Financial statements of
Kawartha Lakes – Haliburton Housing Corporation

December 31, 2023

Deloitte.

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Independent Auditor's Report

To the Directors of
Kawartha Lakes – Haliburton Housing Corporation

Opinion

We have audited the financial statements of Kawartha Lakes – Haliburton Housing Corporation, which comprise the statement of financial position as at December 31, 2023, and the statements of operations, change in net debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Kawartha Lakes – Haliburton Housing Corporation as at December 31, 2023, and the results of its operations, change in net debt and its 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 ("Canadian GAAS"). 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 Kawartha Lakes – Haliburton Housing 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 Kawartha Lakes – Haliburton Housing 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 Kawartha Lakes – Haliburton Housing Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Kawartha Lakes – Haliburton Housing 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 GAAS 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 GAAS, 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 Kawartha Lakes – Haliburton Housing 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 Kawartha Lakes – Haliburton Housing 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 Kawartha Lakes – Haliburton Housing 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
November 14, 2024

Kawartha Lakes – Haliburton Housing Corporation

Statement of financial position

As at December 31, 2023

	Notes	2023 $	2022 $
Assets			
Cash and investments		**15,768,412**	8,123,956
Accounts receivable and other assets		**929,080**	399,009
		16,697,492	8,522,965
Liabilities			
Accounts payable and accrued liabilities		**3,582,035**	1,693,725
Deferred revenue		**5,283,395**	672,236
Due to City of Kawartha Lakes	6	**9,212,865**	2,256,793
Accrued interest		**3,877**	5,165
Asset retirement obligations		**250,000**	—
Long term debt	5	**807,616**	1,094,230
		19,139,788	5,722,149
Net debt		**(2,442,296)**	2,800,816
Contingencies and commitments	11		
Non-financial assets			
Tangible capital assets	4	**57,518,394**	50,062,027
Inventory and prepaid expenses		**311,340**	335,287
		57,829,734	50,397,314
Accumulated surplus	10	**55,387,438**	53,198,130

The accompanying notes are an integral part of the financial statements.

On behalf of the Board

________________________________, Director

________________________________, Director

Kawartha Lakes – Haliburton Housing Corporation

Statement of operations

Year ended December 31, 2023

	Notes	Budget $	2023 Actual $	2022 Actual $
Revenue				
Federal subsidy		**—**	**673,505**	—
Provincial subsidy		**—**	**430,641**	534,730
Municipal contributions				
Kawartha Lakes		**3,365,574**	**4,022,900**	3,287,196
Haliburton		**218,196**	**401,469**	15,797
Rental revenue		**5,021,080**	**5,032,578**	4,913,646
Fee revenue		**103,190**	**209,809**	174,306
Donations and other revenue		**242,252**	**944,064**	795,832
Gain on disposal of tangible capital assets		**—**	**1,355,970**	395,634
		8,950,292	**13,070,936**	10,117,141
Expenses				
Social housing	9	**8,572,957**	**10,881,628**	10,026,570
Annual (deficit)surplus		**377,335**	**2,189,308**	90,571
Accumulated surplus, beginning of year		**53,198,130**	**53,198,130**	53,107,559
Accumulated surplus, end of year		**53,575,465**	**55,387,438**	53,198,130

The accompanying notes are an integral part of the financial statements.

Kawartha Lakes – Haliburton Housing Corporation

Statement of change in net debt

Year ended December 31, 2023

	Budget $	2023 Actual $	2022 Actual $
Annual surplus	**377,335**	**2,189,308**	90,571
Acquisition of tangible capital assets	**(2,891,833)**	**(9,247,386)**	(4,578,532)
Amortization of tangible capital assets	**806,000**	**1,721,989**	1,813,919
Gain on disposal of tangible capital assets	**—**	**(1,355,970)**	(395,634)
Proceeds on disposal of tangible capital assets	**—**	**1,425,000**	424,635
	(1,708,498)	**(5,267,059)**	(2,645,041)
Net change in inventory and prepaid expenses	**—**	**23,947**	(42,071)
Change in net debt	**(1,708,498)**	**(5,243,112)**	(2,687,112)
Net debt, beginning of year	**2,800,816**	**2,800,816**	5,487,928
Net debt, end of year	**1,092,318**	**(2,442,296)**	2,800,816

The accompanying notes are an integral part of the financial statements.

