

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

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CORPORATION OF THE COUNTY OF SIMCOE

For The Year Ended December 31, 2023

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.



Warden



CAO

June 25, 2024

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, 2023, the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, 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, 2023, 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 24, 2024



CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	71,650,751	101,388,776
Investments (note 2)	35,201,055	33,754,303
Accounts receivable	41,400,498	31,386,823
Major capital loans receivable (note 4)	32,239,089	23,296,648
Other loans receivable (note 5)	5,312,756	5,446,544
Inventory	41,281	31,055
TOTAL FINANCIAL ASSETS	185,845,430	195,304,149
LIABILITIES		
Accounts payable and accrued liabilities	78,577,896	72,721,473
Deferred revenue - obligatory reserve fund (note 6)	38,887,104	42,041,095
Deferred revenue - other (note 7)	13,531,964	6,737,255
Long term debt (note 8)	67,517,146	72,017,015
Landfill closure and post-closure liability (note 23)	-	24,515,780
Asset retirement obligations (note 24)	97,694,633	-
Employee future benefits payable (note 9)	4,784,665	4,330,438
TOTAL LIABILITIES	300,993,408	222,363,056
NET DEBT	(115,147,978)	(27,058,907)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 12)	1,181,486,117	1,052,424,471
Prepaid expenses	8,162,017	6,658,367
Other	1,183,954	1,034,846
TOTAL NON-FINANCIAL ASSETS	1,190,832,088	1,060,117,684
	1,075,684,110	1,033,058,777
Comprised of:		
Accumulated surplus (note 13)	1,075,837,358	1,033,058,777
Accumulated remeasurement losses	(153,248)	-
	1,075,684,110	1,033,058,777

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, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Property taxation	199,348,073	200,833,303	189,096,336
User charges	45,404,406	51,134,561	47,861,516
Government of Canada	6,824,815	12,087,544	11,424,584
Province of Ontario	275,490,159	300,914,022	244,538,104
Other municipalities	47,556,255	46,016,145	39,004,947
Investment income	3,897,883	6,033,128	3,495,497
Donations	210,400	311,785	247,869
Contributed tangible capital assets	-	20,706	2,437,900
Other grants	-	174,079	166,270
Other	136,298	482,029	538,250
Development charges earned (note 6)	37,107,875	25,165,126	32,006,982
Canada Community-Building Fund earned (note 6)	12,381,474	11,893,910	7,080,446
Provincial gas tax earned (note 6)	1,419,710	1,380,296	1,869,551
Gain/(loss) on disposal of tangible capital assets	-	5,967,826	868,561
TOTAL REVENUES	629,777,348	662,414,460	580,636,813
EXPENSES			
General government	11,316,577	15,172,682	15,831,189
Protection services	963,222	1,091,472	881,680
Transportation services	58,765,405	58,443,696	58,785,441
Environmental services	81,072,892	101,684,263	69,505,802
Health services	73,861,286	75,526,426	70,329,713
Social and family services	277,492,315	297,006,587	245,422,223
Social housing	50,200,816	57,841,624	58,591,302
Recreation and cultural services	5,059,243	4,898,847	4,522,127
Planning and development	9,266,543	7,970,282	8,419,311
TOTAL EXPENSES	567,998,299	619,635,879	532,288,788
ANNUAL SURPLUS	<u>61,779,049</u>	42,778,581	48,348,025
ACCUMULATED SURPLUS - beginning of year		1,033,058,777	984,710,752
ACCUMULATED SURPLUS - end of year		1,075,837,358	1,033,058,777

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended December 31, 2023

	Actual 2023 \$	Actual 2022 \$
ACCUMULATED REMEASUREMENT GAINS AND LOSSES - beginning of year	-	-
Unrealized gain/(loss) on portfolio investments at January 1, 2023	(301,916)	-
Unrealized gain/(loss) on portfolio investments during the year	148,668	-
ACCUMULATED REMEASUREMENT GAINS AND LOSSES - end of year	(153,248)	-

