

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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CORPORATION OF THE COUNTY OF SIMCOE

For The Year Ended December 31, 2022

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

Handwritten signature of the CAO, written in black ink over a horizontal line.

CAO

June 27, 2023

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, 2022, 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, 2022, 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
July 25, 2023



CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	101,388,776	114,317,850
Investments (note 2)	33,754,303	8,118,629
Accounts receivable	31,386,823	24,535,615
Major capital loans receivable (note 4)	23,296,648	20,458,187
Other loans receivable (note 5)	5,446,544	5,010,789
Inventory	31,055	74,324
TOTAL FINANCIAL ASSETS	195,304,149	172,515,394
LIABILITIES		
Accounts payable and accrued liabilities	76,892,762	70,528,387
Deferred revenue - obligatory reserve fund (note 7)	42,041,095	24,043,025
Deferred revenue - other	2,565,966	1,537,046
Long term debt (note 8)	72,017,015	76,459,069
Landfill closure and post-closure liability (note 6)	24,515,780	28,441,275
Employee future benefits payable (note 10)	4,330,438	4,605,434
TOTAL LIABILITIES	222,363,056	205,614,236
NET DEBT	(27,058,907)	(33,098,842)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	1,052,424,471	1,011,093,780
Prepaid expenses	6,658,367	5,772,984
Other	1,034,846	942,830
TOTAL NON-FINANCIAL ASSETS	1,060,117,684	1,017,809,594
ACCUMULATED SURPLUS (note 12)	1,033,058,777	984,710,752

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Property taxation	190,753,456	189,096,336	181,001,942
User charges	43,216,265	47,861,516	46,670,461
Government of Canada	8,606,663	11,424,584	8,974,687
Province of Ontario	207,618,159	244,538,104	229,595,209
Other municipalities	51,286,450	39,004,947	31,249,511
Investment income	1,470,467	3,495,497	1,555,898
Donations	222,400	247,869	202,766
Contributed tangible capital assets	-	2,437,900	181,970
Other grants	-	166,270	93,467
Other	138,376	538,250	292,518
Development charges earned	23,628,157	32,006,982	27,075,825
Canada Community-Building Fund earned	11,087,786	7,080,446	10,496,629
Provincial gas tax earned	1,683,728	1,869,551	1,536,546
Gain/(loss) on disposal of tangible capital assets	-	868,561	1,829,688
TOTAL REVENUES	539,711,907	580,636,813	540,757,117
EXPENSES			
General government	14,044,750	15,831,189	16,948,596
Protection services	895,125	881,680	619,476
Transportation services	55,210,097	58,785,441	50,543,134
Environmental services	70,099,704	73,431,297	60,624,422
Health services	71,817,625	70,329,713	68,920,554
Social and family services	228,141,848	245,422,223	210,685,111
Social housing	50,467,467	58,591,302	53,851,254
Recreation and cultural services	4,762,104	4,522,127	4,139,248
Planning and development	8,526,534	8,419,311	7,935,773
Change in closure and post-closure landfill liability	2,294,205	(3,925,495)	1,372,300
TOTAL EXPENSES	506,259,459	532,288,788	475,639,868
ANNUAL SURPLUS	<u>33,452,448</u>	48,348,025	65,117,249
ACCUMULATED SURPLUS - beginning of year		984,710,752	919,593,503
ACCUMULATED SURPLUS - end of year		1,033,058,777	984,710,752

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS	33,452,448	48,348,025	65,117,249
Amortization of tangible capital assets	30,410,516	35,200,232	30,306,468
Addition of tangible capital assets	(132,420,685)	(74,639,182)	(101,223,617)
Gain on disposal of tangible capital assets	-	(868,561)	(1,829,688)
Proceeds on sale of tangible capital assets	-	1,414,720	2,679,008
Contributed capital assets	-	(2,437,900)	-
Change in prepaid expenses	-	(885,383)	(407,683)
Change in other non-financial assets	-	(92,016)	(238,941)
CHANGE IN NET DEBT	(68,557,721)	6,039,935	(5,597,204)
NET DEBT - beginning of year	(33,098,842)	(33,098,842)	(27,501,638)
NET DEBT - end of year	(101,656,563)	(27,058,907)	(33,098,842)

