

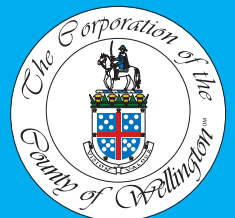
REPORT
2021

ANNUAL FINANCIAL



For the year ended December 31, 2021

Corporation of the County of Wellington, Guelph, Ontario, Canada



2021 Annual Financial Report

For the fiscal year ending December 31, 2021



For information on programmes
and services, or to obtain a copy
of this document, please contact:

**The County of Wellington • 74 Woolwich Street
Guelph, ON • N1H 3T9
T 519.837.2600 • www.wellington.ca**

TABLE OF CONTENTS

INTRODUCTION

- 4 Message from the Warden
- 5 Strategic Planning at the County
- 7 Canadian Award for Financial Reporting
- 8 2021 Awards and Recognition
- 11 Corporate Organizational Chart
- 13 Wellington County Council
- 14 County of Wellington at a Glance
- 17 County Services
- 22 Economic Development Highlights
- 30 Report from the County Treasurer
- 36 Key Financial Indicators
- 45 Management Discussion and Analysis
- 63 Annual Surplus Reconciliation

FINANCIAL REPORTS

THE COUNTY OF WELLINGTON

- 66 Independent Auditors' Report
- 68 Consolidated Statement of Financial Position
- 69 Consolidated Statement of Operations
- 70 Consolidated Statement of Change in Net Financial Assets
- 71 Consolidated Statement of Cash Flows
- 72 Notes to the Consolidated Financial Statements

WELLINGTON HOUSING CORPORATION

- 104 Independent Auditors' Report (WHC)
- 106 Statement of Financial Position
- 107 Statement of Operations
- 108 Statement of Change in Net Financial Assets
- 109 Statement of Cash Flows
- 110 Notes to the Financial Statements

TRUST FUNDS

- 117 Independent Auditors' Report (Trust Funds)
- 119 Trust Funds—Statement of Financial Position
- 120 Trust Funds—Statement of Operations
- 121 Notes to Trust Fund Financial Statements

STATISTICAL DATA

- 123 Five-Year Financial Statistics (unaudited)
- 133 Top 20 Employers in 2021
- 134 Top 20 Corporate Taxpayers in 2021
- 135 Acknowledgements





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COUNTY OF WELLINGTON

74 WOOLWICH STREET

GUELPH, ONTARIO

N1H 3T9

July 25, 2022

Dear Residents of Wellington County:

It is my pleasure to present you with the County's Annual Financial Report for the year 2021 on behalf of County Council and the employees of the County of Wellington. The County faced new and continued challenges in the second year of the global pandemic. These included additional Provincial shutdowns, financial vulnerability for local businesses and the unprecedented vaccination effort across the County. The County was able to navigate these significant challenges aided by the additional help from the federal and provincial governments. During this difficult period of change and uncertainty the County was able to:

- Provide additional resources at the Wellington Terrace Long-Term Care Home to provide improved resident care during the COVID-19 pandemic;
- Coordinate and establish vaccination sites within the County and redeploy County staff in order to provide sufficient support for the vaccination effort;
- Assist qualifying business with the new COVID-19 Business Recovery Fund;
- Provide a full year of the new County curbside collection programme, including organics collection, standardized collection frequency and leaf and yard waste collection;
- The Palmerston EarlyON Child and Family Centre was opened to provide family support to the local community;
- Council approved the Asset Management Plan for Core Assets. The Plan identified a preliminary cumulative infrastructure gap of approximately \$21 million for County roads, bridges, culverts and stormwater network. Council approved an increase of over \$2 million dollars to the Roads Capital Reserve in the 2022 budget to address these needs.
- End the year with a \$5.7 million operating budget surplus;
- Maintain Wellington County's Credit Rating at AA+ (stable) in 2021

I would like to thank County staff for preparing the Annual Report, and Council for their ongoing oversight of County activities, strong leadership and well-informed decision-making.