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
ANNUAL SURPLUS	61,779,049	42,778,581	48,348,025
Amortization of tangible capital assets	34,586,396	57,743,332	35,200,232
Addition of tangible capital assets	(123,319,381)	(119,067,699)	(74,639,182)
Gain on disposal of tangible capital assets	-	(5,967,826)	(868,561)
Proceeds on sale of tangible capital assets	-	8,929,104	1,414,720
Contributed capital assets	-	(20,706)	(2,437,900)
Change in prepaid expenses	-	(1,503,650)	(885,383)
Change in other non-financial assets	-	(149,108)	(92,016)
CHANGE IN NET DEBT	(26,953,936)	(17,257,972)	6,039,935
NET DEBT - beginning of year	(27,058,907)	(27,058,907)	(33,098,842)
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 23)	-	(70,677,851)	-
ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD (note 23)	-	(301,916)	-
NET DEBT - beginning of year, as restated	(27,058,907)	(98,038,674)	(33,098,842)
INCREASE IN ACCUMULATED REMEASUREMENT GAINS	-	148,668	-
NET DEBT - end of year	(54,012,843)	(115,147,978)	(27,058,907)

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, 2023

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	42,778,581	48,348,025
Items not involving cash		
Amortization of tangible capital assets	57,743,332	35,200,232
Gain on disposal of tangible capital assets	(5,967,826)	(868,561)
Contributed capital assets	(20,706)	(2,437,900)
Accretion expense	4,126,259	-
Change in landfill closure and post-closure liability	(24,515,780)	(3,925,495)
Change in employee future benefits payable	454,227	(274,996)
Asset retirement obligation expense	22,890,423	-
Change in non-cash assets and liabilities		
Accounts receivable	(10,013,675)	(6,851,208)
Other loans receivable	133,788	(435,755)
Inventory	(10,226)	43,269
Prepaid expenses	(1,503,650)	(885,383)
Other non-financial assets	(149,108)	(92,016)
Accounts payable and accrued liabilities	5,856,423	6,364,375
Deferred revenue - obligatory reserve fund	(3,153,991)	17,998,070
Deferred revenue - other	6,794,709	1,028,920
Net change in cash from operating activities	95,442,780	93,211,577
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(119,067,699)	(74,639,182)
Proceeds on disposal of tangible capital assets	8,929,104	1,414,720
Net change in cash from capital activities	(110,138,595)	(73,224,462)
INVESTING ACTIVITIES		
Purchase of investments	(1,599,900)	(25,635,674)
Major capital loans issued	(13,994,200)	(9,003,806)
Major capital loan repayments received	5,051,759	6,165,345
Net change in cash from investing activities	(10,542,341)	(28,474,135)
FINANCING ACTIVITIES		
Debt principal repayments	(4,499,869)	(4,442,054)
NET CHANGE IN CASH	(29,738,025)	(12,929,074)
CASH - beginning of year	101,388,776	114,317,850
CASH - end of year	71,650,751	101,388,776

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, 2023

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% (2022 - 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, 2023

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

Revisions to expected useful lives are made when the County becomes aware of significant events or changes affecting the period of time over which the tangible capital assets can be used.

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 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.

In addition, the County's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets in conjunction with estimates of expected asset retirement costs, as well as the timing and duration of these retirement costs.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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.

(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, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Investments:	
High interest savings	Amortized Cost
Guaranteed investment certificates	Amortized Cost
Bonds	Fair Value
Accounts receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Long term debt	Amortized Cost

Fair value category: The County manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Consolidated Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Consolidated Statement of Operations and Accumulated Surplus and related balances reversed from the Consolidated Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

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

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.



CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(k) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the County has also been recognized based on estimated future expenses. A liability for the retirement of other County assets has been recorded based on the estimate of future costs.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in (f).

2. INVESTMENTS

	2023	2022
	\$	\$
Investments held at fair value		
Bonds	5,850,601	-
Investments held at cost		
GIC	3,565	3,407
Savings	29,346,889	27,581,208
Bonds	-	6,169,688
	29,350,454	33,754,303
	35,201,055	33,754,303

Cost of bond portfolio at December 31, 2023 is \$6,003,849 (2022 - \$6,169,688).

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, 2023 there was no balance outstanding (2022 - \$Nil).