Kawartha Lakes – Haliburton Housing Corporation
Statement of cash flows
Year ended December 31, 2023

	2023	2022
	$	$
Operating activities		
Annual surplus	**2,189,308**	90,571
Item not affecting cash		
Amortization of capital assets	**1,721,989**	1,813,919
ARO accretion	**5,208**	—
Gain on disposal of tangible capital assets	**(1,355,970)**	(395,634)
	2,560,535	1,508,856
Changes in non-cash working capital items		
Accounts receivable and other assets	**(530,071)**	221,505
Inventory and prepaid expenses	**23,947**	(42,071)
Accounts payable and accrued liabilities	**1,888,310**	632,522
Deferred revenue	**4,611,159**	203,610
Accrued interest	**(1,288)**	(1,533)
	8,552,592	2,522,889
Capital activities		
Acquisition of tangible capital assets	**(9,002,594)**	(4,578,532)
Proceeds on disposal of tangible capital assets	**1,425,000**	424,635
	(7,577,594)	(4,153,897)
Financing activities		
Net change in due to/from		
City of Kawartha Lakes	**6,956,072**	5,691,409
Repayment of long term debt	**(286,614)**	(427,556)
	6,669,458	5,263,853
Increase in cash	**7,644,456**	3,632,845
Cash, beginning of year	**8,123,956**	4,491,111
Cash, end of year	**15,768,412**	8,123,956

The accompanying notes are an integral part of the financial statements.

1. Nature of business

On December 15, 2005, Kawartha Lakes – Haliburton Housing Corporation (the "Corporation") entered into an amalgamation agreement with Lindsay Non-Profit Housing Corporation ("LNPHC"). Under the terms of the agreement the Corporation and LNPHC amalgamated to form a new corporation (also known as Kawartha Lakes – Haliburton Housing Corporation) which commenced operations on January 1, 2006. The corporation is exempt from income taxes under the *Income Tax Act*. The City of Kawartha Lakes (the "City") is the sole shareholder and this corporation is engaged in the business of providing housing primarily for persons of low or modest income at rentals below the median current rental market in the area of the City and the County of Haliburton (the "County").

Effective January 1, 2016 the structure of the Corporation was revised to combine three different divisions consisting of Local Housing Corporation ("LHC"), Non Profit ("NP") and Affordable Housing Project ("AHP") into one overall division with the base year subsidy established by taking the 2015 subsidy level and then year over year applying budget directions set by the City.

2. Significant accounting policies

The financial statements of the Corporation are representations of management prepared in accordance with generally accepted accounting principles for government not-for-profit organizations as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Accrual basis of presentation

Revenue and expenses are recorded according to 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.

Financial instruments

Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Deferred revenue

Deferred revenue represents contributions, rental revenue and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed. In addition, any contributions received with external restrictions are deferred until the related expenditures are made.

2. Significant accounting policies (continued)

Revenue recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the City has to meet in order to receive the contributions including authorization by the transferring entity.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of tangible capital assets, excluding land, is amortized on a straight line basis over their estimated useful lives as follows:

	Useful life – years
Land improvements	20–30
Buildings	50
Vehicles	10–15
Equipment	15–20

Annual amortization is charged in the year of acquisition and in the year of disposal. Tangible capital assets under construction are not amortized until the tangible capital asset is in service.

Asset retirement obligation

Asset retirement obligations (AROs) represent the legal obligations associated with the retirement of a tangible capital assets that result from its acquisition, construction, development, or normal use. The tangible capital assets (TCA) include but are not limited to assets in productive use, assets no longer in productive use, and leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the City to incur costs in relation to a specific TCA, when the past transactions or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

2. Significant accounting policies (continued)

Asset retirement obligation (continued)

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized for underlying assets that have been recorded and reported within the TCA values of time subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same buses as the underlying asset to which it relates. In circumstances when the underlying asset is fully depreciated, the ARO will be amortized over the estimated future life until the cash disbursements is made in the future to settle the obligation.

