

County of Northumberland
555 Courthouse Road
Cobourg, Ontario
K9A 5J6

June 19, 2024

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

Attention: Richard Steinginga, CPA, CA

Dear Sirs:

This representation letter is provided in connection with your audit of the consolidated financial statements of County of Northumberland (the "County") for the year ended December 31, 2023 for the purpose of expressing an opinion as to whether the consolidated financial statements are presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards.

We confirm that:

Financial statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 8, 2024 for the preparation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards; in particular, the consolidated financial statements are fairly presented in accordance therewith.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
3. We have assessed that the County is able to continue as a going concern and the consolidated financial statements have been prepared on a going concern basis.
4. The methods, the data, and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Public Sector Accounting Standards.
6. There have been no events subsequent to the date of the consolidated financial statements up to the date hereof that would require recognition or disclosure in the consolidated financial statements. Furthermore, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those consolidated financial statements and the related notes.
7. Unrecorded adjustments at year end are trivial in amount and nature, therefore the effects of unrecorded adjustments are, both individually and in the aggregate, immaterial to the consolidated financial statements.

8. The accounting policies selected and the application thereof is appropriate, including those for complex areas of accounting and areas involving management's judgement and estimates, for example, revenue recognition, fair value measurements, transfers of receivables, hedging relationships and consolidation of variable interest entities.
9. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the consolidated financial statements.
10. We are aware of the environmental laws and regulations that impact on our County and we are in compliance. There are no known environmental liabilities, including liabilities under sections PS3260 - Liability for Contaminated Sites and PS3280 - Asset Retirement Obligations that have not been accrued for or disclosed in the consolidated financial statements.
11. We are aware of the environmental laws and regulations that impact on our County and we are in compliance. There are no known environmental liabilities that have not been accrued for or disclosed in the consolidated financial statements.
12. The nature of all material measurement uncertainties has been appropriately disclosed in the consolidated financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the consolidated financial statements.
13. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
14. There are no derivative or off-balance sheet financial instruments held at year end.
15. We have made the appropriate determination, accounting and disclosure in the consolidated financial statements of the costs, assets and obligations associated with employee future benefits.
16. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated financial statements.
17. The County has satisfactory title to all assets, and there are no liens or encumbrances on the County's assets.

Information provided

18. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the consolidated financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the County from whom you determined it necessary to obtain audit evidence.
19. All transactions have been recorded in the accounting records and are reflected in the consolidated financial statements.
20. We have disclosed to you the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud.
21. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the County and involves:
 - Management;

- Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
22. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the County's financial statements communicated by employees, former employees, analysts, regulators or others.
 23. We have disclosed to you, and the County has complied with, all aspects of contractual agreements that could have a material effect on the consolidated financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debts.
 24. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
 25. We have disclosed to you the identity of the County's related parties and all the related-party relationships and transactions of which we are aware.
 26. The minute books of the County are a complete record of all meetings and resolutions of the County throughout the year and to the present date.