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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:

	2023	2022
	\$	\$
City of Barrie	25,906,132	18,907,908
City of Orillia	6,332,957	4,388,740
	32,239,089	23,296,648

The continuity of major capital loans receivable is as follows:

	2023	2022
	\$	\$
Balance - beginning of year	23,296,648	20,458,187
Add:		
Share of capital projects - City of Barrie	10,263,114	6,652,832
Share of capital projects - City of Orillia	2,705,521	1,693,458
Interest	1,025,565	657,516
	13,994,200	9,003,806
Less: Payments received	5,051,759	6,165,345
Balance - end of year	32,239,089	23,296,648

5. OTHER LOANS RECEIVABLE

The following loans are receivable from community partners:

	2023	2022
	\$	\$
Mortgage receivable, repayable in blended monthly instalments of \$15,057, bearing interest at 3% per annum, maturing August 10, 2041.	2,475,067	2,579,959
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.	541,880	570,776
	5,312,756	5,446,544

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

6. 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:

	2023	2022
	\$	\$
Development charges	15,405,392	17,977,697
Canada Community-Building Fund	23,469,547	24,058,124
Provincial gas tax	12,165	5,274
	38,887,104	42,041,095

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

	2023	2022
	\$	\$
Balance - beginning of year	42,041,095	24,043,025
Add amounts received:		
Development charges received	22,293,051	47,847,955
Canada Community-Building Fund received	10,110,769	9,689,467
Provincial gas tax received	1,375,022	1,391,871
Interest	1,506,499	911,702
	35,285,341	59,840,995
Less transfer to operations:		
Development charges earned	25,165,126	32,006,982
Canada Community-Building Fund earned	11,893,910	7,080,446
Interest charges	-	885,946
Provincial gas tax earned	1,380,296	1,869,551
	38,439,332	41,842,925
Balance - end of year	38,887,104	42,041,095

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

7. DEFERRED REVENUE - OTHER

Deferred revenue - other consists of the following:

	2023	2022
	\$	\$
Simcoe County Social Housing	1,379,835	290,225
Ontario Community Infrastructure Fund	5,308,385	4,171,289
Rapid Housing Initiative	4,827,779	-
Other	2,015,965	2,275,741
	13,531,964	6,737,255

The continuity of deferred revenue - other is as follows:

	2023	2022
	\$	\$
Balance - beginning of year	6,737,255	1,277,021
Add amounts received:		
Ontario Community Infrastructure Funding	4,703,092	5,289,462
Rapid Housing Initiative	8,621,715	-
Other	1,875,459	1,336,850
Interest	332,377	78,041
	15,532,643	6,704,353
Less transfer to operations:		
Ontario Community Infrastructure Funding	3,898,372	1,196,214
Rapid Housing Initiative	3,793,936	-
Other	1,045,626	47,905
	8,737,934	1,244,119
Balance - end of year	13,531,964	6,737,255

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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:

	2023 \$	2022 \$
Canada Mortgage and Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturity dates ranging from 2024 to 2027 and interest rates ranging from 6.09% to 6.34%.	967,586	1,513,808
Ontario Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturing dates ranging from 2024 to 2027 and interest rates ranging from 6.09% to 6.34%.	111,433	175,615
Ontario Infrastructure Projects Corporation debentures with blended semi-annual payments of \$683,558 and interest at 2.68% per annum, due in 2039.	21,873,866	23,240,983
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%.	703,651	999,587
Mortgage payable, 4.44%, due October 2027, repayable in blended monthly payments of \$36,646 including principal and interest, secured by land and buildings.	1,548,615	1,911,526
Ontario Infrastructure Projects Corporation debentures with blended semi-annual payments of \$1,417,712 and interest at 2.7% per annum, due in 2041.	39,337,247	41,075,291
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.	2,974,748	3,100,205
	67,517,146	72,017,015

- (b) Interest paid during the year on long term debt amounted to \$1,893,848 (2022 - \$2,010,094).

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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 \$
2024	4,376,938	1,764,347	6,141,285
2025	4,316,125	1,629,036	5,945,161
2026	4,137,968	1,499,438	5,637,406
2027	3,908,181	1,382,507	5,290,688
2028	3,480,033	1,279,649	4,759,682
2029 and subsequent years	47,297,901	7,848,965	55,146,866
	67,517,146	15,403,942	82,921,088

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 2023 Annual Report disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets of \$131,983 million indicating an actuarial deficit of \$4,202 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 2023 were \$11,854,109 (2022 - \$10,520,862).

10. TRUST FUNDS

Trust funds administered by the County amounting to \$649,442 (2022 - \$653,322) 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.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

11. 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.

