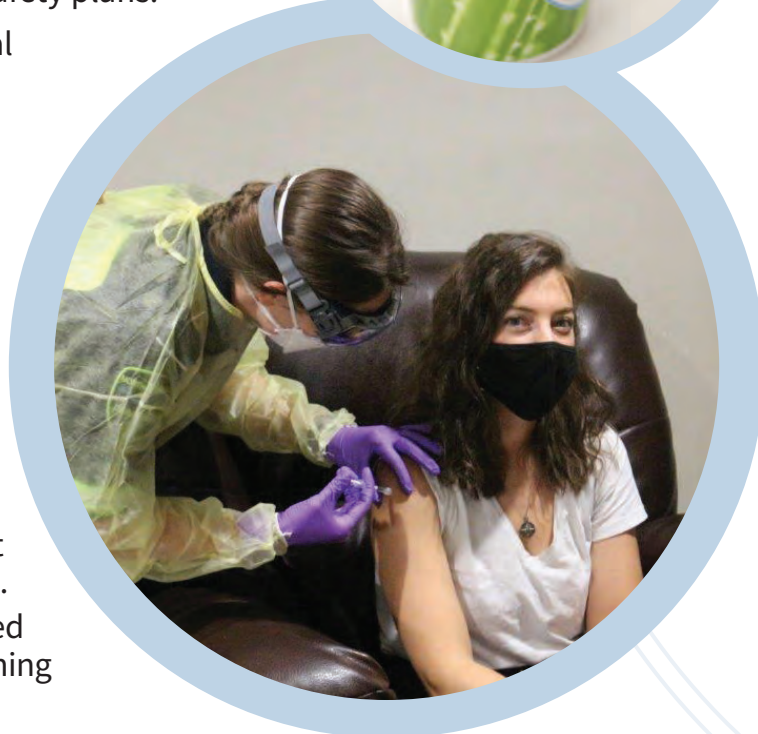
- Implemented site and event COVID-19 safety plans.
- Health and Safety staff supported internal departments with protective measures against COVID-19.

Financial impact and recovery

- Provided regular financial updates on COVID-19 impacts and projections for timely reporting to County Council.

Innovative service delivery

- Implemented virtual technologies in Court Services for trials and resolution meetings.
- Northumberland EarlyON Centres pivoted to innovative interactive virtual programming for children and families.





2022 Priorities

Economic prosperity and innovation



- Launch the Great Northumberland Road Trip digital guide—an immersive, interactive and accessible visitor’s guide to showcase over 200 experiences, businesses and activities across Northumberland.
- Continue advancing two community housing projects in Cobourg, including construction of the Elgin Park community housing redevelopment and pre-construction activities for the Ontario Street housing development.

Sustainable growth



- Advance the Northumberland Next Official Plan update, including land use and employment mapping, and consultations regarding agricultural land mapping and policies.
- With funding from the federal and provincial governments, launch innovative new initiative to deliver high-speed internet access to all households and businesses across Northumberland by the end of 2024, in partnership with private sector partners.
- Design and start construction of an OAFVC expansion and indoor farmer’s market.
- Release a revised 20-year Asset Management Plan for core assets.
- Complete a GHG Emission Reduction Plan.
- Replace expansion joints on the existing Campbellford Bridge and continue detailed design for the new Campbellford Bridge and Arterial Road Network.
- Complete the Eagleson Landfill Leachate Collection System Alterations construction project.
- Reconstruct County Road 18 at Telephone Road and Danforth Road.
- Initiate an Environmental Assessment and detailed design for the County Road 64 reconstruction project, jointly with the Municipality of Brighton.
- Launch the detailed design for a redesign of the intersection of County Road 2 at County Road 10 and County Road 74 in Welcome.
- Complete Phase 2 of the Dartford Bridge rehabilitation.