Kelly Linton

Wellington County Warden

STRATEGIC PLANNING AT THE COUNTY

**FUTURE
FOCUSED.
PEOPLE
INVESTED.**



**Wellington County
Strategic Action Plan**

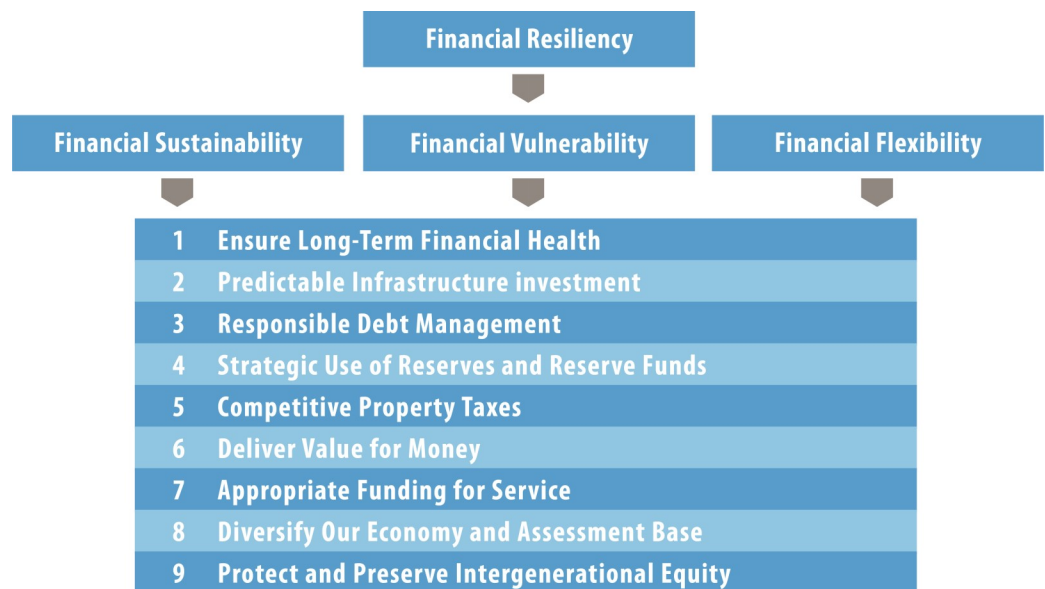


SERVICE EFFICIENCY REVIEW

We completed a review of service provision within the County with KPMG. As a result of this review, we were able to identify a number of areas where we can gain efficiency through collaboration and technologies. The list of top priorities can be found on the County website.

LONG-TERM FINANCIAL SUSTAINABILITY STRATEGY

This strategy highlights nine principles by which resource allocation decisions will be evaluated. These principles are intended to promote financial resiliency and ensure that the funding models for service provision are sustainable and efficient.



STRATEGIC ACTION PLAN PRIORITIES

PEOPLE AS THE MAIN PRIORITY OF WELLINGTON COUNTY

To achieve this objective we:

1. Continued a partnership with the Canadian Mental Health Association (CMHA) and the Ontario Provincial Police (OPP) to increase awareness and promote good mental health and suicide prevention;
2. Established a central location within the County as well redeployed County staff in order to provide sufficient support for the vaccination effort



MAKING THE BEST DECISIONS

To achieve this objective we:

1. Transferred the 2021 Budget Surplus of almost \$5.7 million to the County Property Reserve for a future property purchase in order to avoid the need to issue debt.
2. Implemented the COVID-19 Business Recovery Fund, which provided one-time funding to assist local businesses in the economic recovery
3. Completed the Road MAP: A Road Master Action Plan which provides a long term plan to meet the County's transportation needs to 2041 with an estimated total to cost to implement the Road MAP projects, studies and initiatives of \$161,364,000. Roads staff will work with Treasury staff to finance the implementation of the plan through future capital budgets, asset management planning and development charge background studies.



PROVIDING THE HIGHEST LEVEL AND BEST QUALITY SERVICES

To achieve this objective we:

1. Provided a full year of the new County curbside collection programme, including organics collection, standardized collection frequency and leaf and yard waste collection
2. Provided additional resources at the Wellington Terrace Long-Term Care Home to provide improved resident care during the COVID -19 pandemic.



PLANNING FOR AND PROVIDING THE BEST PHYSICAL INFRASTRUCTURE

To achieve this objective we:

1. Opened the Palmerston EarlyON Child and Family Centre to support that community;
2. Completed the County of Wellington's Climate Change Mitigation Plan in order to quantify the greenhouse gases produced from County operations (buildings, fleet, solid waste, street lighting) and the community (buildings, transportation, solid waste, agriculture) and set out a pathway for reduction.



CANADIAN AWARD FOR FINANCIAL REPORTING

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the County of Wellington for its annual financial report for the fiscal year ended December 31, 2020.

