

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

CORPORATION OF THE COUNTY OF SIMCOE

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CORPORATION OF THE COUNTY OF SIMCOE

For The Year Ended December 31, 2020

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the County of Simcoe 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 Simcoe. 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.

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Warden

A handwritten signature in black ink, appearing to be "M. ...", written over a horizontal line.

CAO

June 22, 2021

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the County of Simcoe***Opinion*

We have audited the consolidated financial statements of the Corporation of the County of Simcoe and its local boards (the County), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 24, 2021

CORPORATION OF THE COUNTY OF SIMCOE



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	48,302,540	40,505,414
Investments (note 2)	47,959,982	37,495,919
Accounts receivable	35,642,306	20,382,367
Loans receivable (note 4)	19,511,821	17,049,720
Inventory	40,204	-
TOTAL FINANCIAL ASSETS	151,456,853	115,433,420
LIABILITIES		
Accounts payable and accrued liabilities	80,720,061	66,656,706
Deferred revenue - obligatory reserve fund (note 5)	15,323,485	17,560,733
Deferred revenue - other (note 6)	14,713,239	1,366,912
Long term debt (note 7)	36,492,076	40,506,739
Landfill closure and post-closure liability (note 8)	27,068,975	24,774,770
Employee future benefits payable (note 9)	4,640,655	3,679,555
TOTAL LIABILITIES	178,958,491	154,545,415
NET DEBT	(27,501,638)	(39,111,995)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	941,025,951	885,284,031
Prepaid expenses	5,365,301	4,624,353
Other	703,889	3,419,920
TOTAL NON-FINANCIAL ASSETS	947,095,141	893,328,304
ACCUMULATED SURPLUS (note 11)	919,593,503	854,216,309

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Property taxation	176,853,431	177,466,068	169,882,045
User charges	41,844,089	42,092,087	40,474,954
Government of Canada	8,535,473	8,576,441	7,366,159
Province of Ontario (note 14)	195,235,283	220,504,201	210,926,534
Other municipalities	30,583,096	28,536,855	36,704,056
Investment income	1,919,000	1,786,272	3,272,205
Donations	192,400	161,581	946,164
Contributed tangible capital assets	-	40,135	88,204
Other grants	-	211,252	350,400
Other	116,528	273,613	149,606
Development charges	15,430,000	20,260,906	15,053,376
Federal gas tax earned	18,098,906	12,698,501	5,716,442
Provincial gas tax earned	898,331	898,331	550,000
TOTAL REVENUES	489,706,537	513,506,243	491,480,145
EXPENSES			
General government	16,826,880	14,198,407	15,516,917
Protection services	900,042	849,781	854,160
Transportation services	55,567,197	48,290,958	44,402,668
Environmental services	46,699,462	50,389,250	48,318,466
Health services	65,965,489	66,606,923	61,722,314
Social and family services	199,590,440	206,725,179	196,616,036
Social housing	49,895,024	48,746,507	52,697,024
Recreation and cultural services	4,431,129	3,657,520	4,219,962
Planning and development	7,690,326	6,370,319	6,826,644
Change in closure and post-closure landfill liability	1,623,730	2,294,205	1,623,730
TOTAL EXPENSES	449,189,719	448,129,049	432,797,921
ANNUAL SURPLUS	<u>40,516,818</u>	65,377,194	58,682,224
ACCUMULATED SURPLUS - beginning of year		854,216,309	795,534,085
ACCUMULATED SURPLUS - end of year		919,593,503	854,216,309

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS	40,516,818	65,377,194	58,682,224
Amortization of tangible capital assets	36,878,576	27,296,384	26,538,989
Purchase of tangible capital assets	(91,693,000)	(83,719,454)	(99,037,238)
Gain on disposal of tangible capital assets	-	(4,068,203)	(623,688)
Proceeds on sale of tangible capital assets	-	4,789,488	1,030,334
Contributed capital assets	-	(40,135)	(88,204)
Change in prepaid expenses	-	(740,948)	(2,882,655)
Change in other non-financial assets	-	2,716,031	(1,542,884)
CHANGE IN NET DEBT	(14,297,606)	11,610,357	(17,923,122)
NET DEBT - beginning of year	(39,111,995)	(39,111,995)	(21,188,873)
NET DEBT - end of year	(53,409,601)	(27,501,638)	(39,111,995)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF SIMCOE



CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2020

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	65,377,194	58,682,224
Items not involving cash		
Amortization of tangible capital assets	27,296,384	26,538,989
Gain on disposal of tangible capital assets	(4,068,203)	(623,688)
Contributed capital assets	(40,135)	(88,204)
Change in landfill closure and post-closure liability	2,294,205	1,623,730
Change in employee future benefits payable	961,100	295,944
Change in non-cash assets and liabilities		
Accounts receivable	(15,259,939)	(3,922,310)
Inventory	(40,204)	-
Prepaid expenses	(740,948)	(2,882,655)
Other non-financial assets	2,716,031	(1,542,884)
Accounts payable and accrued liabilities	14,063,355	969,261
Deferred revenue - obligatory reserve fund	(2,237,248)	13,655,063
Deferred revenue - other	13,346,327	(255,699)
Net change in cash from operating activities	103,667,919	92,449,771
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(83,719,454)	(99,037,238)
Proceeds on disposal of tangible capital assets	4,789,488	1,030,334
Net change in cash from capital activities	(78,929,966)	(98,006,904)
INVESTING ACTIVITIES		
Purchase of investments	(50,464,062)	(46,058,228)
Loans receivable issued	(4,111,039)	(12,376,276)
Redemption of investments	40,000,000	80,000,000
Loan repayments received	1,648,937	1,519,394
Net change in cash from investing activities	(12,926,164)	23,084,890
FINANCING ACTIVITIES		
Long term debt issued	-	27,342,333
Debt principal repayments	(4,014,663)	(2,561,305)
OIPC advance repayments	-	(20,000,000)
Net change in cash from financing activities	(4,014,663)	4,781,028
NET CHANGE IN CASH	7,797,126	22,308,785
CASH - beginning of year	40,505,414	18,196,629
CASH - end of year	48,302,540	40,505,414

The accompanying notes are an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2020

The County of Simcoe 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:

- Simcoe County Housing Corporation
- County of Simcoe Library Co-operative Board
- County of Simcoe Museum

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

These consolidated financial statements also reflect the proportional assets, liabilities, revenues and expenses of Lake Simcoe Regional Airport at 90% (2019 - 0%). All proportional inter-entity transactions and balances have been eliminated.

(b) Trust funds

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

(c) Deferred revenue

Deferred revenue represents restricted 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) Inventory

Inventory is recorded at the lower of cost, as determined by the first-in, first out method, and net realizable value (market price).

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. 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	20 years
Buildings	10 - 40 years
Machinery	5 - 25 years
Computers	3 - 10 years
Vehicles	5 - 20 years
Infrastructure	25 - 75 years

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

Landfills are amortized over the useful life of the landfill based on the total capacity.

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

(f) 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.

(g) Reserves and reserve funds

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

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

Government Funding

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.

Other revenue

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

Investment income is recorded when earned.

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

Donations are recognized as revenue in the year the amounts are received or collectibility can be reasonably determined.

(i) Use of estimates

Certain items recognized in the 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 financial statements of 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

2. INVESTMENTS

Investments consist of various guaranteed investment certificates, corporate bonds and government bonds with maturity dates ranging from January 2021 to June 2030 with interest rates ranging from 1.55% to 2.97% as well as a high interest savings portfolio with The One Investment Program and all are recorded at cost. Total market value of these investments is \$48,213,649 (2019 - \$37,611,079) with cost of \$47,959,982 (2019 - \$37,495,919).

3. CREDIT FACILITY AGREEMENT

The County has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$15,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.625% per annum. At December 31, 2020 there was no balance outstanding (2019 - \$Nil).

4. LOANS RECEIVABLE

Loans receivable consist of major capital receivables from service partners for various major capital projects. The loans are to be repaid 10% per year plus interest at Infrastructure Ontario's 10 year rate. The loans receivable are due from:

	2020	2019
	\$	\$
City of Barrie	16,139,173	14,121,014
City of Orillia	3,372,648	2,928,706
	<u>19,511,821</u>	<u>17,049,720</u>

The continuity of loans receivable is as follows:

	2020	2019
	\$	\$
Balance - beginning of year	17,049,719	6,192,838
Add:		
Share of capital projects - City of Barrie	3,064,578	9,960,402
Share of capital projects - City of Orillia	676,256	2,062,676
Interest	370,205	353,197
	<u>4,111,039</u>	<u>12,376,275</u>
Less: Payments received	1,648,937	1,519,394
Balance - end of year	<u>19,511,821</u>	<u>17,049,719</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2020	2019
	\$	\$
Development charges	2,386,063	1,597,621
Federal gas tax	12,319,315	15,610,936
Provincial gas tax	618,107	352,176
	15,323,485	17,560,733

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

	2020	2019
	\$	\$
Balance - beginning of year	17,560,733	3,905,670
Add amounts received:		
Development charges received	21,763,794	16,991,538
Federal gas tax received	9,268,205	18,263,738
Provincial gas tax received	1,159,154	898,331
Interest	164,099	201,705
	32,355,252	36,355,312
Less transfer to operations:		
Development charges earned	20,260,906	15,053,376
Federal gas tax earned	12,698,501	5,716,442
Interest charges	734,762	1,380,431
Provincial gas tax earned	898,331	550,000
	34,592,500	22,700,249
Balance - end of year	15,323,485	17,560,733