Thriving and inclusive communities



- Launch a Community Paramedicine for Long-Term Care program to deliver innovative home-based care to seniors.
- Partner with patients, caregivers and health and community service providers via the Ontario Health Team of Northumberland to identify health and well-being priorities for Northumberland and establish a strategic plan for action.
- Launch a pilot shuttle service to connect the communities of Northumberland with each other and GO service in Oshawa.
- Collaborate with Brighton Fire on the design of a new joint emergency services base in Brighton.
- Conduct a child care survey to assist in addressing pressures, identifying gaps and improving service delivery.
- Develop a workforce strategy to help retain and recruit Early Years professionals.
- Conduct a homelessness system review to guide planning and service delivery options, and implement the Homeless Individual and Families Information System (HIFIS) for coordinated access of real-time data shared between community agencies.
- Implement the Community Safety and Wellbeing Plan, including governance and reporting structures.



Leadership in change



- Continue enhancement and refinement of IT security controls and best practices, modernize internal IT infrastructure, and deploy next generation technology tools to support business processes.
- Enhance focus on digital and broadband strategies to facilitate greater tech growth and investment in the county.
- Evaluate opportunities for budget software to improve workflow and deliver enhanced financial forecasting and modelling.
- Develop a framework for multi-year budgeting and debt-management.
- Finalize the County's Multi-Year Accessibility Plan.
- Implement a People Strategy to guide professional development, training, succession planning and recruitment for effective long-term operations.

An aerial photograph of a suburban neighborhood, showing various houses with different roof colors (grey, brown, green) and surrounding trees with autumn foliage in shades of green, yellow, and orange. The scene is viewed from a high angle, looking down on the residential area.

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 & Audit Committee 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

↑ **\$1.9 M**
EXPENSES

↑ **\$8.7 M**
TOTAL REVENUE

↑ **\$14 M**
RESERVES

↑ **\$16.1 M**
NET BOOK VALUE OF ASSETS

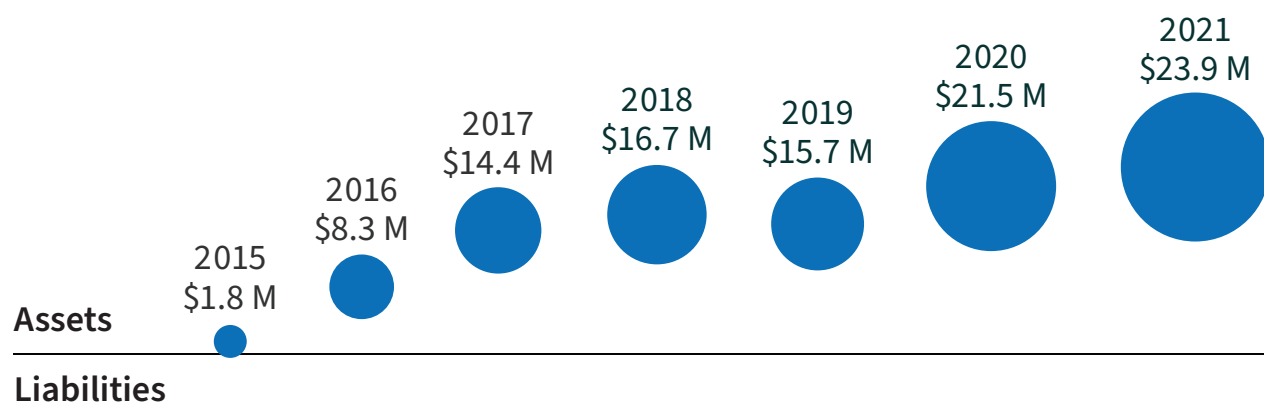
↑ **\$10.2 M**
LONG-TERM DEBT
& SHORT-TERM
ADVANCES