At remediation, the City derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

Use of estimates

In preparing financial statements in accordance with Canadian Public Sector Accounting Standards, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Amounts requiring significant estimates include tangible capital assets, accounts payable and accrued liabilities.

3. Change in accounting policies

PS 3280 – Asset Retirement Obligaions

Effective January 1, 2023, the Corporation adopted the new Public Sector Accounting Standard PS 3280 Asset Retirement Obligations. This standard requires public sector entities to recognize legally obligated costs associated with the retirement of tangible capital assets on acquisition, construction or development and expense those costs systematically over the life of the asset. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

The Corporation owns housing properties which contains asbestos and therefore, the Corporation is legally required to perform abatement activities upon renovation or demolition of housing assets. Abatement activities include handling and disposing of the asbestos in prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost between 2024 and 2030 of $250,000. The estimated total liability of $250,000 (2022 – nil$) is based on the sum of discounted future cash flows for abatement activities using an annual inflation of 2.0%. The Corporation has not designated funds for settling the abatement activities.

The adoption of policy has been applied on a prospective basis with no restatement of prior period comparative amounts. These amounts were measured using information, assumptions that are current at the beginning of the fiscal year. The adoption of accounting policy has impacted the Corporation’s consolidated financial statements on January 1, 2023 with the impact on the opening balance of the new ARO standard as follows:

	2023
ARO Asset	$250,000
ARO Liability	$250,000

3. Change in accounting policies (continued)

PS 3450 – Financial Instruments

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair value hierarchy

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

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

PS 1201 – Financial Statement Presentation

PS1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 – Foreign Currency Translation

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

4. Tangible capital assets

	Cost $	Accumulated amortization $	2023 Net book value $	2022 Net book value $
Land and land improvements	**4,128,920**	**935,978**	**3,192,942**	3,279,643
Buildings	**78,912,899**	**39,720,044**	**39,192,855**	39,719,987
Equipment and vehicles	**2,220,424**	**1,235,584**	**984,840**	630,186
Work in progress	**14,147,757**	**—**	**14,147,757**	6,432,211
	99,410,000	**41,891,606**	**57,518,394**	50,062,027

5. Long-term debt

	2023 $	2022 $
Non-Profit Housing Provider Stock		
Mortgages		
1.62%, payable $15,832 monthly (principal and interest), completed February 2023	**—**	31,643
5.83%, payable $25,793 monthly (principal and interest), due May 2024	**807,616**	1,062,587
Total debt	**807,616**	1,094,230

Responsibility for the payment of the principal and interest for the Public Stock Debentures was not transferred to the Corporation as part of the devolution of social housing under the *Social Housing Reform Act*, 2000 (the ”Act”). In accordance with the Act the Province of Ontario (the ”Province”) makes all payments on debentures related to properties transferred to the Corporation by the Act and recovers the outlay by reducing federal subsidy payment cash flows. The debentures bear interest ranging from 1.62% to 5.83%.

Principal repayments on long-term debt for the Non-Profit Housing Provider stock over the next five years are set out below:

	$
2024	237,724
2025	227,101
2026	239,315
2027	103,476
2028	—
Thereafter	—
	807,616

6. Related party transactions and balances

The City is the sole shareholder of the Corporation. The balance owed to (receivable from in 2023) the City is disclosed separately on the statement of financial position. The following table summarizes the Corporation's transactions with related parties in the year:

	2023	2022
	$	$
Expenses		
Wages and benefits cost allocation for use of employees of the City of Kawartha Lakes	**1,619,095**	1,464,049
Property taxes to City of Kawartha Lakes	**1,272,775**	1,249,464

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value.

7. Funding

The funding provided to the Corporation is administered by the City. Some funds originate at the Federal level and are flowed through to the City via the Province for programs covered by the social housing agreement. Federal and Provincial funding that has been earmarked for the Corporation specifically has been reported as grant revenue from the government level that flows funding through the City.