6. DEFERRED REVENUE - OTHER

Deferred revenue - other consists of the following:

	2020	2019
	\$	\$
Safe Restart Agreement funding	13,205,296	-
Other	1,507,943	1,366,912
	14,713,239	1,366,912

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

7. LONG TERM DEBT

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

	2020	2019
	\$	\$
Canada Mortgage and Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturity dates ranging from 2021 to 2027 and interest rates ranging from 6.09% to 7.56%.	2,660,507	3,317,269
Ontario Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturing dates ranging from 2021 to 2027 and interest rates ranging from 6.34% to 7.81%.	309,540	385,676
Ontario Infrastructure Projects Corporation debentures with blended semi-annual payments of \$683,558 and interest at 2.68% per annum, due in 2039.	25,975,216	27,342,333
Mortgages payable on rental property owned by Simcoe County Housing Corporation, repayable in blended monthly payments including principal and interest, secured by land and buildings. The mortgages have due dates ranging from 2021 to 2025 and interest rates ranging from 0.64% to 1.43%.	1,585,984	1,930,493
Mortgage payable on rental property owned by Simcoe County Housing Corporation, at 2.62%, due October 2022, repayable in blended monthly payments of \$35,063 including principal and interest, secured by land and buildings.	2,631,100	2,978,371
Ontario Infrastructure Projects Corporation debentures with blended semi-annual payments of \$575,428 and interest at 4.02% per annum, due in 2020.	-	1,117,065
Amounts due to lower tier municipalities for acquisition of waste disposal properties. Repayments equal the tipping fee rebates provided to the lower-tier municipalities based on the amount of waste deposited by each municipality at the County landfill sites.	3,329,729	3,435,532
	36,492,076	40,506,739

- (b) Interest paid during the year on long term debt amounted to \$1,068,726 (2019 - \$999,750).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

7. LONG TERM DEBT, continued

(c) The estimated repayments based on the current repayment terms for the next five years of the long term debt reported in (a) of this note are:

	Principal \$	Interest \$	Total \$
2021	2,797,248	947,634	3,744,882
2022	2,745,846	855,613	3,601,459
2023	2,754,461	769,158	3,523,619
2024	2,576,571	683,878	3,260,449
2025	2,458,565	578,353	3,036,918
2026 and subsequent years	23,159,385	3,789,695	26,949,080
	36,492,076	7,624,331	44,116,407

8. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the twenty-one sites the County operates is \$27,068,975 (2019 - \$24,774,770). 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 County has a waste management reserve totaling \$38,093,749 (2019 - \$33,471,369) to fund these costs and other waste management projects. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining lives of the landfills. The total discounted future cash flows for closure and post-closure cost is estimated at \$29,058,210 as at December 31, 2020 (2019 - \$28,267,802). The remaining capacity of the landfill sites is estimated at 400,825 m³ (2019 - 436,636 m³) which is approximately 14% (2019 - 15%) of the historical total capacity for all the operating sites. The liability is calculated based on the sites' capacity utilized to the end of the current year with a discount factor of 3.5% and inflation rate of 2%. There are currently three active landfill sites and eighteen closed sites. The active sites are expected to close between 2022 and 2033.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

9. EMPLOYEE FUTURE BENEFITS PAYABLE

The County provides certain employee benefits which will require payment in future periods. Under the sick leave benefit plan, unused sick leave can be accumulated and employees may become entitled to a cash payment when they leave the County's employment.

	2020	2019
	\$	\$
Vacation pay entitlement and accumulated sick leave benefit plan entitlement	3,899,674	2,987,116
Post-retirement benefits	740,981	692,439
	<u>4,640,655</u>	<u>3,679,555</u>

The County sponsors benefit plans to pay costs of life, medical and dental for eligible employees after they retire and their eligible dependents. All benefits are provided upon retirement and continue for a period of 15 years, but not beyond the age of 65, at which time the benefits cease. The plans are not funded by the County until the plan premiums are paid.

The actuarial valuation as at December 31, 2019 was based on a number of assumptions about future events, such as discount rate, weighted average health care trend rates, and employee turnover and mortality. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group, which is 15 years. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Discount rate	3.75%
Benefit escalation - initial	6.75%
- ultimate	3.75%
- year ultimate reached	2029

Since the prior valuation, retirement benefits have been implemented for an additional employee group.