Journal entry approval

27. We approve of and acknowledge responsibility for the journal entries summarized in the accompanying schedule.

Yours very truly,

Jennifer Moore
CAO

Matthew Nitsch
Director of Finance/Treasurer

County of Northumberland

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Year End: December 31, 2023

Baker Tilly KDN LLP Proposed Entries

for Management approval

Date: 1/01/23 To 12/31/23

Number	Date	Name	Account No	Debit	Credit
BT01	12/31/23	Change in ARO Equity	00-0000-9982-0	21,995,200.00	
BT01	12/31/23	ES-WAD-Amounts to be Recoverred-BS	08-0800-0070-5		21,995,200.00
BT01	12/31/23	ES-WAD-Closure/Post Closure Liab's-BS	08-0800-0825-5	21,995,200.00	
BT01	12/31/23	Landfill adjustment due to change in standards	08-0800-4414-0		21,995,200.00
		To reverse landfill liability under old section			
BT02	12/31/23	TX-MUT-AR Taxes Current-BS	01-0100-0044-5	527,544.23	
BT02	12/31/23	TX-MUT-Supplementaries-OP	01-0100-9092-0		527,544.23
		To record reconciliation of supps and write offs and due to / from lower tiers			
BT03	12/31/23	CP-COR-Change in TCA Equity-OP	00-0000-9981-0	16,278,049.47	
BT03	12/31/23	TX-MUT-TCA Accum'd Surplus(Deficit)-BS	01-0100-0997-5		16,278,049.47
		Correction for Change in Equity in TCA			
BT04	12/31/23	TX-MUT-County Levy-OP	01-0100-9000-0	1,086,138.67	
BT04	12/31/23	TX-MUT-County Levy-OP	01-0100-9000-0	1,600,728.56	
BT04	12/31/23	LH-PHG-Transfer From Reserve-OP	13-1300-0911-0	1,600,728.56	
BT04	12/31/23	LH-PHG-County Levy-OP	13-1300-9000-0		
BT04	12/31/23	County capital contribution	13-1300-9001-0		1,086,138.67
BT04	12/31/23	County capital contribution	13-1300-9001-0		1,600,728.56
BT04	12/31/23	SH-HAD-Transfer From Reserve-OP	14-1400-0911-0		1,600,728.56
		NCHC contribution reduced to remove surplus per dicussion with Mathew 4/17/23. Plus adjustment for transfer from Housing reserve as per minutes that should have been posted to Housing not NCHC			
BT07	12/31/23	CP-COR-Change in TCA Equity-OP	00-0000-9981-0	11,906,200.00	
BT07	12/31/23	Change in ARO Equity	00-0000-9982-0		23,201,600.00
BT07	12/31/23	TX-MUT-TCA Accum'd Surplus(Deficit)-BS	01-0100-0997-5		11,906,200.00
BT07	12/31/23	ES-WAD-Amounts to be Recoverred-BS	08-0800-0070-5	23,201,600.00	
BT07	12/31/23	Land Improvements - Landfill ARO	08-0800-0325-5	11,906,200.00	
BT07	12/31/23	ES-WAD-Closure/Post Closure Liab's-BS	08-0800-0825-5		23,201,600.00
BT07	12/31/23	Change in Landfill Liability	08-0800-4413-0		
BT07	12/31/23	Landfill adjustment due to change in standards	08-0800-4414-0	11,295,400.00	
		To set up Landfill ARO under new sections. Closed landfill's are no longer in service so there is no asset to set-up			
BT08	12/31/23	CP-COR-Change in TCA Equity-OP	00-0000-9981-0	5,056,596.47	

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Year End: December 31, 2023

Baker Tilly KDN LLP Proposed Entries

for Management approval

Date: 1/01/23 To 12/31/23

Number	Date	Name	Account No	Debit	Credit
BT08	12/31/23	Change in ARO Equity	00-0000-9982-0		5,056,596.47
BT08	12/31/23	TX-MUT-TCA Accum'd Surplus(Deficit)-BS	01-0100-0997-5		5,056,596.47
BT08	12/31/23	Roads-Bldg-ARO	06-0602-0330-5	168,038.63	
BT08	12/31/23	TS-Bldg-ARO	06-0684-0330-5	548,961.21	
BT08	12/31/23	ES-WAD-Amounts to be Recovered-BS	08-0800-0070-5	5,056,596.47	
BT08	12/31/23	Waste-Bldg-ARO	08-0800-0332-5	51,648.54	
BT08	12/31/23	LH-Bldg-ARO	13-1300-0332-5	3,223,401.08	
BT08	12/31/23	SH - Asset retirement obligation	13-1300-0830-5		3,223,401.08
BT08	12/31/23	GPL-Bldg-ARO	15-1501-0332-5	1,064,547.01	
BT08	12/31/23	Asset Retirement Obligation	BT-0800-0830-5		1,833,195.39

To set up building ARO for asbestos under new PSAB sections

BT09	12/31/23	Change in ARO Equity	00-0000-9982-0	165,200.00	
BT09	12/31/23	Change in ARO Equity	00-0000-9982-0		197,207.26
BT09	12/31/23	GG-Program Support Accretion expense	02-0253-7900-0	21,409.49	
BT09	12/31/23	TS-Roads Accretion expense	06-0600-7900-0	6,553.51	
BT09	12/31/23	ES-WAD-Amounts to be Recovered-BS	08-0800-0070-5		165,200.00
BT09	12/31/23	ES-WAD-Amounts to be Recovered-BS	08-0800-0070-5	197,207.26	
BT09	12/31/23	ES-WAD-Closure/Post Closure Liab's-BS	08-0800-0825-5	165,200.00	
BT09	12/31/23	Closure costs incurred in year contra	08-0800-5251-0		344,431.00
BT09	12/31/23	ES-Landfill accretion expense-OP	08-0801-5264-0	179,231.00	
BT09	12/31/23	ES-Landfill accretion expense-OP	08-0801-5264-0	2,014.29	
BT09	12/31/23	SH - Asset retirement obligation	13-1300-0830-5		125,712.64
BT09	12/31/23	LH-Social Housing Accretion expense	13-1300-7900-0	125,712.64	
BT09	12/31/23	LC-GPL Accretion expense	15-1500-7900-0	41,517.33	
BT09	12/31/23	Asset Retirement Obligation	BT-0800-0830-5		71,494.62