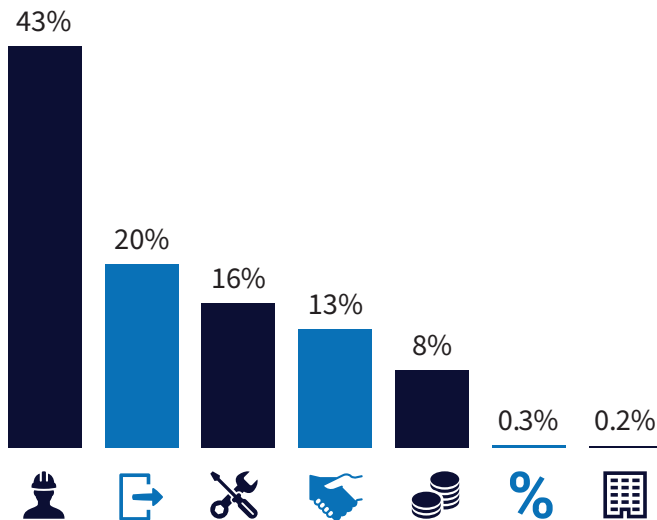
↑ **\$15 M**
CASH & INVESTMENTS

*All comparative data references 2020 results.

Financial assets

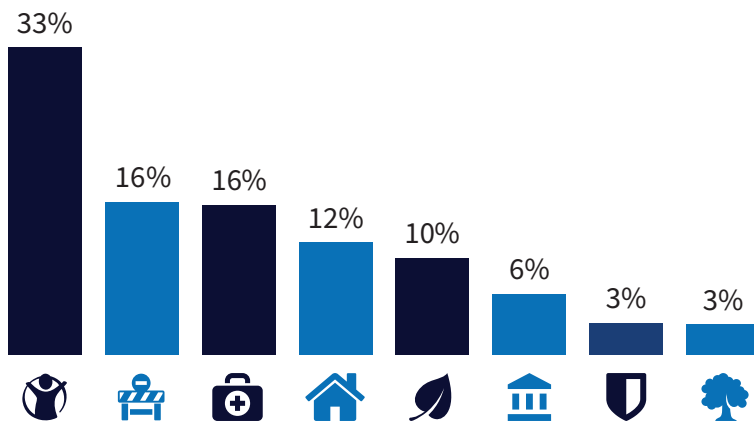
The County is now in a positive net financial asset position of \$23.9 million.





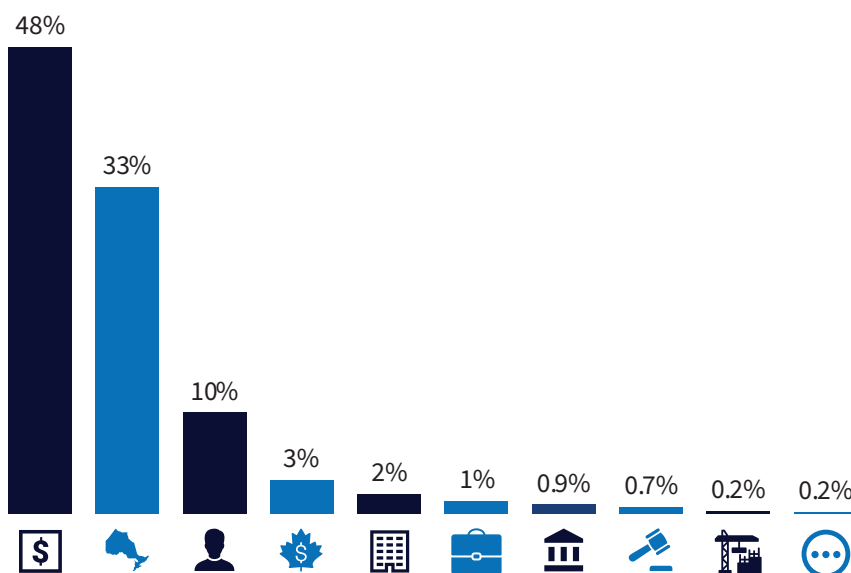
Expenses by type (m)

Salaries & Benefits	\$47.2
External Transfers	\$21.6
Materials	\$17.0
Contracted Services	\$13.9
Amortization	\$9.1
Interest Charges	\$0.3
Rents & Financial	\$0.2



