

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

CORPORATION OF THE COUNTY OF SIMCOE

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CORPORATION OF THE COUNTY OF SIMCOE

For The Year Ended December 31, 2021 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.

CAO

June 28, 2022

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, 2021, 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, 2021, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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
September 8, 2022



CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	114,317,850	48,302,540
Investments (note 2)	8,118,629	47,959,982
Accounts receivable	24,535,615	33,420,425
Major capital loans receivable (note 4)	20,458,187	19,511,821
Other loans receivable (note 5)	5,010,789	2,221,881
Inventory	74,324	40,204
TOTAL FINANCIAL ASSETS	172,515,394	151,456,853
LIABILITIES		
Accounts payable and accrued liabilities	70,528,387	80,720,061
Deferred revenue - obligatory reserve fund (note 7)	24,043,025	15,323,485
Deferred revenue - other (note 6)	1,537,046	14,713,239
Long term debt (note 8)	76,459,069	36,492,076
Landfill closure and post-closure liability (note 9)	28,441,275	27,068,975
Employee future benefits payable (note 10)	4,605,434	4,640,655
TOTAL LIABILITIES	205,614,236	178,958,491
NET DEBT	(33,098,842)	(27,501,638)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	1,011,093,780	941,025,951
Prepaid expenses	5,772,984	5,365,301
Other	942,830	703,889
TOTAL NON-FINANCIAL ASSETS	1,017,809,594	947,095,141
ACCUMULATED SURPLUS (note 12)	984,710,752	919,593,503

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Property taxation	183,269,469	181,001,942	177,466,068
User charges	42,464,991	46,670,461	42,092,087
Government of Canada	7,028,346	8,974,687	8,576,441
Province of Ontario	201,133,642	229,595,209	220,504,201
Other municipalities	36,381,121	31,249,511	28,536,855
Investment income	1,470,467	1,555,898	1,786,272
Donations	302,128	202,766	161,581
Contributed tangible capital assets	-	181,970	40,135
Other grants	50,000	93,467	211,252
Other	117,440	292,518	273,613
Development charges earned	18,719,000	27,075,825	20,260,906
Federal gas tax earned	8,701,500	10,496,629	12,698,501
Provincial gas tax earned	1,536,546	1,536,546	898,331
TOTAL REVENUES	501,174,650	538,927,429	513,506,243
EXPENSES			
General government	14,819,795	15,047,630	14,198,407
Protection services	839,217	1,004,998	849,781
Transportation services	53,179,840	51,327,567	48,290,958
Environmental services	61,681,924	60,858,737	50,389,250
Health services	67,028,897	69,290,624	66,606,923
Social and family services	217,425,733	211,444,759	206,725,179
Social housing	48,240,194	51,693,939	48,746,507
Recreation and cultural services	4,543,123	4,192,224	3,657,520
Planning and development	7,798,042	7,577,402	6,370,319
Change in closure and post-closure landfill liability	2,294,205	1,372,300	2,294,205
TOTAL EXPENSES	477,850,970	473,810,180	448,129,049
ANNUAL SURPLUS	<u>23,323,680</u>	65,117,249	65,377,194
ACCUMULATED SURPLUS - beginning of year		919,593,503	854,216,309
ACCUMULATED SURPLUS - end of year		984,710,752	919,593,503

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS	23,323,680	65,117,249	65,377,194
Amortization of tangible capital assets	30,291,056	30,306,468	27,296,384
Purchase of tangible capital assets	(101,149,300)	(101,223,617)	(83,719,454)
Gain on disposal of tangible capital assets	-	(1,829,688)	(4,068,203)
Proceeds on sale of tangible capital assets	-	2,679,008	4,789,488
Contributed capital assets	-	-	(40,135)
Change in prepaid expenses	-	(407,683)	(740,948)
Change in other non-financial assets	-	(238,941)	2,716,031
CHANGE IN NET DEBT	(47,534,564)	(5,597,204)	11,610,357
NET DEBT - beginning of year	(27,501,638)	(27,501,638)	(39,111,995)
NET DEBT - end of year	(75,036,202)	(33,098,842)	(27,501,638)