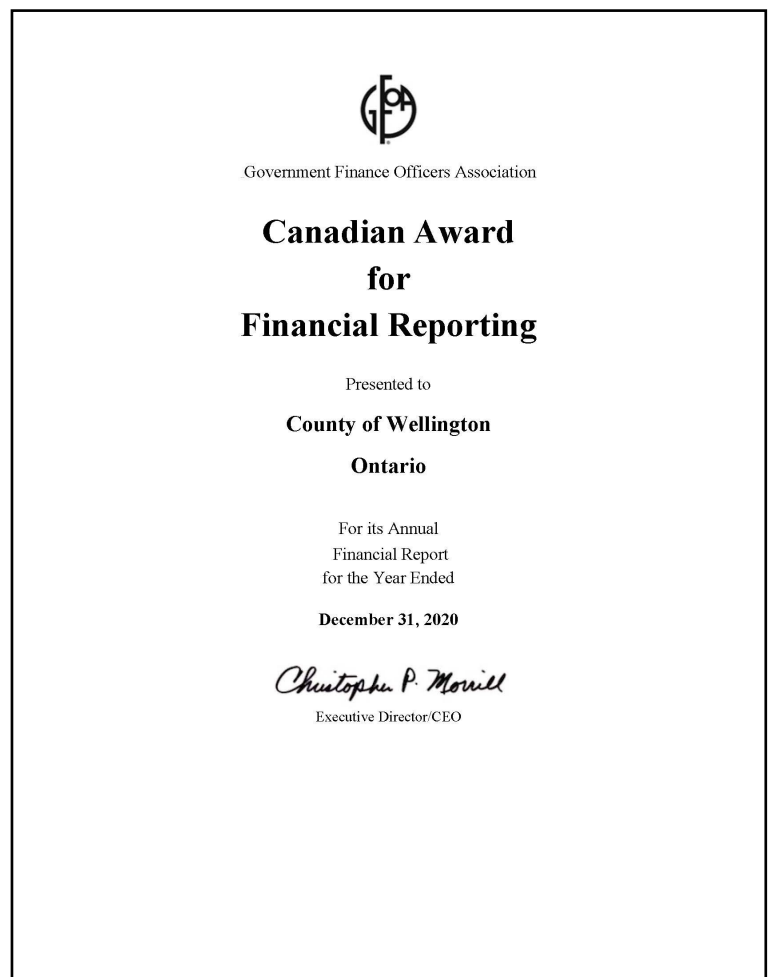
The County of Wellington joined this programme in 2014 and has received seven consecutive awards for the 2013-2020 Annual Financial Reports.

The Canadian Award for Financial Reporting programme was established to encourage municipal governments to publish high-quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to programme standards.

Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

This award is valid for a period of one year. We believe our current report continues to conform to the Canadian Award for Financial Reporting programme requirements, and have submitted it for consideration to the GFOA.



AWARDS AND RECOGNITION



Government Finance Officers Association (GFOA)

Canadian Award for Financial Reporting

The County of Wellington won the GFOA Canadian Award for Financial Reporting for its Annual Financial Report for the year ended December 31, 2020. This award recognizes the County's ability to prepare a comprehensive annual financial report that exceeds the minimum requirements.



Distinguished Budget Presentation Award

The GFOA presented a Distinguished Budget Presentation Award to the County of Wellington for its annual budget for the fiscal year beginning January 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets programme criteria as a policy document, an operation guide, a financial plan, and as a communications device.



Standard and Poor's County of Wellington Credit Rating

In July of 2021, The Standard and Poor's credit rating agency reaffirmed the County of Wellington's AA+ rating, with a stable outlook. This rating is supported by:

- Steady population growth and above average income levels, strong and improving financial management practices, and a predictable and well-balanced local and regional government framework.
- S&P expects the County will continue to maintain strong budgetary performances, a healthy liquid position and a moderate debt burden.

In June of 2022, Standard and Poor's completed their periodic review and revised upward their institutional framework assessment for Canadian municipalities to extremely predictable and supportive from predictable and well balanced. This led to the County of Wellington's AA+ /Stable Outlook rating being raised to AAA/Stable Outlook along with 20 other entities.

AWARDS AND RECOGNITION

Action Read
COMMUNITY LITERACY CENTRE



Community Award for outstanding support from an organization or small business for 2020-2021

Action Read is a community-based non-profit organization dedicated to improving the literacy and numeracy skills of adults and families in the city of Guelph. Action Read offers adults help with reading, writing, math, GED preparation, upgrading and computers, and offers family literacy programs to parents and caregivers with children ages 0 to 6.

The Ontario Works division was happy to receive the Action Read Community Award for Outstanding Support. This year, Ontario Works and Action Read began to co-facilitate a RentSmart program, and are committed to continually building strong, collaborative partnerships within the community.



Silver Award for Campaign by a Small Municipality;

Bronze Award in the Print Tool Category;

Bronze Award in the Social Media and Online Strategy Category

The Solid Waste Services Division was pleased to win awards in three categories for 2021 initiatives: a silver for a Campaign by a small municipality of 50,000 households or less, a bronze in the Print Tool category, and a bronze in the Social Media & Online Strategy category.

The Municipal Waste Association (MWA) is an incorporated not-for-profit organization that provides its members with opportunities to share knowledge in the area of waste minimization and diversion. Each year the MWA celebrates the creativity of its municipal members by hosting a friendly competition for the best promotion and education (P&E) materials of the previous year. The awards are scored on a variety of criteria including planning and implementation, effectiveness, and novelty, innovation, and value to others.

AWARDS AND RECOGNITION



Leading the charge for recycling.™

A 2021 Leader in Sustainability by Call2Recycle Canada® Inc.

The Leader in Sustainability Award is granted each year to organizations that display an exceptional commitment to battery recycling. The County of Wellington Solid Waste Services Division collected an impressive 10,140 kilograms (10.14 tonnes) of household batteries through the Call2Recycle® programme in 2021, making it one of the programme's top-performing partners.