Expenses by service (m)

Social & Family Services	\$35.7
Transportation	\$17.7
Health Services	\$17.4
Social Housing	\$13.1
Environmental Services	\$11.2
General Government	\$7.0
Protection Services	\$3.7
Ec. Development/Tourism/Forest	\$3.6



Revenues by type (m)

Tax Levy	\$60.8
Provincial Government	\$42.6
User Charges	\$13.2
Federal Government	\$4.4
Rents	\$2.6
Investment Income	\$1.6
Other Municipalities	\$1.2
Provincial Offences	\$0.9
Development Charges	\$0.3
Other	\$0.2

*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 2021.



*Part of a multi-year
investment of approx. \$114.1 M

Fleets & Equipment



A large circular graphic is centered on the page. It consists of a solid blue inner circle and a thick ring of autumn foliage surrounding it. The foliage is a dense, textured band of trees with leaves in various shades of orange, red, yellow, and green. The entire graphic is set against a solid blue background.

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? Connect with us today to learn how you can join our volunteer team—now or in the future—and work with us to create possibilities for a thriving Northumberland!

VOLUNTEER OPPORTUNITIES INCLUDE POSITIONS IN:

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

**FOR MORE
INFORMATION
ON HOW TO
APPLY, PLEASE
CALL 905-372-3329**



Connect with the County

Where to find us



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/News

Social media

We're social! Connect with Northumberland County via Facebook, Twitter, and YouTube. Visit 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). Access minutes, agendas and reports at Northumberland.ca/Council

Questions or comments?

Councillors welcome and appreciate your feedback. Share your comments by calling or mailing our headquarters building (contact information above). Connect with Council members through email by visiting Northumberland.ca/MeetYourCouncil

An aerial photograph showing a town with several buildings, parking lots, and a large body of water (likely a lake or river) in the background. The image is framed by a large, dark blue circle that serves as a background for the text.

Appendix A: 2021 Financial Statements



**CORPORATION OF THE COUNTY OF
NORTHUMBERLAND**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

**CORPORATION OF THE COUNTY OF
NORTHUMBERLAND**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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CORPORATION OF THE COUNTY OF NORTHUMBERLAND

For The Year Ended December 31, 2021

MANAGEMENT REPORT

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

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

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

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

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

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

Warden

Treasurer

June 15, 2022

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

Opinion

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

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

Basis for Opinion

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

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

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

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

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

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

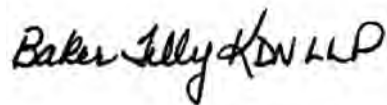
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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.

A handwritten signature in black ink that reads "Baker Tilly KDN LLP".

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario

June 22, 2022

**CORPORATION OF THE COUNTY OF
NORTHUMBERLAND**



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

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

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE COUNTY OF
NORTHUMBERLAND**



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

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

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/(NET DEBT)
For the Year Ended December 31, 2021**

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

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF NORTHUMBERLAND



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

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

The accompanying notes are an integral part of these financial statements

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

- Northumberland County Housing Corporation

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

(b) Tangible Capital Assets

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

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

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

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

(c) Non-financial Assets

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

(d) Reserves

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Recognition of Revenues and Expenses

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

Taxation

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

Government funding and other grants

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

Other revenue

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

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

Investment income is recorded when earned.

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

(f) Use of Estimates

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

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Trust Funds

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

2. TRUST FUNDS

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

3. INVESTMENTS

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

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

4. CREDIT FACILITY AGREEMENT

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

5. SHORT TERM ADVANCES

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

6. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

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

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

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

CORPORATION OF THE COUNTY OF NORTHUMBERLAND



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

7. EMPLOYEE FUTURE BENEFITS LIABILITY

The liability is comprised of the following amounts:

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

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

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

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

The continuity of the WSIB liability is as follows:

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

7. EMPLOYEE FUTURE BENEFITS LIABILITY, continued

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

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

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

The continuity of the health benefits is as follows:

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

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

8. LONG TERM DEBT

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

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

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

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

8. LONG TERM DEBT, continued

	2021	2020
	\$	\$

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

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

9. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

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

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

The remaining capacity of the one operational landfill site is estimated at 341,844 m³ (2020 - 444,997 m³) which is 27.1% (2020 - 29.7%) of the site's total capacity. The County estimates the site will continue to operate until 2031.