	2023	2022
	\$	\$
Vacation pay entitlement and accumulated sick leave benefit plan entitlement	3,870,451	3,467,779
Post-retirement benefits	914,214	862,659
	<u>4,784,665</u>	<u>4,330,438</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, 2022 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	5%
Benefit escalation - initial	6%
- ultimate	4%
- year ultimate reached	2029

	2023	2022
	\$	\$
Accrued benefit obligation at January 1	867,392	858,843
Unamortized actuarial losses	(4,733)	(60,922)
Liability at January 1	862,659	797,921
Current period benefit cost	46,574	51,108
Amortization of actuarial gains/losses	4,398	6,839
Interest accrued	43,463	32,679
Benefit payments	(42,880)	(25,888)
Liability at December 31	<u>914,214</u>	<u>862,659</u>

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

12. TANGIBLE CAPITAL ASSETS

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

	2023	2022
	\$	\$
General		
Land	170,635,340	166,596,098
Land improvements	36,660,813	15,218,530
Buildings	288,258,973	259,962,436
Machinery and equipment	30,524,534	32,588,000
Computers	7,459,378	6,469,478
Vehicles	38,346,040	37,367,089
Infrastructure		
Infrastructure	434,847,018	431,906,113
	1,006,732,096	950,107,744
Assets under construction	174,754,021	102,316,727
	1,181,486,117	1,052,424,471

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

During the year there were no write-downs of assets (2022 - \$Nil) and no interest capitalized (2022 - \$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:

	2023	2022
	\$	\$
General government	44,052,316	43,512,765
Protection services	2,075,473	2,096,738
Transportation services	617,396,496	598,856,893
Environmental services	69,582,229	54,372,907
Health services	59,530,402	55,490,095
Social and family services	125,922,567	102,481,364
Social housing	217,584,118	152,454,376
Recreation and cultural services	7,271,233	5,590,344
Planning and development	38,071,283	37,568,989
	1,181,486,117	1,052,424,471

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

13. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
Surplus/(Deficit)		
County	135,791	1,772,089
Lake Simcoe Regional Airport	295,128	146,911
Unfunded landfill closure and post-closure liability	-	(24,515,780)
	430,919	(22,596,780)
Invested In Capital Assets		
Tangible capital assets - net book value	1,181,486,117	1,052,424,471
Long term debt	(67,517,146)	(72,017,015)
Unfunded capital (see below)	(164,007,049)	(140,558,268)
Asset retirement obligations	(97,694,632)	-
	852,267,290	839,849,188
Surplus	852,698,209	817,252,408
Reserves		
Administration building	855,079	1,226,251
Contingencies	33,650,798	37,286,794
Transportation services	40,062,384	38,167,294
Paramedic services	6,987,736	7,018,041
Social housing	36,773,254	37,505,093
Planning and development	6,274,986	5,131,163
Homes for the aged	7,960,001	14,324,545
Recreation and cultural services	1,484,723	1,213,081
Waste management	34,876,373	33,173,797
Social services	15,768,779	12,881,011
Forestry	15,986,494	9,483,256
Lake Simcoe Regional Airport	1,789,106	834,590
Tourism	292,324	300,221
Total Reserves	202,762,037	198,545,137
Reserve Funds		
Social and family services	3,113,933	2,596,816
Hospital	11,891,587	9,352,399
Estate of C. Matthews	5,371,592	5,312,017
Total Reserve Funds	20,377,112	17,261,232
	1,075,837,358	1,033,058,777

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

13. ACCUMULATED SURPLUS, continued

Unexpended capital represents funds raised by the County for future expenditures. Unfunded capital is expected to be funded from development charges and future debt and consists of:

	2023	2022
	\$	\$
Environmental services	(19,223,148)	(21,465,863)
Transportation services	(42,127,361)	(40,453,010)
Long term care	(46,679,101)	(42,134,097)
Paramedic services	(11,870,140)	(9,474,705)
Social housing	(42,432,921)	(24,156,215)
Transit	(4,074,378)	(4,074,378)
General government	2,400,000	1,200,000
	(164,007,049)	(140,558,268)

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 2023	Actual 2023	Actual 2022
	\$	\$	\$
	(Unaudited)		
Salaries and benefits	184,288,834	201,884,462	186,938,888
Interest charges	1,930,076	1,893,848	2,010,094
Materials	89,538,981	94,987,017	91,220,627
Contracted services	50,815,999	49,900,599	42,166,527
Rents and financial	2,314,111	5,188,148	2,537,732
External transfers	204,523,902	208,038,474	172,214,688
Amortization	34,586,396	57,743,331	35,200,232
	567,998,299	619,635,879	532,288,788

15. BUDGET FIGURES

The budget, approved by the County, for 2023 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.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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, 2023 is \$30,256,465.