Carton Council of Canada Community Education Award

The Carton Council of Canada is an organization comprised of carton packaging producers who are working to improve the recovery and recycling of cartons. In 2021 the County of Wellington was one of 13 municipalities who received a Community Education Award for their proactive efforts in promoting the capture and recycling of this packaging material.



2021 Public Works Project of the Year Award in Management Innovation for the Badley Bridge Replacement Project

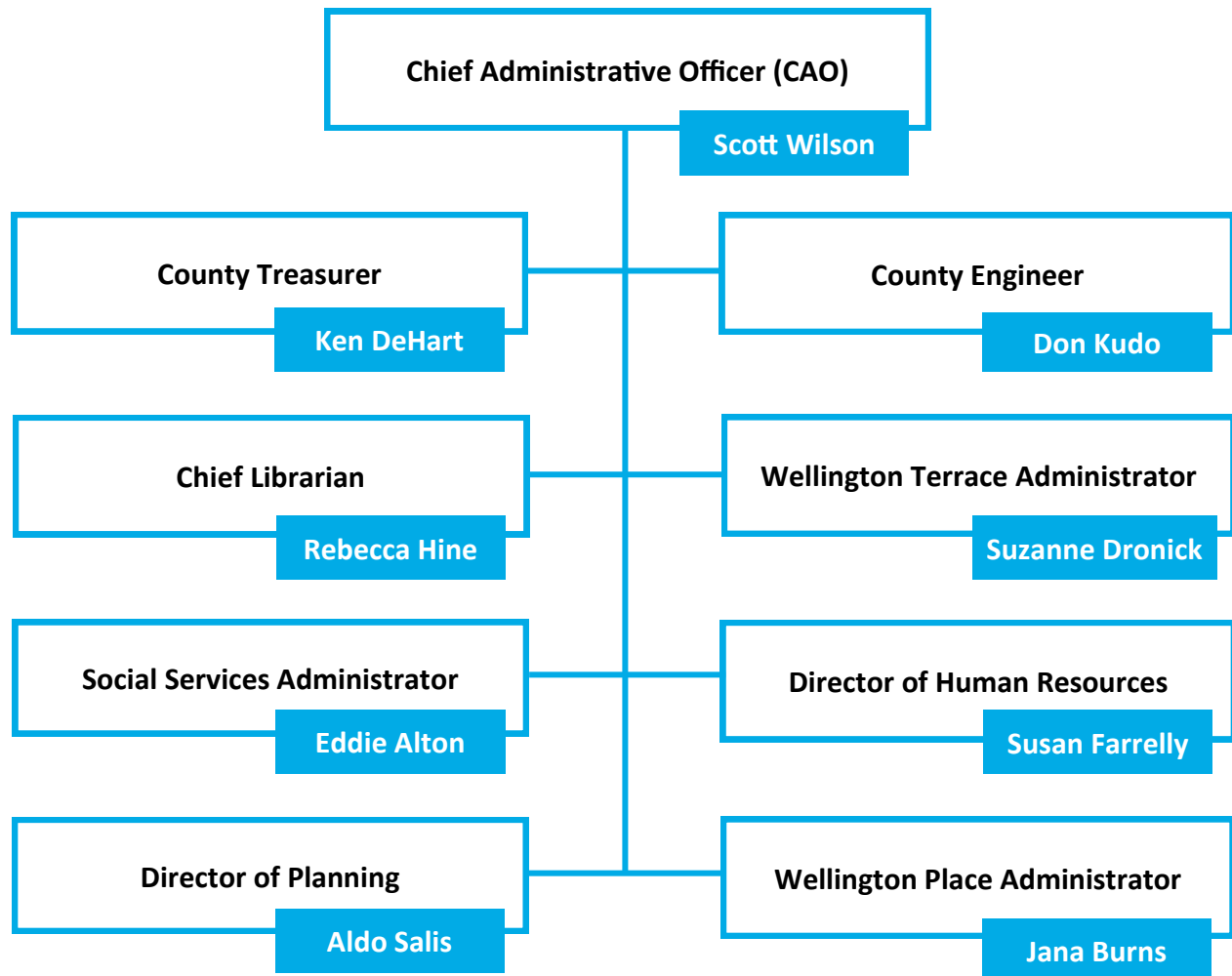
This award, presented by the Ontario Public Works Association, recognizes the County's significant efforts of working directly with the local community and approval agencies to review and preserve the heritage significance of the Badley Bridge throughout the structure's replacement.



2021 National Public Works Week Award

The Canadian Public Works Association (CPWA) is a not-for-profit organization supporting public works professionals and working to increase public awareness of the many areas public works touches our lives. In 2021, the Engineering Services Department engaged with our community in new ways to celebrate National Public Works Week (NPWW). Through various activities and initiatives, the County demonstrated the vital work the Roads and Solid Waste Services staff perform every day. The County was extremely honoured to win the Canadian Public Works Association (CPWA) NPWW award for a community of 100,000 or more.