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, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	48,348,025	65,117,249
Items not involving cash		
Amortization of tangible capital assets	35,200,232	30,306,468
Gain on disposal of tangible capital assets	(868,561)	(1,829,688)
Contributed capital assets	(2,437,900)	-
Change in landfill closure and post-closure liability	(3,925,495)	1,372,300
Change in employee future benefits payable	(274,996)	(35,221)
Change in non-cash assets and liabilities		
Accounts receivable	(6,851,208)	8,884,810
Other loans receivable	(435,755)	-
Inventory	43,269	(34,120)
Prepaid expenses	(885,383)	(407,683)
Other non-financial assets	(92,016)	(238,941)
Accounts payable and accrued liabilities	6,364,375	(10,191,674)
Deferred revenue - obligatory reserve fund	17,998,070	8,719,540
Deferred revenue - other	1,028,920	(13,176,193)
Net change in cash from operating activities	93,211,577	88,486,847
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(74,639,182)	(101,223,617)
Proceeds on disposal of tangible capital assets	1,414,720	2,679,008
Net change in cash from capital activities	(73,224,462)	(98,544,609)
INVESTING ACTIVITIES		
Purchase of investments	(25,635,674)	(162,019)
Major capital loans issued	(9,003,806)	(3,474,503)
Other loans issued	-	(2,788,908)
Redemption of investments	-	40,003,372
Major capital loan repayments received	6,165,345	2,528,137
Net change in cash from investing activities	(28,474,135)	36,106,079
FINANCING ACTIVITIES		
Long term debt issued	-	43,596,500
Debt principal repayments	(4,442,054)	(3,629,507)
Net change in cash from financing activities	(4,442,054)	39,966,993
NET CHANGE IN CASH	(12,929,074)	66,015,310
CASH - beginning of year	114,317,850	48,302,540
CASH - end of year	101,388,776	114,317,850

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, 2022

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% (2021 - 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).

(e) 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.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) 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.

(g) 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.

(h) 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, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) 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.

Canada Community-Building Fund, 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.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

2. INVESTMENTS

Investments consist of various guaranteed investment certificates, corporate bonds and government bonds with maturity dates ranging from January 2023 to December 2031 with interest rates ranging from 0.85% to 3.19% as well as a high interest savings portfolio with The One Investment Program. All investments are recorded at cost. Total market value of these investments is \$33,452,387 (2021 - \$8,133,427) with cost of \$33,754,303 (2021 - \$8,118,629).

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, 2022 there was no balance outstanding (2021 - \$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:

	2022	2021
	\$	\$
City of Barrie	18,907,908	16,751,394
City of Orillia	4,388,740	3,706,793
	23,296,648	20,458,187

The continuity of major capital loans receivable is as follows:

	2022	2021
	\$	\$
Balance - beginning of year	20,458,187	19,511,821
Add:		
Share of capital projects - City of Barrie	6,652,832	2,332,410
Share of capital projects - City of Orillia	1,693,458	697,778
Interest	657,516	444,315
	9,003,806	3,474,503
Less: Payments received	6,165,345	2,528,137
Balance - end of year	23,296,648	20,458,187

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

5. OTHER LOANS RECEIVABLE

The following loans are receivable from community partners:

	2022	2021
	\$	\$
Mortgage receivable, repayable in blended monthly instalments of \$15,057, bearing interest at 3% per annum, maturing August 10, 2041.	2,579,959	2,714,980
Interest free construction financing line of credit, to be paid within three years of project completion.	2,295,809	2,295,809
Interest free mortgage receivable, repayable in monthly instalments of \$2,408, maturing 2042.	570,776	-
	5,446,544	5,010,789

6. 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 \$24,515,780 (2021 - \$28,441,275). 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 \$33,173,797 (2021 - \$33,441,041) 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 \$25,696,466 as at December 31, 2022 (2021 - \$29,058,210). The remaining capacity of the landfill sites is estimated at 287,389 m3 (2021 - 348,861 m3) which is approximately 10% (2021 - 12%) 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 4.7% 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, 2022

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:

	2022	2021
	\$	\$
Development charges	17,977,697	2,615,872
Canada Community-Building Fund	24,058,124	20,949,473
Provincial gas tax	5,274	477,680
	42,041,095	24,043,025