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	65,117,249	65,377,194
Items not involving cash		
Amortization of tangible capital assets	30,306,468	27,296,384
Gain on disposal of tangible capital assets	(1,829,688)	(4,068,203)
Contributed capital assets	-	(40,135)
Change in landfill closure and post-closure liability	1,372,300	2,294,205
Change in employee future benefits payable	(35,221)	961,100
Change in non-cash assets and liabilities		
Accounts receivable	8,884,810	(13,691,581)
Inventory	(34,120)	-
Prepaid expenses	(407,683)	(740,948)
Other non-financial assets	(238,941)	2,716,031
Accounts payable and accrued liabilities	(10,191,674)	14,063,355
Deferred revenue - obligatory reserve fund	8,719,540	(2,237,248)
Deferred revenue - other	(13,176,193)	13,346,327
Net change in cash from operating activities	88,486,847	105,276,481
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(101,223,617)	(83,719,454)
Proceeds on disposal of tangible capital assets	2,679,008	4,789,488
Net change in cash from capital activities	(98,544,609)	(78,929,966)
INVESTING ACTIVITIES		
Purchase of investments	(162,019)	(50,464,062)
Major capital loans issued	(3,474,503)	(4,111,039)
Other loans issued	(2,788,908)	(1,608,562)
Redemption of investments	40,003,372	40,000,000
Major capital loan repayments received	2,528,137	1,648,937
Net change in cash from investing activities	36,106,079	(14,534,726)
FINANCING ACTIVITIES		
Long term debt issued	43,596,500	-
Debt principal repayments	(3,629,507)	(4,014,663)
Net change in cash from financing activities	39,966,993	(4,014,663)
NET CHANGE IN CASH	66,015,310	7,797,126
CASH - beginning of year	48,302,540	40,505,414
CASH - end of year	114,317,850	48,302,540

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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% (2020 - 90%). 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).

CORPORATION OF THE COUNTY OF SIMCOE

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

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.

CORPORATION OF THE COUNTY OF SIMCOE

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

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.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

2. INVESTMENTS

Investments consist of various guaranteed investment certificates, corporate bonds and government bonds with maturity dates ranging from January 2022 to June 2030 with interest rates ranging from 0.2% to 3.226% as well as a high interest savings portfolio with The One Investment Program and all investments are recorded at cost. Total market value of these investments is \$8,133,427 (2020 - \$48,213,649) with cost of \$8,118,629 (2020 - \$47,959,982).

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, 2021 there was no balance outstanding (2020 - \$Nil).

4. MAJOR CAPITAL 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:

	2021	2020
	\$	\$
City of Barrie	16,751,394	16,139,173
City of Orillia	3,706,793	3,372,648
	20,458,187	19,511,821

The continuity of major capital loans receivable is as follows:

	2021	2020
	\$	\$
Balance - beginning of year	19,511,821	17,049,719
Add:		
Share of capital projects - City of Barrie	2,332,410	3,064,578
Share of capital projects - City of Orillia	697,778	676,256
Interest	444,315	370,205
	3,474,503	4,111,039
Less: Payments received	2,528,137	1,648,937
Balance - end of year	20,458,187	19,511,821

CORPORATION OF THE COUNTY OF SIMCOE

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

5. OTHER LOANS RECEIVABLE

The following loans are receivable from community partners:

	2021	2020
	\$	\$
Mortgage receivable, repayable in blended monthly instalments of \$15,057, bearing interest at 3% per annum, maturing August 10, 2041.	2,714,980	-
Interest free construction financing line of credit, to be paid within three years of project completion	2,295,809	-
Interest free construction financing loan, to be paid upon completion of the project	-	2,221,881
	<u>5,010,789</u>	<u>2,221,881</u>

6. DEFERRED REVENUE - OTHER

Deferred revenue - other consists of the following:

	2021	2020
	\$	\$
Safe Restart Agreement funding	-	13,205,296
Other	1,537,046	1,507,943
	<u>1,537,046</u>	<u>14,713,239</u>

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

7. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2021	2020
	\$	\$
Development charges	2,615,872	2,386,063
Federal gas tax	20,949,473	12,319,315
Provincial gas tax	477,680	618,107
	24,043,025	15,323,485