CORPORATE ORGANIZATIONAL CHART



The County of Wellington has the Chief Administrative Officer (CAO) system of management. The CAO reports to the Warden and Council on all major initiatives and issues affecting the County. The Chief Administrative Officer attends all Council, Standing Committee, Police Services Board and Library Board meetings and provides advice and information on operations as required. The CAO ensures that direction from County Council, its Committees and Boards is implemented in conformity with applicable County policy, and Provincial and Federal legislation/regulations.

The Chief Administrative Officer has overall responsibility for the County's operating departments. Department Heads, the County Clerk, the Construction and Property Manager, the Director of Economic Development, and the Communications Manager are responsible for the day-to-day operations of the departments and report directly to the CAO.

DEPARTMENT HEADS



Scott Wilson
Chief Administrative Officer



Ken DeHart
County Treasurer



Don Kudo
County Engineer



Rebecca Hine
Chief Librarian



Suzanne Dronick
Wellington Terrace Administrator



Eddie Alton
Social Services Administrator



Susan Farrelly
Director of Human Resources



Aldo Salis
Director of Planning



Jana Burns
Wellington Place Administrator

WELLINGTON COUNTY COUNCIL



Top Row Left to Right - Kelly Linton, Gregg Davidson, Andy Lennox, James Seeley, Allan Ails, Chris White, George Bridge, David Anderson
Bottom Row Left to Right - Earl Campbell, Campbell Cork, Steve O'Neill, Mary Lloyd, Diane Ballantyne, Don McKay, Doug Breen, Jeff Duncan

Warden Kelly Linton
 Mayor, Township of Centre
 Wellington
 T 226.820.6851

Councillor Gregg Davidson
 Mayor, Township of
 Mapleton
 T 226.929.7481

Councillor Andy Lennox
 Mayor, Township of
 Wellington North
 T 519.831.9612

Councillor James Seeley
 Mayor, Township of
 Puslinch
 T 519.400.7984

Councillor Allan Ails
 Mayor, Town of Erin
 T 416.200.9153

Councillor Chris White
 Mayor, Township of Guelph/
 Eramosa
 T 519.856.0450

Councillor George Bridge
 Mayor, Town of Minto
 T 519.323.1642

**Councillor David
 Anderson**
 County Ward 1
 T 519.750.0782

Councillor Earl Campbell
 County Ward 2
 T 519.400.7168

Councillor Campbell Cork
 County Ward 3
 T 519.400.8953

Councillor Steve O'Neill
 County Ward 4
 T 519.400.3571

Councillor Mary Lloyd
 County Ward 5
 T 519.400.0748

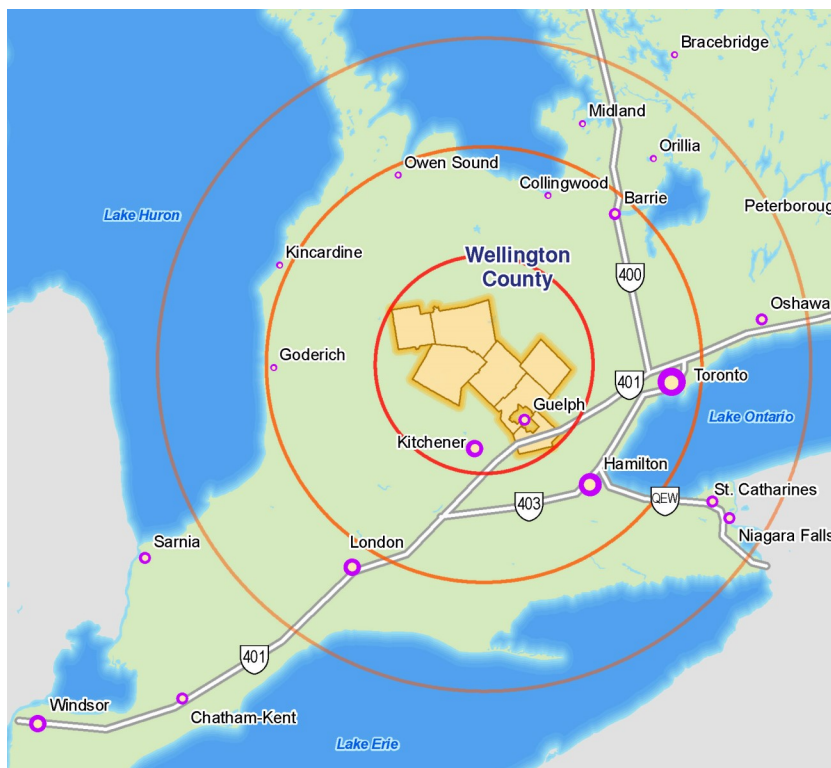
Councillor Diane Ballantyne
 County Ward 6
 T 519.400.9851

Councillor Don McKay
 County Ward 7
 T 519.822.2984

Councillor Doug Breen
 County Ward 8
 T 519.573.4965

Councillor Jeff Duncan
 County Ward 9
 T 519.400.8297

COUNTY OF WELLINGTON AT A GLANCE



Wellington County is located in south-western Ontario just over 100 kilometres west of Toronto. Four renowned post-secondary institutions surround the County including the University of Guelph, University of Waterloo, Wilfrid Laurier University and Conestoga College.