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

	2022	2021
	\$	\$
Balance - beginning of year	24,043,025	15,323,485
Add amounts received:		
Development charges received	47,847,955	27,693,320
Canada Community-Building Fund received	9,689,467	19,004,265
Provincial gas tax received	1,391,871	1,390,254
Interest	911,702	147,073
	59,840,995	48,234,912
Less transfer to operations:		
Development charges earned	32,006,982	27,075,825
Canada Community-Building Fund earned	7,080,446	10,496,629
Interest charges	885,946	406,372
Provincial gas tax earned	1,869,551	1,536,546
	41,842,925	39,515,372
Balance - end of year	42,041,095	24,043,025

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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:

	2022 \$	2021 \$
Canada Mortgage and Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturity dates ranging from 2023 to 2027 and interest rates ranging from 6.09% to 6.34%.	1,513,808	2,056,494
Ontario Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturing dates ranging from 2023 to 2027 and interest rates ranging from 6.09% to 6.34%.	175,615	239,192
Ontario Infrastructure Projects Corporation debentures with blended semi-annual payments of \$683,558 and interest at 2.68% per annum, due in 2039.	23,240,983	24,608,100
Mortgages payable, repayable in blended monthly payments including principal and interest, secured by land and buildings. The mortgages have due dates ranging from 2024 to 2026 and interest rates ranging from 0.64% to 1.43%.	999,587	1,292,011
Mortgage payable, 4.44%, due October 2027, repayable in blended monthly payments of \$36,646 including principal and interest, secured by land and buildings.	1,911,526	2,274,671
Ontario Infrastructure Projects Corporation debentures with blended semi-annual payments of \$1,417,712 and interest at 2.7% per annum, due in 2041.	41,075,291	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.	3,100,205	3,221,260
	72,017,015	76,459,069

(b) Interest paid during the year on long term debt amounted to \$2,010,094 (2021 - \$1,710,736).

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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 \$
2023	4,495,467	1,904,328	6,399,795
2024	4,372,536	1,764,347	6,136,883
2025	4,311,723	1,629,036	5,940,759
2026	4,133,566	1,499,438	5,633,004
2027	3,903,779	1,382,507	5,286,286
2028 and subsequent years	50,799,944	9,128,614	59,928,558
	72,017,015	17,308,270	89,325,285

9. 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 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 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 2022 were \$10,520,862 (2021 - \$10,686,784).

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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.

	2022	2021
	\$	\$
Vacation pay entitlement and accumulated sick leave benefit plan entitlement	3,467,779	3,807,513
Post-retirement benefits	862,659	797,921
	<u>4,330,438</u>	<u>4,605,434</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

	2022	2021
	\$	\$
Accrued benefit obligation at January 1	858,843	808,741
Unamortized actuarial losses	(60,922)	(67,760)
Liability at January 1	797,921	740,981
Current period benefit cost	51,108	48,294
Amortization of actuarial gains/losses	6,839	6,839
Interest accrued	32,679	30,692
Benefit payments	(25,888)	(28,885)
Liability at December 31	<u>862,659</u>	<u>797,921</u>

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

11. TANGIBLE CAPITAL ASSETS

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

	2022	2021
	\$	\$
General		
Land	166,596,098	162,407,027
Land improvements	15,218,530	13,600,743
Buildings	259,962,436	254,242,812
Machinery and equipment	32,588,000	31,953,299
Computers	6,469,478	5,997,090
Vehicles	37,367,089	36,684,319
Infrastructure		
Infrastructure	431,906,113	430,663,812
	950,107,744	935,549,102
Assets under construction	102,316,727	75,544,678
	1,052,424,471	1,011,093,780

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

During the year there were no write-downs of assets (2021 - \$Nil) and no interest capitalized (2021 - \$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:

	2022	2021
	\$	\$
General government	43,512,765	42,950,791
Protection services	2,096,738	2,128,174
Transportation services	598,856,893	607,005,853
Environmental services	54,372,907	46,003,158
Health services	55,490,095	52,838,513
Social and Family services	102,481,364	89,671,093
Social housing	152,454,376	128,260,693
Recreation and cultural services	5,590,344	4,817,595
Planning and development	37,568,989	37,417,910
	1,052,424,471	1,011,093,780