Any operating expenditures in excess of government funding are funded by the City (71%) and the County of Haliburton (29%). Capital expenditures, after application of federal and provincial grants, are funded by the municipality in which the housing unit is located. Municipal funding is administered by the City as service manager for the area.

8. Financial instruments

The Corporation's financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

9. Expenses by object

	2023 $	2022 $
Administrative salaries	**967,451**	802,023
Amortization	**1,727,197**	1,813,919
Bad debts	**137,431**	124,997
Insurance	**366,871**	336,899
Maintenance		
Labour	**651,644**	662,026
Building and general	**745,753**	1,178,162
Heating, plumbing and electrical	**119,401**	125,492
Other	**114,643**	94,638
Fleet charge	**93,122**	56,280
Security	**479,860**	277,435
Mortgage interest	**366,004**	394,281
Municipal taxes	**1,272,775**	1,249,464
Lease payments	**160,645**	45,171
Other	**70,837**	122,816
Supplies and services	**18,570**	27,006
Utilities	**1,899,766**	1,855,561
Minor capital	**1,689,658**	860,400
	10,881,628	10,026,570

10. Accumulated surplus

Accumulated surplus consists of the following:

	2023 $	2022 $
Share capital	**1**	1
Operating surplus	**382,494**	—
Capital surplus	**(4,049,730)**	1,796,043
Accrued interest on long term debt	**(3,877)**	(5,165)
ARO accretion	**(5,208)**	—
Long term debt	**(807,616)**	(1,094,230)
Reserve and reserve funds	**2,597,772**	2,439,454
Tangible capital assets	**57,273,602**	50,062,027
	55,387,438	53,198,130

The Corporation may only issue common shares which are only allowed to be acquired by a related service manager or a related municipality. The Minister of Housing must give written consent for the issuance of shares to any other party. Upon issuance or transfer of the common shares, the service manager (City) must maintain a majority ownership of the issued shares.

The Corporation cannot declare or pay dividends on any issued shares.

11. Contingencies and commitments

Various legal actions and claims have been initiated against the Corporation, some of which cannot be quantified. No provision has been made for any uninsured claims. It is management's opinion there will be no material uninsured liability arising from these claims. An expense will be recorded in the fiscal period in which a settlement becomes likely and measurable.

Commitment – water and sewer operating agreements

The Corporation is committed to three agreements with the Ontario Clean Water Agency to operate the water systems for Omemee, one housing property, and Haliburton, two housing properties. In addition to fixed annual charges adjusted for inflation, the Corporation must pay for capital upgrades and unusual maintenance necessary to meet legislative requirements. The agreement is for a five year period from June 27, 2021 to June 26, 2026 for a total cost of $142,973 per year with an annual CPI adjustment with the option to renew for an additional five year term.

Commitment – elevator agreement

The Corporation is committed to an agreement with ThyssenKrupp Elevator (Canada) Ltd. to provide maintenance and inspection work for all elevator systems. The agreement is for a six year period from September 2023 to August 2028 for a total cost of $31,609 per year with an annual CPI% increase not to exceed 3% with the option to renew for an additional five year term.

Commitment – water tank agreement

The Corporation is committed to an agreement with Vista Credit to provide hot water tank replacement and maintenance service for a total cost of $282,974 for a ten year term ending in 2026.

Commitment – fire alarm inspection

The Corporation is committed to an agreement with Dyson Alarm Tech Systems Limited to provide fire alarm life safety inspections to all housing properties. The agreement was for a three year period from March 2018 to March 2021, with the option taken of two – one year extensions to March 2023, for a total cost of $18,000 per year with an annual CPI% increase not to exceed 3%. This contract will go to tender in 2024.

Commitment – capital projects

The Corporation has committed to many capital projects expected to be completed over several years. As at December 31, 2023, the Corporation had awarded contracts in the amount of $1,577,007 ($13,575,660 in 2022) and has recorded $1,435,674 ($13,450,523 in 2022) of those awarded amounts. Therefore, the remaining contractual commitments will be recorded in future years as the projects are completed.

Funding for the completion costs is expected to include the use of capital surplus carried forward, grants, City and County of Haliburton funding and use of funds from reserves and City debentures.