The County of Wellington has a vibrant economy and an active economic development office. The key industries in Wellington County are manufacturing, agriculture, health care and the creative economy. Proximity to vital transportation corridors and urban centres, as well as high speed broadband coverage and excellent green space make Wellington an attractive place to both work and live.

The County is made up of the following seven member municipalities:



Township of Centre Wellington
519.846.9691
www.centrewellington.ca



Township of Mapleton
519.638.3313
www.mapleton.ca



Town of Erin
519.855.4407
www.erin.ca



Town of Minto
519.338.2511
www.town.minto.on.ca



Township of Guelph/Eramosa
519.856.9596
www.get.on.ca



TOWNSHIP OF
PUSLINCH
EST. 1850

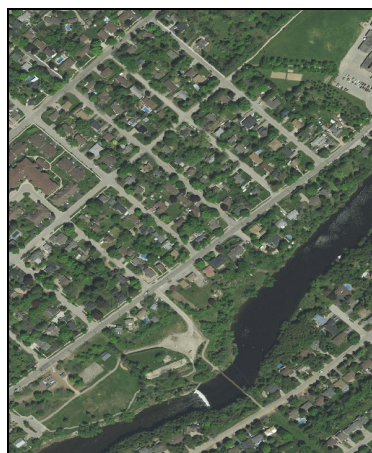
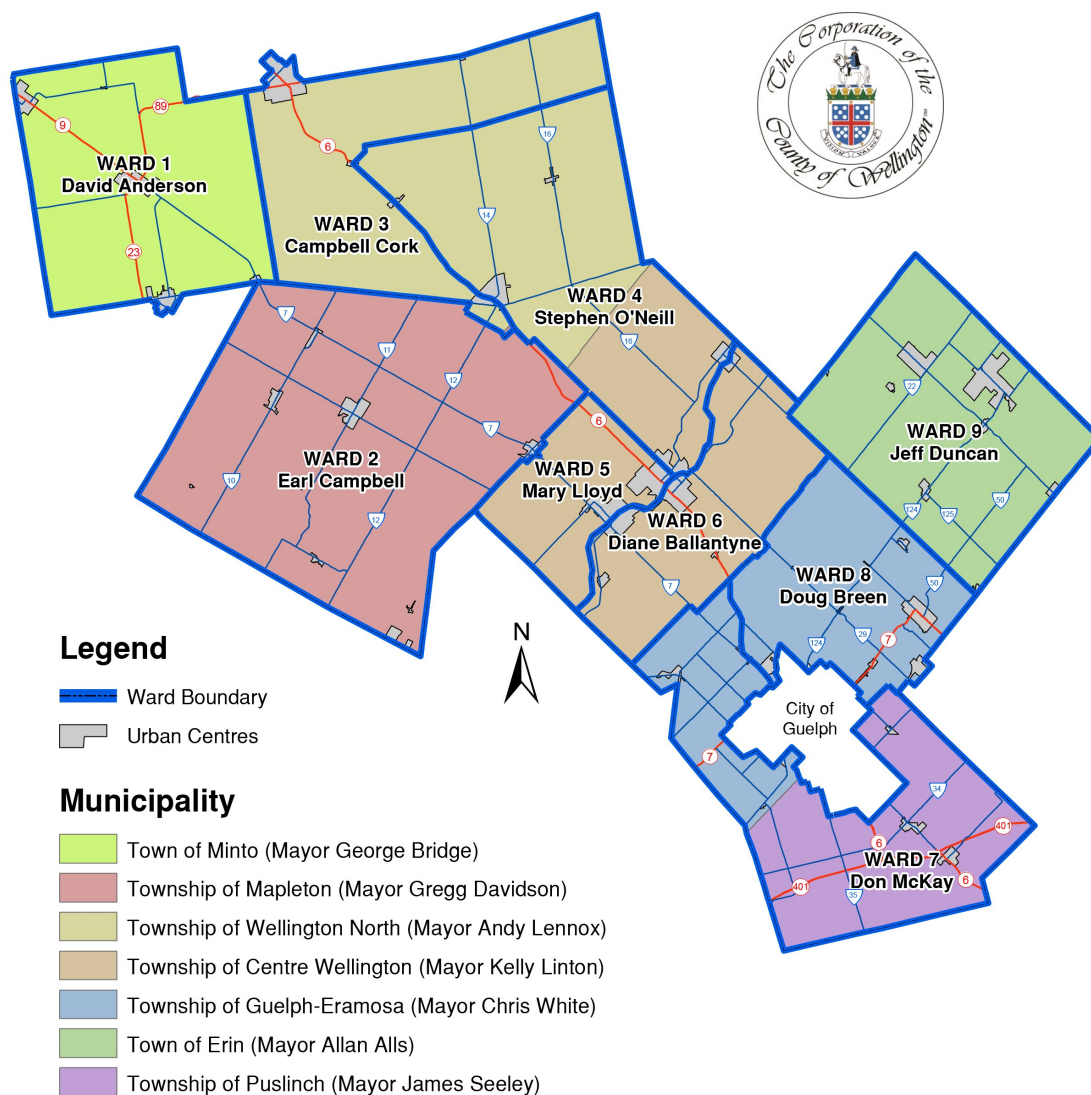
Township of Puslinch
519.763.1226
www.puslinch.ca