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.

During 2023, the County entered into an agreement totalling \$6,709,414 for an addition to Georgian Manor. The commitment remaining at December 31, 2023 is \$4,053,159.

The County has entered into commitments for the redevelopment of Simcoe Village totalling \$270,781,207. The remaining commitment at December 31, 2023 is \$248,413,445.

Simcoe County Housing Corporation has entered into commitments for construction of a residential and non-residential building in Orillia totalling \$72,565,540. The remaining commitment at December 31, 2023 is \$31,462,602.

Simcoe County Housing Corporation has entered into commitments for construction of a residential and non-residential building in Bradford totalling \$31,865,193. The remaining commitment at December 31, 2023 is \$23,760,842.

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. SUBSEQUENT EVENTS

Subsequent to year end, the County of Simcoe purchased 10% of Lake Simcoe Regional Airport at a cost of \$1,373,131. After this transaction, the County holds 100% ownership of the Airport.

19. 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.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

20. 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 1,652 units of subsidized and affordable 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.

21. 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.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

21. SEGMENTED INFORMATION, continued

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.

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.

22. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the County assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. The County has no significant currency, liquidity, or other risks.

The County is exposed to the following risks in respect of certain of the financial instruments held:

(a) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

(b) Market risk

The County is exposed to certain market risks including changes in pricing and limited access to foreign markets.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

23. CHANGES IN ACCOUNTING POLICIES

The County has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the County's consolidated financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the County's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments.

In accordance with the provisions of PS 3041 and PS 3450, the County reflected the following adjustments at January 1, 2023:

- A loss of \$301,916 to the accumulated remeasurement gains/(losses) due to the unrealized loss of the County's investments previously recorded at cost.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability.

In accordance with the provisions of this new standard, the County reflected the following adjustments at January 1, 2023:

Landfill Obligation

- A decrease of \$24,515,780 to landfill closure and post-closure liability to remove the liability recognized to date under the old standard, an accompanying increase of \$62,156,371 to opening asset retirement obligation liability and a corresponding increase of \$39,398,244 to the landfill tangible capital asset for operating landfill sites and an expense of \$22,758,126 for closed sites.

Asbestos Obligation

- An increase of \$28,928,848 to the buildings tangible capital asset and a corresponding increase to the asset retirement obligation.

CORPORATION OF THE COUNTY OF SIMCOE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

23. CHANGES IN ACCOUNTING POLICIES, continued

Other Obligation

- An increase of \$2,483,055 to opening asset retirement obligation liability and an accompanying increase of \$2,350,759 to the tangible capital asset for assets still in use and an expense of \$132,296 for assets not in use.

24. ASSET RETIREMENT OBLIGATION

The County's asset retirement obligation consists of the following:

(a) Landfill obligation

The County owns and operates twenty-one landfill sites. The liability for the remaining closure costs of operational sites as well as the post-closure costs for all sites has been recognized under PS 3280 – Asset Retirement Obligations. The costs have been estimated based upon the presently known obligations that will exist at the estimated year of closure of the sites and for monitoring costs after the closure date using a discount rate of 4.41% and an inflation rate of 5.6%. For the closed sites, there are between 13 and 75 years of remaining monitoring costs; however, the 75 year estimate could be extended based on the results of the monitoring. For the five operational sites, the sites are projected to close between 2024 and 2027.

(b) Asbestos obligation

The County owns and operates buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the County recognized an obligation relating to the removal and post-removal care of the asbestos in these building as estimated at January 1, 2023. Estimated costs have been discounted to the present value using a discount rate of 4.41% per annum.

(c) Other

The County owns and operates gravel pits and other assets. The liability for the closure of these sites and the costs to return the property to its original state has been recognized under PS 3280 – Asset Retirement Obligations. The costs were based on presently known obligations that will exist at the estimated year of closure of the sites. These costs have been discounted to the present value using a discount rate of 4.41% per annum.