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

12. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus/(Deficit)		
County	1,772,089	517,594
Lake Simcoe Regional Airport	146,911	(47,937)
Unfunded landfill closure and post-closure liability	(24,515,780)	(28,441,275)
	(22,596,780)	(27,971,618)
Invested In Capital Assets		
Tangible capital assets - net book value	1,052,424,471	1,011,093,780
Long term debt	(72,017,015)	(76,459,069)
Unfunded capital (see below)	(140,558,268)	(141,553,104)
	839,849,188	793,081,607
Surplus	817,252,408	765,109,989
Reserves		
Administration building	1,226,251	1,044,595
Contingencies	37,286,794	43,486,478
Transportation services	38,167,294	40,138,930
Paramedic services	7,018,041	6,721,943
Social housing	37,505,093	40,042,754
Planning and development	5,131,163	4,974,251
Homes for the aged	14,324,545	13,584,441
Recreation and cultural services	1,213,081	903,756
Waste management	33,173,797	33,441,041
Social services	12,881,011	10,602,154
Forestry	9,483,256	8,245,757
Lake Simcoe Regional Airport	834,590	535,930
Tourism	300,221	448,953
Total Reserves	198,545,137	204,170,983
Reserve Funds		
Social and family services	2,596,816	2,242,903
Hospital	9,352,399	7,963,814
Estate of C. Matthews	5,312,017	5,223,063
Total Reserve Funds	17,261,232	15,429,780
	1,033,058,777	984,710,752

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

12. ACCUMULATED SURPLUS, continued

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

	2022	2021
	\$	\$
Environmental services	(21,465,863)	(22,651,166)
Transportation services	(40,453,010)	(43,318,702)
Long term care	(42,134,097)	(40,487,290)
Paramedic services	(9,474,705)	(9,263,298)
Social housing	(24,156,215)	(21,758,270)
Transit	(4,074,378)	(4,074,378)
General government	1,200,000	-
	(140,558,268)	(141,553,104)

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 2022	Actual 2022	Actual 2021
	\$	\$	\$
	(Unaudited)		
Salaries and benefits	175,111,656	187,314,156	176,822,486
Interest charges	2,012,797	2,010,094	1,710,736
Materials	82,708,132	90,845,107	79,464,857
Contracted services	46,237,171	46,092,274	38,172,852
Rents and financial	2,291,801	2,537,732	2,457,847
External transfers	165,193,181	172,214,688	145,332,322
Amortization	30,410,516	35,200,232	30,306,468
Change in landfill closure and post-closure liability	2,294,205	(3,925,495)	1,372,300
	506,259,459	532,288,788	475,639,868

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

14. BUDGET FIGURES

The budget, approved by the County, for 2022 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	520,113,000	505,854,000
Capital	117,928,000	132,187,000
Total Council approved budget	638,041,000	638,041,000
Less: Tangible capital assets capitalized	-	(132,420,685)
Add: Amortization of tangible capital assets	-	30,410,516
Less: Principal repayment of long term debt	-	(4,432,214)
Less: Transfers to/from reserves	(36,305,776)	(24,170,046)
Add: Solid waste landfill closure and post-closure expenses	-	2,294,205
Less: Change in unfinanced capital	(58,560,000)	-
Reclassifications for financial statement purposes	(3,463,317)	(3,463,317)
Adjusted budget per Consolidated Statement of Operations	539,711,907	506,259,459

15. TRUST FUNDS

Trust funds administered by the County amounting to \$653,322 (2021 - \$637,419) 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.

16. 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, 2022 is \$27,000,000.

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.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

16. COMMITMENTS, continued

During 2022, the County entered into an agreement for architectural services totalling \$18,000,000 for the redevelopment of Simcoe Manor. The commitment remaining at December 31, 2022 is \$8,087,270.

During 2022, 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. The remaining commitment at December 31, 2022 is \$51,289,169.

During 2022, Simcoe County Housing Corporation entered into a construction management agreement for construction of a residential and non-residential building in Bradford with a total construction budget of \$24,952,740. The remaining commitment at December 31, 2022 is \$24,114,424.

17. 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.

18. 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.

19. 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, 2022

20. 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.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

20. 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 tourism and the County forests.