To record accretion expense on ARO

BT10	12/31/23	CP-COR-Change in TCA Equity-OP	00-0000-9981-0		631,624.97
BT10	12/31/23	CP-COR-Change in TCA Equity-OP	00-0000-9981-0		1,082,381.81
BT10	12/31/23	TX-MUT-TCA Accum'd Surplus(Deficit)-BS	01-0100-0997-5	631,624.97	
BT10	12/31/23	TX-MUT-TCA Accum'd Surplus(Deficit)-BS	01-0100-0997-5	1,082,381.81	
BT10	12/31/23	TS-TRM-Amort Bldg-OP	06-0601-6330-0	13,069.67	
BT10	12/31/23	Roads-ARO- Acc.Amort Bldg	06-0602-0339-5		13,069.67
BT10	12/31/23	TS-HQW-Amort Bldg-OP	06-0683-6330-0	19,605.76	
BT10	12/31/23	TS-ARO- AccAmort Bldg	06-0684-0339-5		19,605.76
BT10	12/31/23	Landfill-ARO-AccAmort Land Imp	08-0800-0328-5		1,082,381.81
BT10	12/31/23	Waste- ARO - AccAmort Bldg	08-0800-0338-5		4,028.26
BT10	12/31/23	ES-WAD-Amort Land Imp-OP	08-0800-6320-0	1,082,381.81	
BT10	12/31/23	ES-WAD-Amort Bldg-OP	08-0800-6330-0	4,028.26	
BT10	12/31/23	LH-Bldg-ARO-Accum-Amort	13-1300-0338-5		240,072.28
BT10	12/31/23	LH-PHG-Amort Bldg-OP	13-1300-6330-0	240,072.28	
BT10	12/31/23	GPL-ARO- AccAmort Bldg	15-1501-0338-5		354,849.00

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Year End: December 31, 2023

Baker Tilly KDN LLP Proposed Entries

for Management approval

Date: 1/01/23 To 12/31/23

Number	Date	Name	Account No	Debit	Credit
BT10	12/31/23	LC-GBL-Amort Bldg-OP	15-1501-6330-0	354,849.00	
		To record amortization expense on ARO			
REC02	12/31/23	GG-CMT-Post Employment Liabilities-BS	02-0250-0821-5	1,568,885.00	
REC02	12/31/23	Retirement benefit portion	02-0250-0822-5		1,568,885.00
		To break out benefits for F/S note			
REC03	12/31/23	HST Rebate Receivable	115.1	591,084.97	
REC03	12/31/23	Receiver General Receivable	115.6		591,084.97
		To reclass HST rebate in general AR to Federal for FIR			
REC04	12/31/23	General due to LHC	00-1300-0500-5	998,241.09	
REC04	12/31/23	General due to LHC	00-1300-0500-5		
REC04	12/31/23	LH-PHG-Due from County-BS	13-1300-0050-5		998,241.09
REC04	12/31/23	LH-PHG-Due from County-BS	13-1300-0050-5		
		To show due to/from on NCHC f/s			
REC05	12/31/23	CP-COR-Change in TCA Equity-OP	00-0000-9981-0		9,672,658.86
REC05	12/31/23	Change in ARO Equity	00-0000-9982-0	3,349,113.72	
REC05	12/31/23	TX-MUT-TCA Accum'd Surplus(Deficit)-BS	01-0100-0997-5	17,895,957.44	
REC05	12/31/23	ES-WAD-Amounts to be Recovered-BS	08-0800-0070-5		3,349,113.72
REC05	12/31/23	NCHC ARO amounts to be recovered	13-1300-0070-5	3,349,113.72	
REC05	12/31/23	NCHC equity in TCA	13-1300-0997-5		17,895,957.44
REC05	12/31/23	Change in TCA	13-1300-9981-0	9,672,658.86	
REC05	12/31/23	Change in ARO Equity	13-1300-9982-0		3,349,113.72
		To adjust for NCHC NBV of TCA and ARO to be recovered			
REC06	12/31/23	GG-CMT-Deferred Revenue-BS	02-0250-0725-5		758,632.19
REC06	12/31/23	TS-TRA-Deferred Revenue-BS	06-0600-0725-5	758,632.19	
		Reallocate OCIF in gas tax account			
REC07	12/31/23	Due to Northumberland County	BT2300		8,586.00
REC07	12/31/23	Insurance expense	BT8500	8,586.00	
		Set up company for MSC for			

County of Northumberland
Year End: December 31, 2023
Baker Tilly KDN LLP Proposed Entries
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Date: 1/01/23 To 12/31/23

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Number	Date	Name	Account No	Debit	Credit
		Broadband project and expense insurance in internal accounts			
				181,087,110.97	181,087,110.97
		Net Income (Loss)	0.00		