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Landfill post-closure \$	Asbestos removal \$	Other \$	Total \$
Opening balance - January 1, 2023	-	-	-	-
Adjustment on adoption of the asset retirement obligation standard	62,156,371	28,928,848	2,483,055	93,568,274
Opening balance, as restated	62,156,371	28,928,848	2,483,055	93,568,274
Accretion expense	2,741,096	1,275,761	109,502	4,126,359
Closing balance	64,897,467	30,204,609	2,592,557	97,694,633

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2023

	General						Infrastructure	Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Machinery and Equipment	Computers	Vehicles	Infrastructure		
	\$	\$	\$	\$	\$	\$	\$	\$	
COST									
Balance, beginning 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
Add: additions during the year	4,231,777	4,941,864	8,930,057	1,606,917	2,723,631	6,373,919	17,842,946	72,437,294	119,088,405
Less: disposals during the year	179,622	2,131,428	955,017	582,143	12,211	3,232,641	-	-	7,093,062
Asset retirement obligation	-	40,344,029	28,928,848	-	-	-	1,404,974	-	70,677,851
Balance, end of year	174,571,603	80,185,086	385,825,527	45,467,831	28,580,037	65,128,237	761,864,089	174,754,021	1,716,376,431
ACCUMULATED AMORTIZATION									
Balance, beginning 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
Add: additions during the year	12,913	21,712,182	9,562,368	3,547,859	1,726,404	4,874,591	16,307,015	-	57,743,332
Less: disposals during the year	-	-	955,017	459,619	4,884	2,712,264	-	-	4,131,784
Balance, end of year	3,936,263	43,524,273	97,566,554	14,943,297	21,120,659	26,782,197	327,017,071	-	534,890,314
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	170,635,340	36,660,813	288,258,973	30,524,534	7,459,378	38,346,040	434,847,018	174,754,021	1,181,486,117

CORPORATION OF THE COUNTY OF SIMCOE

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues										
Property taxation	30,374,149	-	31,980,545	64,416,306	23,071,273	23,080,020	21,443,121	-	6,467,889	200,833,303
User charges	583,276	136,096	2,463,214	10,735,652	82,642	18,968,507	15,144,996	382,937	2,637,241	51,134,561
Government transfers - operating	5,000	58,195	12,823	7,463,011	33,879,796	242,382,824	14,520,349	70,507	35,854	298,428,359
Government transfers - capital	-	-	3,937,966	140,076	119,034	4,824,295	5,551,836	-	-	14,573,207
Other municipalities	-	-	201,064	-	11,542,721	14,881,618	19,272,678	118,064	-	46,016,145
Investment income	5,859,763	-	-	-	-	156,280	17,085	-	-	6,033,128
Donations	116,832	-	-	-	1,000	185,092	-	8,861	-	311,785
Contributed tangible capital assets	-	-	20,706	-	-	-	-	-	-	20,706
Other grants	134,983	-	-	-	-	39,096	-	-	-	174,079
Other	-	-	166,063	32,600	229,629	-	53,737	-	-	482,029
Development charges earned	114,688	-	21,329,826	489,961	184,794	2,768,814	277,043	-	-	25,165,126
Canada Community-Building Fund earned	-	-	11,893,910	-	-	-	-	-	-	11,893,910
Provincial gas tax earned	-	-	1,380,296	-	-	-	-	-	-	1,380,296
Gain/(loss) on disposal of tangible capital assets	-	-	19,253	(2,169,624)	18,210	2,360	3,057,788	21,385	5,018,454	5,967,826
Total revenues	37,188,691	194,291	73,405,666	81,107,982	69,129,099	307,288,906	79,338,633	601,754	14,159,438	662,414,460
Expenses										
Salaries and benefits	21,251,885	290,657	9,396,973	9,441,586	52,822,891	95,710,028	6,805,030	2,529,741	3,635,671	201,884,462
Interest charges	-	-	1,090,437	-	611,465	-	191,946	-	-	1,893,848
Materials	5,228,242	268,889	25,053,684	26,064,236	7,182,988	16,088,013	13,000,046	1,071,768	1,029,151	94,987,017
Contracted services	11,574,971	85,987	162,781	36,115,852	384,253	964,219	36,953	252,418	323,165	49,900,599
Rents and financial	57,095	-	303,109	1,245,776	414,668	1,710,755	1,421,350	35,395	-	5,188,148
External transfers	1,398,459	136,596	275,310	-	6,717,152	168,332,201	30,351,886	-	826,870	208,038,474
Amortization	2,559,460	21,265	19,008,253	25,447,720	2,934,891	3,545,942	3,940,154	245,184	40,462	57,743,331
Internal transfers	(26,897,430)	288,078	3,153,149	3,369,093	4,458,118	10,655,429	2,094,259	764,341	2,114,963	-
Total expenses	15,172,682	1,091,472	58,443,696	101,684,263	75,526,426	297,006,587	57,841,624	4,898,847	7,970,282	619,635,879
Net surplus/(deficit)	22,016,009	(897,181)	14,961,970	(20,576,281)	(6,397,327)	10,282,319	21,497,009	(4,297,093)	6,189,156	42,778,581