	2020	2019
	\$	\$
Accrued benefit obligation at January 1	767,039	297,195
Unamortized actuarial losses	(74,600)	(21,674)
Liability at January 1	692,439	275,521
Current period benefit cost	45,636	14,686
Amortization of actuarial gains/losses	6,839	3,323
Interest accrued	29,003	12,595
Benefit payments	(32,936)	(16,353)
Prior period cost of plan amendment during the year	-	402,667
Liability at December 31	<u>740,981</u>	<u>692,439</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

10. TANGIBLE CAPITAL ASSETS

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

	2020	2019
	\$	\$
General		
Land	161,812,951	148,903,120
Land improvements	12,092,417	10,804,113
Buildings	239,362,756	153,332,498
Machinery and equipment	7,117,791	6,951,086
Computers	3,303,113	3,689,848
Vehicles	32,967,922	26,925,642
Infrastructure		
Infrastructure	383,352,815	394,968,935
	840,009,765	745,575,242
Assets under construction	101,016,186	139,708,789
	941,025,951	885,284,031

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

During the year there were no write-downs of assets (2019 - \$Nil) and no interest capitalized (2019 - \$Nil).

Historical treasures and works of art held by the County are not included in the balances of Tangible Capital Assets.

Tangible capital assets allocated by segment are as follows:

	2020	2019
	\$	\$
General government	42,253,201	37,600,322
Protection services	2,159,610	2,195,612
Transportation services	578,640,192	548,001,579
Environmental services	21,457,645	21,155,620
Health services	50,712,988	47,526,499
Social and Family services	82,034,419	80,868,485
Social housing	121,668,798	107,046,542
Recreation and cultural services	4,710,404	4,252,243
Planning and development	37,388,694	36,637,129
	941,025,951	885,284,031

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

11. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Surplus/(Deficit)		
County	3,920,636	1,136,057
Lake Simcoe Regional Airport	(143,780)	-
Investment in Lake Simcoe Regional Airport	-	2,800,030
Unfunded landfill closure and post-closure liability	(27,068,975)	(24,774,770)
	(23,292,119)	(20,838,683)
Invested In Capital Assets		
Tangible capital assets - net book value	941,025,951	885,284,031
Long term debt	(36,492,076)	(40,506,739)
Unfunded capital (see below)	(159,268,663)	(148,961,176)
	745,265,212	695,816,116
Surplus	721,973,093	674,977,433
Reserves		
Administration building	826,393	767,598
Contingencies	20,257,231	21,317,743
Transportation services	43,529,078	42,362,181
Paramedic services	6,920,197	6,481,478
Social housing	36,643,147	32,541,156
Planning and development	5,683,730	6,600,403
Homes for the aged	10,981,259	4,363,261
Recreation and cultural services	1,555,148	1,132,408
Waste management	38,093,749	33,471,369
Social services	8,781,244	7,765,311
Forestry	7,303,887	6,557,161
Lake Simcoe Regional Airport	1,253,995	-
Total Reserves	181,829,058	163,360,069
Reserve Funds		
Social housing	-	6,498
Social and family services	2,615,181	2,505,363
Planning and development	62,316	405,823
Hospital	7,881,852	7,780,922
Estate of C. Matthews	5,232,003	5,180,201
Total Reserve Funds	15,791,352	15,878,807
	919,593,503	854,216,309

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

11. ACCUMULATED SURPLUS, continued

Unfunded capital is expected to be funded from development charges and future debt and consists of:

	2020	2019
	\$	\$
Transportation services	(85,385,819)	(80,958,173)
Long term care	(37,944,974)	(33,877,479)
Paramedic services	(8,849,011)	(8,221,465)
Social housing	(23,014,481)	(21,829,681)
Transit	(4,074,378)	(4,074,378)
	(159,268,663)	(148,961,176)

12. 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 2020 Annual Report disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets of \$109,844 million indicating an actuarial deficit of \$3,211 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 2020 were \$10,136,897 (2019 - \$10,041,030).

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 2020	Actual 2020	Actual 2019
	\$	\$	\$
	(Unaudited)		
Salaries and benefits	156,150,689	163,163,366	148,980,517
Interest charges	1,050,917	1,068,726	999,750
Materials	72,940,769	76,078,847	68,942,686
Contracted services	26,773,271	28,909,234	28,152,152
Rents and financial	2,091,798	2,295,921	2,263,580
External transfers	151,679,969	151,090,569	155,920,206
Amortization	36,878,576	27,296,384	26,538,989
Loss (gain) on disposal of tangible capital assets	-	(4,068,203)	(623,689)
Change in landfill closure and post-closure liability	1,623,730	2,294,205	1,623,730
	449,189,719	448,129,049	432,797,921

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

14. ONE-TIME COVID-19 FUNDING FOR PARAMEDIC SERVICES

Included in provincial grants is one-time COVID-19 funding for paramedic services of \$1,597,043. The total approved amount was \$2,165,446. The funding has been spent as follows:

	2020
	\$
Salaries and benefits	791,771
Equipment, materials and supplies	884,018
Offsetting revenue	(78,746)
	<u>1,597,043</u>