Township of Wellington North
519.848.3620
www.wellington-north.com

COUNTY OF WELLINGTON AT A GLANCE

County of Wellington Ward Boundaries



Population

102,250

Households

36,040

Municipalities

7

Land area

2,610km²

Pop. Density

39.2/km²

Credit rating

AA+

Businesses

3,631

Jobs

47,249

Workforce

58,164

Average Household

Income

\$123,772

Job Growth

(2017-2021)

2.4%

Annual budget

\$232 million

COUNTY OF WELLINGTON POPULATION

At the end of 2021, Wellington County had **36,040** households and a population (adjusted for net Census undercount) of **102,250**. The population of Wellington County is projected to grow to 140,000 by 2041.

Wellington County 2021 Population Estimates				
	Mid-Year (2011)		End of Year (2021)	
	Population	Households	Population	Households
Centre Wellington	29,350	10,830	32,890	12,130
Fergus	14,860	5,670	17,510	6,650
Elora/Salem	7,170	2,670	7,950	2,930
Centre Wellington Rural	7,320	2,490	7,430	2,550
Erin	11,890	3,955	12,250	4,260
Erin Village / Hillsburgh	4,490	1,670	4,550	1,700
Erin Rural	7,520	2,450	7,700	2,560
Guelph/Eramosa	12,890	4,220	14,230	4,800
Rockwood	4,530	1,595	5,620	1,960
Guelph/Eramosa Rural	8,350	2,625	8,610	2,840
Mapleton	10,400	2,930	11,610	3,380
Drayton	1,960	675	2,570	900
Moorefield	430	155	790	250
Mapleton Rural	8,010	2,100	8,250	2,230
Minto	8,680	3,140	9,740	3,500
Clifford	820	335	1,000	400
Harriston	2,040	775	2,320	840
Palmerston	2,720	1,025	3,100	1,200
Minto Rural	3,100	1,005	3,320	1,060
Puslinch	7,320	2,535	8,400	2,980
Aberfoyle	320	120	340	200
Morrison	460	180	500	170
Puslinch Rural	6,530	2,235	7,560	2,610
Wellington North	11,950	4,450	13,130	4,990
Arthur	2,550	940	2,830	1,090
Mount Forest	4,950	2,075	5,680	2,400
Wellington North Rural	4,450	1,435	4,620	1,500
Wellington County	90,880	31,190	102,250	36,040

COUNTY SERVICES

THE WELLINGTON TERRACE

Wellington Terrace is the County's Long Term Care Home. Located in Centre Wellington, it has 176 approved beds. The Wellington Terrace is committed to providing compassionate care honoring the unique needs of each resident. The Terrace is responsible for providing nursing healthcare to residents, recreation and restorative services for residents, and comfort for those in the final stages of life.



LIBRARY SERVICES

The Wellington County Library system consists of fourteen branches. The libraries provide access to a rich and broad range of print materials and electronic resources. The library system also provides a weekday courier service that makes stops at all fourteen branches ensuring patrons have easy access to materials held at all the libraries. Membership is free to County residents.

MUSEUM AND ARCHIVES

Wellington County Museum and Archives (WCMA) is a National Historic Site located in Aboyne. It was originally built as the House of Industry and Refuge in 1877 and is the oldest remaining Poor House in Canada. WCMA serves as a cultural centre providing resources, programmes, exhibits, support and services for historical, educational and artistic interests. WCMA collects, preserves, researches, interprets and exhibits artifacts and archival records that reflect and document the settlement and development of the County of Wellington.



COUNTY SERVICES

ROADS



The mission of the Roads Department is to provide a safe and efficient transportation network for the movement of people and products throughout the County of Wellington, while preserving the public investment in the road system and protecting the natural state of the environment. Roads staff manage and maintain 1,426 lane-kilometres of roadways, 104 bridges and 94 culverts.



SOLID WASTE SERVICES

The Solid Waste Services Department provides programmes to collect, divert, or dispose of municipal solid waste and recyclables. Responsibilities include overseeing landfill sites, transfer stations, and Reuse Centres. Staff facilitate curbside collection of garbage and recyclables, as well as recycling and safe disposal of Household Hazardous Waste.