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

	2021	2020
	\$	\$
Balance - beginning of year	15,323,485	17,560,733
Add amounts received:		
Development charges received	27,693,320	21,763,794
Federal gas tax received	19,004,265	9,268,205
Provincial gas tax received	1,390,254	1,159,154
Interest	147,073	164,099
	48,234,912	32,355,252
Less transfer to operations:		
Development charges earned	27,075,825	20,260,906
Federal gas tax earned	10,496,629	12,698,501
Interest charges	406,372	734,762
Provincial gas tax earned	1,536,546	898,331
	39,515,372	34,592,500
Balance - end of year	24,043,025	15,323,485

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

8. LONG TERM DEBT

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

	2021	2020
	\$	\$
Canada Mortgage and Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturity dates ranging from 2022 to 2027 and interest rates ranging from 6.09% to 7.56%.	2,056,494	2,660,507
Ontario Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturing dates ranging from 2022 to 2027 and interest rates ranging from 6.34% to 7.81%.	239,192	309,540
Ontario Infrastructure Projects Corporation debentures with blended semi-annual payments of \$683,558 and interest at 2.68% per annum, due in 2039.	24,608,100	25,975,216
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 2022 to 2025 and interest rates ranging from 0.64% to 1.43%.	1,292,011	1,585,984
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.	2,274,671	2,631,100
Ontario Infrastructure Projects Corporation debentures with blended semi-annual payments of \$1,417,712 and interest at 2.7% per annum, due in 2041.	42,767,341	-
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.	3,221,260	3,329,729
	76,459,069	36,492,076

(b) Interest paid during the year on long term debt amounted to \$1,710,736 (2020 - \$1,068,726).

CORPORATION OF THE COUNTY OF SIMCOE

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

8. 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 \$
2022	4,440,563	1,998,987	6,439,550
2023	4,495,171	1,866,537	6,361,708
2024	4,364,524	1,734,014	6,098,538
2025	4,295,047	1,606,960	5,902,007
2026	4,107,997	1,486,256	5,594,253
2027 and subsequent years	54,755,767	10,507,359	65,263,126
	76,459,069	19,200,113	95,659,182

9. 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 \$28,441,275 (2020 - \$27,068,975). 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 \$33,44,041 (2020 - \$38,093,749) 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, 2021 (2020 - \$28,267,802). The remaining capacity of the landfill sites is estimated at 348,861 m³ (2020 - 400,825 m³) which is approximately 12% (2020 - 14%) 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 2023 and 2033.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

10. 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.

	2021	2020
	\$	\$
Vacation pay entitlement and accumulated sick leave benefit plan entitlement	3,807,513	3,899,674
Post-retirement benefits	797,921	740,981
	<u>4,605,434</u>	<u>4,640,655</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

	2021	2020
	\$	\$
Accrued benefit obligation at January 1	808,741	767,039
Unamortized actuarial losses	(67,760)	(74,600)
Liability at January 1	740,981	692,439
Current period benefit cost	48,294	45,636
Amortization of actuarial gains/losses	6,839	6,839
Interest accrued	30,692	29,003
Benefit payments	(28,885)	(32,936)
Liability at December 31	<u>797,921</u>	<u>740,981</u>

CORPORATION OF THE COUNTY OF SIMCOE

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

11. TANGIBLE CAPITAL ASSETS

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

	2021	2020
	\$	\$
General		
Land	162,407,027	161,812,951
Land improvements	13,600,743	12,092,417
Buildings	254,242,812	239,362,756
Machinery and equipment	31,953,299	7,117,791
Computers	5,997,090	3,303,113
Vehicles	36,684,319	32,967,922
Infrastructure		
Infrastructure	430,663,812	383,352,815
	935,549,102	840,009,765
Assets under construction	75,544,678	101,016,186
	1,011,093,780	941,025,951

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

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

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:

	2021	2020
	\$	\$
General government	42,950,791	42,253,201
Protection services	2,128,174	2,159,610
Transportation services	607,005,853	578,640,192
Environmental services	46,003,158	21,457,645
Health services	52,838,513	50,712,988
Social and Family services	89,671,093	82,034,419
Social housing	128,260,693	121,668,798
Recreation and cultural services	4,817,595	4,710,404
Planning and development	37,417,910	37,388,694
	1,011,093,780	941,025,951