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 \$	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	47,396,569	89,981,816	6,014,889	2,348,157	3,638,391	186,938,888
Interest charges	-	-	1,136,615	-	648,104	-	225,375	-	-	2,010,094
Materials	4,819,281	93,239	25,912,388	24,422,707	7,332,755	14,391,449	11,880,059	1,213,516	1,155,233	91,220,627
Contracted services	11,273,982	72,758	146,714	28,681,664	192,084	1,173,311	61,893	52,890	511,231	42,166,527
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	(25,199,622)	249,542	3,035,153	3,183,741	4,144,309	9,829,978	2,034,906	708,777	2,013,216	-
Total expenses	15,831,189	881,680	58,785,441	69,505,802	70,329,713	245,422,223	58,591,302	4,522,127	8,419,311	532,288,788
Net surplus/(deficit)	27,333,218	(745,584)	(3,801,315)	7,284,129	(6,037,246)	14,570,470	12,758,245	(3,836,492)	822,600	48,348,025

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, 2023, 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, 2023, 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 24, 2024

CORPORATION OF THE COUNTY OF SIMCOE

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2023

	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 \$	2023 Total \$	2022 Total \$
FINANCIAL ASSETS									
Cash and investments (note 3)	92,711	97,198	352,915	-	48,995	77,865	1,107	670,791	656,594
Due from County of Simcoe	-	-	-	3,565	-	-	-	3,565	3,407
	92,711	97,198	352,915	3,565	48,995	77,865	1,107	674,356	660,001
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	7,466	-	-	-	-	-	-	7,466	6,679
Due to County of Simcoe	-	4,362	13,086	-	-	-	-	17,448	-
	7,466	4,362	13,086	-	-	-	-	24,914	6,679
FUND BALANCES	85,245	92,836	339,829	3,565	48,995	77,865	1,107	649,442	653,322
	92,711	97,198	352,915	3,565	48,995	77,865	1,107	674,356	660,001

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, 2023**

	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 \$	2023 Total \$	2022 Total \$
BALANCES - beginning of year	69,976	97,454	350,586	3,407	48,576	82,224	1,099	653,322	637,419
RECEIPTS									
Contribution from County of Simcoe	-	-	-	-	-	2,500	-	2,500	2,500
Interest earned	-	5,156	18,565	158	2,319	4,186	58	30,442	12,602
Residents' contributions	118,629	-	-	-	-	-	-	118,629	96,465
Donations	-	-	-	-	100	7,491	-	7,591	4,634
	118,629	5,156	18,565	158	2,419	14,177	58	159,162	116,201
EXPENSES									
Purchases benefiting residents	103,360	9,774	29,322	-	-	-	-	142,456	97,094
Honour Guard purchases	-	-	-	-	-	18,536	-	18,536	2,033
Scholarships	-	-	-	-	2,000	-	-	2,000	1,000
Donations	-	-	-	-	-	-	50	50	171
	103,360	9,774	29,322	-	2,000	18,536	50	163,042	100,298
BALANCES - end of year	85,245	92,836	339,829	3,565	48,995	77,865	1,107	649,442	653,322

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, 2023

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, 2023

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 \$670,791 (2022 - \$656,594) are recorded at cost. Included in cash and investments are GICs totalling \$28,834 with interest rates of 5.0% and 4.5% and maturity dates of May 16, 2024 and May 19, 2025.

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.