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2022

	General						Infrastructure	Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Machinery and Equipment	Computers	Vehicles	Infrastructure		
	\$	\$	\$	\$	\$	\$	\$	\$	
COST									
Balance, beginning 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
Add: additions during the year	3,007,308	1,543,265	7,263,543	3,558,172	1,601,177	4,998,919	4,941,110	50,163,588	77,077,082
Less: disposals during the year	39,484	-	334,063	-	-	1,751,331	-	-	2,124,878
Internal transfers	1,236,357	1,062,481	6,753,058	285,391	375,519	566,454	13,112,279	(23,391,539)	-
Balance, end of year	170,519,448	37,030,621	348,921,639	44,443,057	25,868,617	61,986,959	742,616,169	102,316,727	1,533,703,237
ACCUMULATED AMORTIZATION									
Balance, beginning 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
Add: additions during the year	15,110	987,959	8,037,095	3,208,862	1,504,308	4,635,810	16,811,088	-	35,200,232
Less: disposals during the year	-	-	74,181	-	-	1,504,538	-	-	1,578,719
Balance, end of year	3,923,350	21,812,091	88,959,203	11,855,057	19,399,139	24,619,870	310,710,056	-	481,278,766
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	166,596,098	15,218,530	259,962,436	32,588,000	6,469,478	37,367,089	431,906,113	102,316,727	1,052,424,471

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	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	38,726,336	-	24,183,000	56,172,000	21,423,000	22,503,000	19,674,000	-	6,415,000	-	189,096,336
User charges	677,598	136,096	3,587,845	13,168,529	135,524	17,324,727	9,964,611	198,094	2,668,492	-	47,861,516
Government transfers - operating	49,167	-	1,199,523	6,612,451	31,248,117	197,539,508	12,869,983	70,507	156,419	-	249,745,675
Government transfers - capital	-	-	59,533	263,320	101,698	4,870,455	651,524	270,483	-	-	6,217,013
Other municipalities	-	-	177,556	-	10,128,117	12,504,239	16,079,287	115,748	-	-	39,004,947
Investment income	3,437,435	-	-	-	-	58,062	-	-	-	-	3,495,497
Donations	107,601	-	-	-	-	132,810	-	5,458	2,000	-	247,869
Contributed tangible capital assets	-	-	53,759	-	-	-	2,384,141	-	-	-	2,437,900
Other grants	166,270	-	-	-	-	-	-	-	-	-	166,270
Other	-	-	88,193	108,916	307,555	-	33,586	-	-	-	538,250
Development charges earned	-	-	16,706,849	454,255	926,423	5,311,460	8,607,995	-	-	-	32,006,982
Canada Community-Building Fund earned	-	-	7,080,446	-	-	-	-	-	-	-	7,080,446
Provincial gas tax earned	-	-	1,869,551	-	-	-	-	-	-	-	1,869,551
Gain/(loss) on disposal of tangible capital assets	-	-	(22,129)	10,460	22,033	(251,568)	1,084,420	25,345	-	-	868,561
Total revenues	43,164,407	136,096	54,984,126	76,789,931	64,292,467	259,992,693	71,349,547	685,635	9,241,911	-	580,636,813
Expenses											
Salaries and benefits	19,618,575	298,609	9,038,090	8,603,792	47,772,089	89,981,564	6,014,889	2,348,157	3,638,391	-	187,314,156
Interest charges	-	-	1,136,615	-	648,104	-	225,375	-	-	-	2,010,094
Materials	4,792,044	93,239	25,912,388	24,422,707	6,984,472	14,391,449	11,880,059	1,213,516	1,155,233	-	90,845,107
Contracted services	11,273,982	72,758	146,714	32,607,159	192,084	1,173,563	61,893	52,890	511,231	-	46,092,274
Rents and financial	41,606	-	101,122	268,897	417,909	1,525,240	178,069	4,889	-	-	2,537,732
External transfers	3,051,960	136,096	177,658	-	7,300,170	125,402,962	35,077,202	-	1,068,640	-	172,214,688
Amortization	2,225,407	31,436	19,237,701	4,345,001	2,897,813	3,117,467	3,118,909	193,898	32,600	-	35,200,232
Internal transfers	(25,172,385)	249,542	3,035,153	3,183,741	4,117,072	9,829,978	2,034,906	708,777	2,013,216	-	-
Change in landfill closure and post-closure liability	-	-	-	-	-	-	-	-	-	(3,925,495)	(3,925,495)
Total expenses	15,831,189	881,680	58,785,441	73,431,297	70,329,713	245,422,223	58,591,302	4,522,127	8,419,311	(3,925,495)	532,288,788
Net surplus/(deficit)	27,333,218	(745,584)	(3,801,315)	3,358,634	(6,037,246)	14,570,470	12,758,245	(3,836,492)	822,600	3,925,495	48,348,025