CORPORATION OF THE COUNTY OF SIMCOE

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

12. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus/(Deficit)		
County	517,594	3,920,636
Lake Simcoe Regional Airport	(47,937)	(143,780)
Unfunded landfill closure and post-closure liability	(28,441,275)	(27,068,975)
	(27,971,618)	(23,292,119)
Invested In Capital Assets		
Tangible capital assets - net book value	1,011,093,780	941,025,951
Long term debt	(76,459,069)	(36,492,076)
Unfunded capital (see below)	(141,553,104)	(159,268,663)
	793,081,607	745,265,212
Surplus	765,109,989	721,973,093
Reserves		
Administration building	1,044,595	826,393
Contingencies	43,486,478	20,257,231
Transportation services	40,138,930	43,529,078
Paramedic services	6,721,943	6,920,197
Social housing	40,042,754	36,643,147
Planning and development	4,974,251	5,683,730
Homes for the aged	13,584,441	10,981,259
Recreation and cultural services	903,756	1,555,148
Waste management	33,441,041	38,093,749
Social services	10,602,154	8,781,244
Forestry	8,245,757	7,303,887
Lake Simcoe Regional Airport	535,930	1,253,995
Tourism	448,953	-
Total Reserves	204,170,983	181,829,058
Reserve Funds		
Social and family services	2,242,903	2,615,181
Planning and development	-	62,316
Hospital	7,963,814	7,881,852
Estate of C. Matthews	5,223,063	5,232,003
Total Reserve Funds	15,429,780	15,791,352
	984,710,752	919,593,503

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

12. ACCUMULATED SURPLUS, continued

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

	2021	2020
	\$	\$
Environmental services	(22,651,166)	-
Transportation services	(43,318,702)	(85,385,819)
Long term care	(40,487,290)	(37,944,974)
Paramedic services	(9,263,298)	(8,849,011)
Social housing	(21,758,270)	(23,014,481)
Transit	(4,074,378)	(4,074,378)
	(141,553,104)	(159,268,663)

13. PENSION AGREEMENTS

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

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

The County's required contributions to OMERS in 2021 were \$10,686,784 (2020 - \$10,136,897).

14. EXPENSES BY OBJECT

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

	Budget 2021	Actual 2021	Actual 2020
	\$	\$	\$
	(Unaudited)		
Salaries and benefits	164,004,485	176,837,807	163,163,366
Interest charges	962,921	1,710,736	1,068,726
Materials	81,096,150	79,449,798	76,078,847
Contracted services	36,701,304	38,172,590	28,909,234
Rents and financial	2,253,052	2,457,847	2,295,921
External transfers	160,247,797	145,332,322	151,090,569
Amortization	30,291,056	30,306,468	27,296,384
Loss (gain) on disposal of tangible capital assets	-	(1,829,688)	(4,068,203)
Change in landfill closure and post-closure liability	2,294,205	1,372,300	2,294,205
	477,850,970	473,810,180	448,129,049

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

15. BUDGET FIGURES

The budget, approved by the County, for 2021 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net 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	491,130,000	470,645,000
Capital	81,251,000	101,736,000
Total Council approved budget	572,381,000	572,381,000
Less: Tangible capital assets capitalized	-	(101,149,300)
Add: Amortization of tangible capital assets	-	30,291,056
Less: Principal repayment of long term debt	-	(4,024,259)
Less: Transfers to/from reserves	(21,813,125)	(14,065,507)
Add: Solid waste landfill closure and post-closure expenses	-	2,294,205
Less: Change in unfinanced capital	(41,517,000)	-
Reclassifications for financial statement purposes	(7,876,225)	(7,876,225)
Adjusted budget per Consolidated Statement of Operations	501,174,650	477,850,970

16. TRUST FUNDS

Trust funds administered by the County amounting to \$637,419 (2020 - \$656,373) 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, 2021 is \$30,000,000.

In 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, 2021 is \$1,300,000.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

17. COMMITMENTS, continued

In 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 from November 1, 2021 to September 30, 2028.

18. CONTINGENT LIABILITIES

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

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.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

22. SUBSEQUENT EVENTS

Subsequent to year end, the County entered into an agreement for architectural services totalling \$18,000,000 for the redevelopment of Simcoe Manor.