15. BUDGET FIGURES

The budget, approved by the County, for 2020 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in 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	463,972,690	439,529,038
Capital	66,475,091	90,918,743
Lake Simcoe Regional Airport	2,847,625	2,847,625
Total Council approved budget	533,295,406	533,295,406
Less: Tangible capital assets capitalized	-	(91,693,000)
Add: Amortization of tangible capital assets	-	36,878,576
Less: Principal repayment of long term debt	-	(5,110,374)
Less: Transfers to/from reserves and unfunded capital	(15,977,577)	(20,234,603)
Add: Solid waste landfill closure and post-closure expenses	-	1,623,730
Less: Change in unfinanced capital	(25,749,000)	-
Less: Investment in Lake Simcoe Regional Airport	-	(3,707,724)
Reclassifications for financial statement purposes	(1,862,292)	(1,862,292)
<u>Adjusted budget per Consolidated Statement of Operations</u>	<u>489,706,537</u>	<u>449,189,719</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

16. TRUST FUNDS

Trust funds administered by the County amounting to \$656,373 (2019 - \$654,601) 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.

17. COMMITMENTS

In 2017 the County committed \$45,000,000 to the Simcoe County Hospital Alliance to be funded over fifteen years, ending in 2031. The commitment remaining at December 31, 2020 is \$33,000,000.

During 2017, the County committed \$5,000,000 to Georgian College. Annual committed payments vary from \$200,000 to \$1,500,000 from 2017 through to 2022. The remaining amount of the commitment at December 31, 2020 is \$2,800,000.

During 2012, the County entered into an agreement for curbside waste, recyclables and organics collection which is in effect until October 31, 2021. In 2021, the County will be entering into a new contract under new terms. Under the existing contract, the remaining minimum commitment is \$14,965,807.

During 2020, the County entered into an agreement for automated cart collection services for collection of garbage, recyclables and organics at a cost of \$30,453,137 until October 31, 2022 with cost adjustments in subsequent years with CPI and fuel cost adjustments in subsequent years. The contract is in effect November 1, 2021 until September 30, 2028.

During 2020, the Lake Simcoe Regional Airport awarded a contract for \$5,183,119 to complete runway widening. The remaining commitment at December 31, 2020 is \$4,414,858.

18. CONTINGENT LIABILITIES

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

During 1990 the County assumed responsibility for waste management of lower tier municipalities pursuant to provincial legislation. As a result, the County acquired related property and assets from lower tier municipalities and assumed long term debt pursuant to negotiated agreements. Further negotiations are ongoing and amounts will be recognized in the year settlements are determined.

19. 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.

20. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation. There was no impact on the prior year's annual surplus.

21. SOCIAL HOUSING

The Simcoe 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 1,509 units of subsidized housing to its tenants and their families.

As the Service Manager, on behalf of the Cities of Barrie and Orillia and the County of Simcoe, the County is now the sole shareholder of the Corporation.

On January 1, 2001 the Ontario Housing Corporation transferred 1,169 units 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.”

In 2005 the Corporation assumed the operations of Georgian Bay Native Friendship Centre and Midland Penetanguishene Urban Native Homes Corporation.

In 2012 the Corporation assumed the operations of Matthew Co-operative Housing Inc.

22. SUBSEQUENT EVENTS

Subsequent to year end, the County issued a debenture in the amount of \$43,956,500 with OILC. The debenture bears interest at 2.70% and will be repaid over 20 years. The proceeds of the debenture will fund transportation unfunded capital. Payments will be funded by future development charges.

Subsequent to year end, the County committed to the purchase of waste collection carts at a cost of \$23,207,997.

Subsequent to year end, the County committed to the construction of a waste transfer facility at a cost of \$1,184,178.

23. SEGMENTED INFORMATION

The County of Simcoe 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 on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements. Allocated administration include the following: 1) Workroom costs are allocated based on the department's proportionate share of the copies made in a year; 2) CAO costs are allocated based on the department's proportionate share of time allocated to the respective department; 3) Communications costs are allocated based on department's proportionate share of time allocated to the respective department; 4) Customer Service costs are allocated based on department's proportionate share of tickets and call volume; 5) Information Technology costs are allocated based on the department's proportionate share of the computers used; 6) Human Resources costs are allocated based on department's proportionate share of department heads; 7) Finance costs are allocated based on the department's proportionate share of the employee's hours; and 8) Procurement, Fleet and Property costs are allocated based on the department's proportionate share of the purchase orders generated.

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.

Protection Services

Protection services include by-law enforcement and emergency measures.

Transportation Services

The activities of the transportation function include construction and maintenance of the County's roads and bridges, winter control, transit, and the airport.

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 external transfers to the health unit and hospitals and the activities of the ambulance services.

Social and Family Services

The activities of the social and family services function include general assistance payments to citizens of the County, the activities of the County's four homes for the aged and external payments to childcare centres in the County.