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	610,902	244,325	2,223,389	13,107,277	55,590	17,687,689	10,366,792	46,939	2,327,558	-	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
Canada Community-Building Fund earned	-	-	10,496,629	-	-	-	-	-	-	-	10,496,629
Provincial gas tax earned	-	-	1,536,546	-	-	-	-	-	-	-	1,536,546
Gain/(loss) on disposal of tangible capital assets	(395,937)	-	(80,905)	57,337	(45,231)	704	2,293,720	-	-	-	1,829,688
Total revenues	47,175,086	640,325	67,975,303	57,879,893	63,428,875	230,990,163	61,041,997	3,314,567	8,310,908	-	540,757,117
Expenses											
Salaries and benefits	19,768,813	214,172	8,965,290	7,686,597	45,724,513	83,016,401	5,861,246	2,250,138	3,335,316	-	176,822,486
Interest charges	-	-	759,388	-	682,534	-	268,814	-	-	-	1,710,736
Materials	4,137,289	316,601	19,959,337	23,255,153	6,596,345	12,643,828	10,405,706	1,135,517	1,015,081	-	79,464,857
Contracted services	11,288,675	46,479	133,299	24,705,809	214,688	1,030,380	92,358	-	661,164	-	38,172,852
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	1,589,952	31,436	17,547,985	1,985,770	3,134,508	2,948,138	2,886,011	145,306	37,362	-	30,306,468
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	-	-	-	-	-	-	-	-	-	1,372,300	1,372,300
Total expenses	16,948,596	619,476	50,543,134	60,624,422	68,920,554	210,685,111	53,851,254	4,139,248	7,935,773	1,372,300	475,639,868
Net surplus/(deficit)	30,226,490	20,849	17,432,169	(2,744,529)	(5,491,679)	20,305,052	7,190,743	(824,681)	375,135	(1,372,300)	65,117,249

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, 2022, 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, 2022, 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
July 25, 2023

CORPORATION OF THE COUNTY OF SIMCOE

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2022

	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 \$	2022 Total \$	2021 Total \$
FINANCIAL ASSETS									
Cash and investments (note 3)	76,655	97,454	350,586	-	48,576	82,224	1,099	656,594	668,062
Due from County of Simcoe	-	-	-	3,407	-	-	-	3,407	3,379
	76,655	97,454	350,586	3,407	48,576	82,224	1,099	660,001	671,441
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	6,679	-	-	-	-	-	-	6,679	8,510
Due to County of Simcoe	-	-	-	-	-	-	-	-	25,512
	6,679	-	-	-	-	-	-	6,679	34,022
FUND BALANCES	69,976	97,454	350,586	3,407	48,576	82,224	1,099	653,322	637,419
	76,655	97,454	350,586	3,407	48,576	82,224	1,099	660,001	671,441

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, 2022

	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 \$	2022 Total \$	2021 Total \$
BALANCES - beginning of year	70,605	95,318	342,903	3,379	48,366	75,605	1,243	637,419	656,373
RECEIPTS									
Contribution from County of Simcoe	-	-	-	-	-	2,500	-	2,500	2,500
Interest earned	-	2,136	7,683	28	960	1,768	27	12,602	4,464
Residents' contributions	96,465	-	-	-	-	-	-	96,465	81,482
Donations	-	-	-	-	250	4,384	-	4,634	4,938
	96,465	2,136	7,683	28	1,210	8,652	27	116,201	93,384
EXPENSES									
Purchases benefiting residents	97,094	-	-	-	-	-	-	97,094	28,853
Operating costs	-	-	-	-	-	-	-	-	63
Residents' payments	-	-	-	-	-	-	-	-	77,322
Scholarships	-	-	-	-	1,000	2,033	-	3,033	6,000
Donations	-	-	-	-	-	-	171	171	100
	97,094	-	-	-	1,000	2,033	171	100,298	112,338
BALANCES - end of year	69,976	97,454	350,586	3,407	48,576	82,224	1,099	653,322	637,419

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, 2022

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, 2022

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 \$656,594 (2021 - \$668,062) are recorded at cost. Included in cash and investments are GICS totalling \$42,951 with interest rates of 4.6% and 4.8% and maturity dates of May 17, 2023 and November 8, 2023.

4. 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.