Subsequent to year end, Simcoe County Housing Corporation entered into a construction management agreement for construction of a residential and non-residential building in Orillia with a total construction budget of \$65,973,000.

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.

CORPORATION OF THE COUNTY OF SIMCOE

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

23. SEGMENTED INFORMATION, continued

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.

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 tourism and the County forests.

CORPORATION OF THE COUNTY OF SIMCOE

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

	General						Infrastructure	Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Machinery and Equipment	Computers	Vehicles	Infrastructure		
	\$	\$	\$	\$	\$	\$	\$	\$	
COST									
Balance, beginning of year	165,708,179	31,929,824	313,073,547	14,667,259	20,292,773	52,383,210	662,162,071	101,016,186	1,361,233,049
Add: additions during the year	1,402,143	1,180,665	5,017,369	25,384,880	2,226,137	7,709,487	16,676,899	41,626,037	101,223,617
Less: disposals during the year	74,276	-	182,084	-	422,301	2,660,317	366,655	-	3,705,633
Internal transfers	(720,779)	1,314,386	17,330,269	547,355	1,795,312	740,537	46,090,465	(67,097,545)	-
Balance, end of year	166,315,267	34,424,875	335,239,101	40,599,494	23,891,921	58,172,917	724,562,780	75,544,678	1,458,751,033
ACCUMULATED AMORTIZATION									
Balance, beginning 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
Add: additions during the year	13,012	986,725	7,467,582	1,096,727	931,535	4,354,520	15,456,367	-	30,306,468
Less: disposals during the year	-	-	182,084	-	26,364	2,281,210	366,655	-	2,856,313
Balance, end of year	3,908,240	20,824,132	80,996,289	8,646,195	17,894,831	21,488,598	293,898,968	-	447,657,253
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	162,407,027	13,600,743	254,242,812	31,953,299	5,997,090	36,684,319	430,663,812	75,544,678	1,011,093,780

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Recreation and Cultural Services \$	Planning and Development \$	Change in landfill closure and post- closure liability \$	Consolidated \$
Revenues											
Property taxation	27,498,942	396,000	29,341,000	38,516,000	21,205,000	32,435,000	22,765,000	2,956,000	5,889,000	-	181,001,942
User charges	782,100	252,119	2,034,624	13,120,715	55,590	17,715,489	10,366,792	39,144	2,303,888	-	46,670,461
Government transfers - operating	17,347,374	-	1,196,214	5,781,626	31,680,314	165,799,809	12,244,221	193,655	94,350	-	234,337,563
Government transfers - capital	-	-	2,417,619	-	566,974	822,740	425,000	-	-	-	4,232,333
Other municipalities	-	-	374,038	-	9,262,304	12,166,412	9,333,278	113,479	-	-	31,249,511
Investment income	1,534,582	-	-	-	-	20,744	572	-	-	-	1,555,898
Donations	77,100	-	-	-	100	121,072	-	4,494	-	-	202,766
Contributed tangible capital assets	-	-	181,970	-	-	-	-	-	-	-	181,970
Other grants	42,078	-	-	-	-	51,389	-	-	-	-	93,467
Other	-	-	37,985	-	192,694	-	61,839	-	-	-	292,518
Development charges earned	460,045	-	20,250,818	417,653	511,130	1,884,604	3,551,575	-	-	-	27,075,825
Federal gas tax earned	-	-	10,496,629	-	-	-	-	-	-	-	10,496,629
Provincial gas tax earned	-	-	1,536,546	-	-	-	-	-	-	-	1,536,546
Total revenues	47,742,221	648,119	67,867,443	57,835,994	63,474,106	231,017,259	58,748,277	3,306,772	8,287,238	-	538,927,429
Expenses											
Salaries and benefits	19,390,517	214,172	9,477,616	7,686,598	46,103,234	83,016,401	5,876,141	2,250,138	2,822,990	-	176,837,807
Interest charges	-	-	759,388	-	682,534	-	268,814	-	-	-	1,710,736
Materials	4,070,289	324,993	19,951,073	23,255,750	6,612,052	12,695,598	10,390,084	1,134,878	1,015,081	-	79,449,798
Contracted services	11,288,413	46,479	133,299	24,705,809	214,688	1,030,380	92,358	-	661,164	-	38,172,590
Rents and financial	34,048	-	144,211	212,615	388,650	1,472,919	204,166	1,238	-	-	2,457,847
External transfers	2,072,398	136,096	388,996	-	8,212,786	101,006,411	32,341,156	-	1,174,479	-	145,332,322
Amortization	1,621,331	33,084	17,547,985	1,954,391	3,134,508	2,946,490	2,886,011	145,306	37,362	-	30,306,468
Loss (gain) on disposal of tangible capital assets	395,937	-	80,905	(12,912)	45,231	(45,129)	(2,293,720)	-	-	-	(1,829,688)
Internal transfers	(23,825,303)	250,174	2,844,094	3,056,486	3,896,941	9,321,689	1,928,929	660,664	1,866,326	-	-
Change in landfill closure and post- closure liability	-	-	-	-	-	-	-	-	-	1,372,300	1,372,300
Total expenses	15,047,630	1,004,998	51,327,567	60,858,737	69,290,624	211,444,759	51,693,939	4,192,224	7,577,402	1,372,300	473,810,180
Net surplus/(deficit)	32,694,591	(356,879)	16,539,876	(3,022,743)	(5,816,518)	19,572,500	7,054,338	(885,452)	709,836	(1,372,300)	65,117,249