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

10. TANGIBLE CAPITAL ASSETS

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

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

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

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

Tangible capital assets allocated by segment are as follows:

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

CORPORATION OF THE COUNTY OF NORTHUMBERLAND



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

11. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

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

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

12. PROVINCIAL OFFENCES OFFICES

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

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

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

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

13. EXPENSES BY OBJECT

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

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

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

14. BUDGET FIGURES

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

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

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

15. PENSION AGREEMENTS

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

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

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

16. CONTINGENT LIABILITIES

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

17. COMMITMENTS

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

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

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

18. SEGMENTED INFORMATION

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

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

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

General Government

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

Protection Services

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

Transportation Services

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

18. SEGMENTED INFORMATION, continued

Environmental Services

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

Health Services

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

Social and Family Services

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

Social Housing

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

Economic Development, Tourism and Forest

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

19. SOCIAL HOUSING

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

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

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

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

20. COMPARATIVE FIGURES

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

CORPORATION OF THE COUNTY OF NORTHUMBERLAND

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



21. UNCERTAINTY CAUSED BY COVID-19

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

CORPORATION OF THE COUNTY OF NORTHUMBERLAND



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

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

CORPORATION OF THE COUNTY OF NORTHUMBERLAND



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

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

CORPORATION OF THE COUNTY OF NORTHUMBERLAND



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

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

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INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

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

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

Basis for Qualified Opinion

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

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

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

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

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

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

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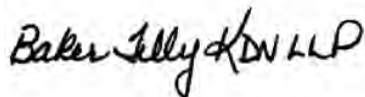
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

A handwritten signature in black ink that reads "Baker Tilly KDN LLP".

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 22, 2022

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**CORPORATION OF THE COUNTY OF
NORTHUMBERLAND**



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

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

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

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

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF NORTHUMBERLAND



TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

1. PURPOSE OF TRUST FUNDS

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

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

3. INVESTMENT

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



**CORPORATION OF THE COUNTY OF
NORTHUMBERLAND**

NORTHUMBERLAND COUNTY HOUSING CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2021

Baker Tilly KDN LLP
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

Basis for Opinion

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

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

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

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

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

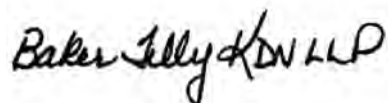
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

A handwritten signature in black ink that reads "Baker Tilly KDN LLP".

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario

June 22, 2022

CORPORATION OF THE COUNTY OF NORTHUMBERLAND

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



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

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF NORTHUMBERLAND



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

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

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF NORTHUMBERLAND



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

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

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF NORTHUMBERLAND

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



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

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF NORTHUMBERLAND

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



1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

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

Rents are recognized as revenue in the period earned.

(b) Tangible Capital Assets

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

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

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

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

(c) Deferred Revenue

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

(d) Non-Financial Assets

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

(e) Reserves

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

CORPORATION OF THE COUNTY OF NORTHUMBERLAND

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



1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Use of Estimates

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

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

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

(g) Inter-Entity Transactions

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

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

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

2. UNCERTAINTY CAUSED BY COVID-19

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

CORPORATION OF THE COUNTY OF NORTHUMBERLAND

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



3. TANGIBLE CAPITAL ASSETS

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

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

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

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

CORPORATION OF THE COUNTY OF NORTHUMBERLAND

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



5. INTER-ENTITY TRANSACTIONS

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

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

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

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

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

6. BUDGET FIGURES

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

7. COMMITMENT

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