23. SEGMENTED INFORMATION, continued

Social Housing

The social housing function provides affordable housing to qualified inhabitants of the County and external payments to non-profit housing providers.

Recreation and Cultural Services

The recreation and cultural services function is responsible for the activities of the library co-operative and the County of Simcoe museum.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the County as well as the County forests.

CORPORATION OF THE COUNTY OF SIMCOE



**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2020**

	General						Infrastructure	Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Machinery and Equipment	Computers	Vehicles	Infrastructure		
	\$	\$	\$	\$	\$	\$	\$	\$	
COST									
Balance, beginning of year	152,787,050	29,838,228	22,134,689	13,565,597	19,630,503	44,278,575	658,863,936	139,708,789	1,280,807,367
Add: additions during the year	10,443,086	441,984	5,022,978	965,113	179,138	3,405,644	1,411,823	61,889,823	83,759,589
Less: disposals during the year	285,883	-	440,195	-	-	2,090,854	516,975	-	3,333,907
Internal transfers	2,763,926	1,649,612	86,356,075	136,549	483,132	6,789,845	2,403,287	(100,582,426)	-
Balance, end of year	165,708,179	31,929,824	113,073,547	14,667,259	20,292,773	52,383,210	662,162,071	101,016,186	1,361,233,049
ACCUMULATED AMORTIZATION									
Balance, beginning of year	3,883,930	19,034,115	68,802,191	6,614,511	15,940,655	17,352,933	263,895,001	-	395,523,336
Add: additions during the year	11,298	803,292	5,312,956	934,957	1,049,005	3,753,646	15,431,230	-	27,296,384
Less: disposals during the year	-	-	404,356	-	-	1,691,291	516,975	-	2,612,622
Balance, end of year	3,895,228	19,837,407	73,710,791	7,549,468	16,989,660	19,415,288	278,809,256	-	420,207,098
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	161,812,951	12,092,417	39,362,756	7,117,791	3,303,113	32,967,922	383,352,815	101,016,186	941,025,951

CORPORATION OF THE COUNTY OF SIMCOE



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 \$	Recreation and Cultural Services \$	Planning and Development \$	Change in landfill closure and post- closure liability \$	Consolidated \$
Revenues											
Property taxation	32,947,484	451,000	29,324,383	39,252,859	21,603,439	24,706,340	19,207,171	3,901,479	6,071,913	-	177,466,068
User charges	1,090,652	143,174	1,820,250	8,638,311	115,339	18,277,609	9,282,320	178,509	2,545,923	-	42,092,087
Government transfers - operating	2,029,504	-	2,450,281	3,945,703	30,274,996	164,967,695	17,558,290	186,199	45,091	-	221,457,759
Government transfers - capital	-	-	729,346	-	-	1,019,772	5,873,765	-	-	-	7,622,883
Other municipalities	-	-	153,815	-	9,284,146	8,314,138	10,661,698	111,250	11,808	-	28,536,855
Investment income	1,724,102	-	-	-	-	31,344	30,826	-	-	-	1,786,272
Donations	-	-	-	-	-	154,349	-	6,482	750	-	161,581
Contributed tangible capital assets	-	-	40,135	-	-	-	-	-	-	-	40,135
Other grants	211,252	-	-	-	-	-	-	-	-	-	211,252
Other	-	-	23,296	-	157,435	-	92,882	-	-	-	273,613
Developer contributions earned	8,050	-	15,397,379	64,491	362,001	1,542,271	2,886,714	-	-	-	20,260,906
Federal gas tax earned	-	-	12,698,501	-	-	-	-	-	-	-	12,698,501
Provincial gas tax earned	-	-	898,331	-	-	-	-	-	-	-	898,331
Total revenues	38,011,044	594,174	63,535,717	51,901,364	61,797,356	219,013,518	65,593,666	4,383,919	8,675,485	-	513,506,243
Expenses											
Salaries and benefits	17,732,269	634,084	8,841,995	6,934,210	44,875,664	74,065,774	5,506,473	1,906,057	2,666,840	-	163,163,366
Interest charges	11,338	-	-	-	725,597	-	331,791	-	-	-	1,068,726
Materials	4,253,510	116,476	19,292,082	21,172,387	6,039,085	13,449,796	9,795,430	1,001,214	958,867	-	76,078,847
Contracted services	9,793,248	50,783	184,679	17,547,186	311,082	853,634	61,441	-	107,181	-	28,909,234
Rents and financial	58,206	-	110,424	163,745	366,916	1,342,617	252,409	1,604	-	-	2,295,921
External transfers	2,547,437	136,096	153,814	-	8,104,106	105,530,944	33,729,070	-	889,102	-	151,090,569
Amortization	1,744,979	37,650	16,981,521	1,773,663	2,202,083	2,915,380	1,463,554	141,596	35,958	-	27,296,384
Loss (gain) on disposal of tangible capital assets	-	-	81,815	19,581	15,859	-	(4,185,458)	-	-	-	(4,068,203)
Internal transfers	(21,942,580)	(125,308)	2,644,628	2,778,478	3,966,531	8,567,034	1,791,797	607,049	1,712,371	-	-
Change in landfill closure and post- closure liability	-	-	-	-	-	-	-	-	-	2,294,205	2,294,205
Total expenses	14,198,407	849,781	48,290,958	50,389,250	66,606,923	206,725,179	48,746,507	3,657,520	6,370,319	2,294,205	448,129,049
Net surplus/(deficit)	23,812,637	(255,607)	15,244,759	1,512,114	(4,809,567)	12,288,339	16,847,159	726,399	2,305,166	(2,294,205)	65,377,194