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	933,496	143,174	1,820,250	8,795,467	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
Development charges 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	37,853,888	594,174	63,535,717	52,058,520	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	4,253,509	116,476	19,292,082	21,172,387	6,039,086	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	(21,942,579)	(125,308)	2,644,628	2,778,478	3,966,530	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)	23,655,481	(255,607)	15,244,759	1,669,270	(4,809,567)	12,288,339	16,847,159	726,399	2,305,166	(2,294,205)	65,377,194

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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, 2021, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2021, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for 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
September 8, 2022

CORPORATION OF THE COUNTY OF SIMCOE

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2021

	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 \$	2021 Total \$	2020 Total \$
FINANCIAL ASSETS									
Cash and investments	79,115	101,671	361,962	-	48,366	75,605	1,343	668,062	653,991
Due from County of Simcoe	-	-	-	3,379	-	-	-	3,379	3,370
	79,115	101,671	361,962	3,379	48,366	75,605	1,343	671,441	657,361
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	8,510	-	-	-	-	-	-	8,510	988
Due to County of Simcoe	-	6,353	19,059	-	-	-	100	25,512	-
	8,510	6,353	19,059	-	-	-	100	34,022	988
FUND BALANCES	70,605	95,318	342,903	3,379	48,366	75,605	1,243	637,419	656,373
	79,115	101,671	361,962	3,379	48,366	75,605	1,343	671,441	657,361

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF SIMCOE

TRUST FUNDS

STATEMENT OF CONTINUITY

For the Year Ended December 31, 2021

	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 \$	2021 Total \$	2020 Total \$
BALANCES - beginning of year	66,445	101,766	361,823	3,370	53,843	67,793	1,333	656,373	654,601
RECEIPTS									
Contribution from County of Simcoe	-	-	-	-	-	-	-	-	2,500
Interest earned	-	765	2,720	9	423	537	10	4,464	6,763
Residents' contributions	81,482	-	-	-	-	-	-	81,482	67,454
Donations	-	-	-	-	100	7,338	-	7,438	4,669
Fundraising	-	-	-	-	-	-	-	-	7,856
	81,482	765	2,720	9	523	7,875	10	93,384	89,242
EXPENSES									
Purchases benefiting residents	-	7,213	21,640	-	-	-	-	28,853	9,936
Operating costs	-	-	-	-	-	63	-	63	3,072
Residents' payments	77,322	-	-	-	-	-	-	77,322	72,362
Scholarships	-	-	-	-	6,000	-	-	6,000	2,000
Donations	-	-	-	-	-	-	100	100	100
	77,322	7,213	21,640	-	6,000	63	100	112,338	87,470
BALANCES - end of year	70,605	95,318	342,903	3,379	48,366	75,605	1,243	637,419	656,373

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF SIMCOE

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

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.

CORPORATION OF THE COUNTY OF SIMCOE

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

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 \$668,062 (2020 - \$653,991) are recorded at cost. Included in cash and investments is a \$31,300 GIC with interest rate of 0.6% and maturity date of May 19, 2022.