CORPORATION OF THE COUNTY OF SIMCOE



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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Recreation and Cultural Services \$	Planning and Development \$	Change in landfill closure and post- closure liability \$	Consolidated \$
Revenues											
Property taxation	47,019,346	478,000	24,017,385	35,814,411	27,877,402	1,638,360	23,355,402	3,841,975	5,839,764	-	169,882,045
User charges	1,038,623	143,230	887,333	8,531,502	213,471	18,675,905	8,108,508	277,905	2,598,477	-	40,474,954
Government transfers - operating	1,127,993	-	2,398,025	5,118,167	26,236,235	152,873,249	21,822,169	86,199	20,533	-	209,682,570
Government transfers - capital	-	-	686,327	-	-	1,015,969	6,907,827	-	-	-	8,610,123
Other municipalities	-	-	16,538	3,365	13,522,397	8,673,205	14,373,196	109,080	6,275	-	36,704,056
Investment income	2,916,042	-	11,091	-	171,398	58,935	6,498	108,241	-	-	3,272,205
Donations	132,145	-	-	-	100,000	174,606	-	537,913	1,500	-	946,164
Contributed tangible capital assets	-	-	88,204	-	-	-	-	-	-	-	88,204
Other grants	350,400	-	-	-	-	-	-	-	-	-	350,400
Other	5,347	-	-	-	99,216	-	45,043	-	-	-	149,606
Developer contributions earned	10,695	-	12,093,669	50,331	218,243	918,377	1,762,047	14	-	-	15,053,376
Federal gas tax earned	-	-	5,716,442	-	-	-	-	-	-	-	5,716,442
Provincial gas tax earned	-	-	550,000	-	-	-	-	-	-	-	550,000
Total revenues	52,600,591	621,230	46,465,014	49,517,776	68,438,362	184,028,606	76,380,690	4,961,327	8,466,549	-	491,480,145
Expenses											
Salaries and benefits	17,297,736	595,274	7,955,590	7,029,560	42,964,759	63,327,595	4,948,267	2,223,478	2,638,258	-	148,980,517
Interest charges	608,826	-	-	-	-	-	390,924	-	-	-	999,750
Materials	4,487,038	107,043	17,346,456	18,885,992	4,572,380	11,787,872	8,983,559	1,240,705	1,531,641	-	68,942,686
Contracted services	9,486,862	64,435	73,434	17,697,804	190,214	487,336	45,181	-	106,886	-	28,152,152
Rents and financial	38,210	(1,808)	11,836	257,105	465,758	1,292,947	196,763	3,636	(867)	-	2,263,580
External transfers	3,222,850	136,096	215,431	-	7,638,591	108,339,184	35,483,969	-	884,085	-	155,920,206
Amortization	1,856,119	37,975	16,217,463	1,846,754	1,965,401	2,883,546	1,502,014	169,496	60,221	-	26,538,989
Loss (gain) on disposal of tangible capital assets	-	-	57,340	(76,176)	32,031	-	(629,839)	-	(7,045)	-	(623,689)
Internal transfers	(21,480,724)	(84,855)	2,525,118	2,677,427	3,893,180	8,497,556	1,776,186	582,647	1,613,465	-	-
Change in landfill closure and post- closure liability	-	-	-	-	-	-	-	-	-	1,623,730	1,623,730
Total expenses	15,516,917	854,160	44,402,668	48,318,466	61,722,314	196,616,036	52,697,024	4,219,962	6,826,644	1,623,730	432,797,921
Net surplus/(deficit)	37,083,674	(232,930)	2,062,346	1,199,310	6,716,048	(12,587,430)	23,683,666	741,365	1,639,905	(1,623,730)	58,682,224

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the County of Simcoe (the Trust Funds), which comprise the statement of financial position as at December 31, 2020, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2020, and the continuity of the Trust Funds 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 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 24, 2021

CORPORATION OF THE COUNTY OF SIMCOE



**TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	Homes for the Aged Residents \$	Estate of S.O. Bain \$	Estate of H.P. Brown \$	Ross Channen Memorial Fund \$	S.L. Page Scholarship Fund \$	Honour Guard \$	Past Wardens \$	2020 Total \$	2019 Total \$
FINANCIAL ASSETS									
Cash and investments (note 3)	67,433	101,766	361,823	-	53,843	67,793	1,333	653,991	655,154
Due from County of Simcoe	-	-	-	3,370	-	-	-	3,370	3,311
	67,433	101,766	361,823	3,370	53,843	67,793	1,333	657,361	658,465
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	988	-	-	-	-	-	-	988	3,864
FUND BALANCES	66,445	101,766	361,823	3,370	53,843	67,793	1,333	656,373	654,601
	67,433	101,766	361,823	3,370	53,843	67,793	1,333	657,361	658,465

CORPORATION OF THE COUNTY OF SIMCOE



**TRUST FUNDS
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2020**

	Homes for the Aged Residents \$	Estate of S.O. Bain \$	Estate of H.P. Brown \$	Ross Channen Memorial Fund \$	S.L. Page Scholarship Fund \$	Honour Guard \$	Past Wardens \$	2020 Total \$	2019 Total \$
BALANCES - beginning of year	71,353	103,096	365,180	3,311	55,115	55,120	1,426	654,601	666,473
RECEIPTS									
Contribution from County of Simcoe	-	-	-	-	-	2,500	-	2,500	2,500
Interest earned	-	1,154	4,095	59	728	720	7	6,763	13,173
Residents' contributions	67,454	-	-	-	-	-	-	67,454	89,985
Donations	-	-	-	-	-	4,669	-	4,669	8,046
Fundraising	-	-	-	-	-	7,856	-	7,856	35,855
Membership	-	-	-	-	-	-	-	-	110
	67,454	1,154	4,095	59	728	15,745	7	89,242	149,669
EXPENSES									
Purchases benefiting residents	-	2,484	7,452	-	-	-	-	9,936	21,616
Operating costs	-	-	-	-	-	3,072	-	3,072	39,719
Residents' payments	72,362	-	-	-	-	-	-	72,362	97,206
Scholarships	-	-	-	-	2,000	-	-	2,000	3,000
Donations	-	-	-	-	-	-	100	100	-
	72,362	2,484	7,452	-	2,000	3,072	100	87,470	161,541
BALANCES - end of year	66,445	101,766	361,823	3,370	53,843	67,793	1,333	656,373	654,601

**TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. PURPOSE OF THE TRUSTS

Homes for the Aged Resident Trust - These funds are for the Long Term Care residents and represent their personal funds that are to be used exclusively for the residents' personal items.

Estate of S.O. Bain - On December 13, 1984, the Corporation of the County of Simcoe (through Sunset Manor) was bequeathed funds from the estate of S.O. Bain. The funds are to be used at the discretion of County Council, the Administrator at Sunset Manor and the Treasurer of the Corporation of the County of Simcoe and be used for items other than normal operating expenses.

Estate of H.P. Brown - On May 24, 1994, the Corporation of the County of Simcoe (through Sunset Manor) was bequeathed funds from the estate of Helena Patricia Brown. The funds are to be used at the discretion of County Council, the Administrator at Sunset Manor and the Treasurer of the Corporation of the County of Simcoe and to be used for items other than normal operating expenses.

Ross Channen Memorial Trust Fund - Named after the first curator of the County of Simcoe Museum, the original 1975 donation of \$2,507 was to be invested and interest earned from the Trust be used for archaeological and museological activities within the County of Simcoe and at the Simcoe County Museum.

Stewart L. Page Scholarship Trust Fund - These funds are set up to provide scholarships to assist with education costs to students studying Home Economics or Agriculture at the post-secondary level. These funds are administered by the County of Simcoe under the direction of the Stewart L. Page Board.

Honour Guard - Founded in 2003, the County of Simcoe Paramedic Services Honour Guard is comprised of County of Simcoe Paramedics who volunteer their free time. The mission of the Honour Guard is to create a strong, positive public awareness of paramedicine, instill pride, professionalism and honour to the Paramedics of the County of Simcoe. Each year the Corporation provides the Honour Guard with a \$2,500 donation. That donation combined with funds raised through major fundraising initiatives provides the Honour Guard with funds to attend ceremonial events demonstrating respect for fallen comrades of the Paramedic, Police, Fire and Military communities.

Past Wardens' Trust Fund - These funds are relating to the funds received from the Past Wardens' Association. The membership fees collected are to be used to support donations approved by the Association and the AGM costs.

**TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

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. CASH AND INVESTMENTS

Cash and investments totaling \$653,991 (2019 - \$655,154) are recorded at cost. Included in cash and investments are \$48,950 of GIC's with interest rates ranging from 0.87% to 1.40% and maturities ranging from May 18, 2021 to August 2, 2021.