COUNTY SERVICES

SOCIAL SERVICES

The County of Wellington is the Consolidated Municipal Services Manager (CMSM) for Social Services in the City of Guelph and County of Wellington. These social services include:

- **Ontario Works:** helping people in temporary need of financial support to find sustainable employment and achieve self-reliance by providing employment services and financial assistance.
- **Children's Early Years:** investing in and supporting an affordable, accessible, and accountable child care system. Services include child care subsidies for financially eligible families; special needs resourcing; wage subsidies to increase the overall level of wages paid to child care workers; and quality monitoring, training, and support.
- **Social Housing Services:** ensuring effective, efficient, and fair provision of high quality affordable housing to residents of Wellington County and the City of Guelph. The department strives to create innovative solutions to local housing needs in cooperation with tenants and the local community. Services provided include programmes that address rent affordability, loan assistance, as well as financial assistance.



The costs to provide these services are shared with the City of Guelph.

HOUSING CONTINUUM

Guelph-Wellington



COUNTY SERVICES

PLANNING AND DEVELOPMENT

The Planning Department is responsible for approving official plan amendments, developing County planning policies, approving new lots, providing emergency management services, reviewing development proposals, managing County forests, developing rail trails, and creating County maps.



GREEN LEGACY PROGRAMME

The Green Legacy Programme is the largest municipal tree planting programme in North America. In 2010, the programme was recognized under the Billion Tree Campaign for their help in the fight against climate change.



ECONOMIC DEVELOPMENT

The County's Economic Development Department strives to grow the economy and build on the community's many strengths. The County works as a facilitator, connecting businesses with resources, contacts, and supply chain opportunities. These efforts are aligned and promoted on a County level, to ensure employers, newcomers and investors can make informed decisions and take advantage of opportunities.



COUNTY SERVICES

POLICE SERVICES

The County of Wellington has a contract with the Ontario Provincial Police (OPP) to provide policing services. The County's OPP Detachment was formed in 1999 and provides police services for the entire County excluding the City of Guelph. There are three operation centres in North Wellington, Aboyne and Rockwood. The Police Services Board oversees police operations in Wellington County.



LAND AMBULANCE



Ambulance services for Wellington County are provided by the City of Guelph and are cost shared based on the proportion of calls in each municipality. The City of Guelph was designated as the delivery agent by the Province of Ontario and assumed responsibility for service delivery in 2001. Guelph-Wellington Paramedic Service provides emergency pre-hospital medical care to Guelph and Wellington County.

PROVINCIAL OFFENCES COURT

The City of Guelph delivers Provincial Offences Act (POA) administration and prosecution on behalf of Wellington County and its member municipalities. The City provides administration for the Ontario Court of Justice with respect to all provincial offences and prosecution services regarding Part I Provincial Offences Act charges. These charges include tickets issued pursuant to the Highway Traffic Act, Liquor Licence Act and similar provincial statutes. The County shares in the net revenue which is distributed between the City and County based on location of each offence. Wellington County and the City of Guelph also cost share capital expenses on a 50/50 basis.

PUBLIC HEALTH SERVICES

Public Health Services are provided by Wellington-Dufferin-Guelph Public Health (WDGPH). WDGPH was formed in 1967 and is governed by an autonomous Board of Health consisting of elected and appointed representatives from the Counties of Wellington and Dufferin and the City of Guelph. WDGPH receives an annual operating grant from the Province of Ontario and the net municipal cost is then funded by Guelph (46.3%), Wellington (32.0%) and Dufferin (21.7%) in proportion to their population.



ECONOMIC DEVELOPMENT HIGHLIGHTS

The past few years have been full of unexpected challenges and opportunities. However, our businesses have pushed forward and continued to stabilize and grow in 2021. We recorded record high numbers for new residential builds, and strong agricultural, industrial and commercial building development across the County. The Economic Development division continues to work towards developing and supporting a resilient local economy. To that end, we focus on business infrastructure, supporting local businesses, building the local labour market and promoting the region.

Working with our member municipalities and providing County-wide programming enables us to support businesses throughout Wellington County. Initiatives undertaken in 2021 include the Business Recovery Grants, Invest Well Community Improvement Programme, Our Food Future, Ride Well Rural Transportation, Wellington County community signage, talent attraction and the Taste Real Local Food programme.

Focusing on connectivity and internet infrastructure needed to keep our communities thriving, the South Western Integrated Fibre Technology (SWIFT) programme provided reliable internet access to 3,085 locations in Wellington County, and we are dedicated to further enhancement of local internet infrastructure.

Lastly, attainable housing is a primary concern throughout our communities. We are working on finding practical long term solutions to encourage and build housing that is diverse and meets the needs of our existing and future residents. See the top 10 reasons why we need diverse housing options in our community below and visit www.wellington.ca/live to learn more about our attainable housing initiative.

In 2022, we will continue to support businesses, enhance our community with new people and ideas, seek innovative solutions and maintain a strong local economy.



Crystal Ellis,
BA, CMM III

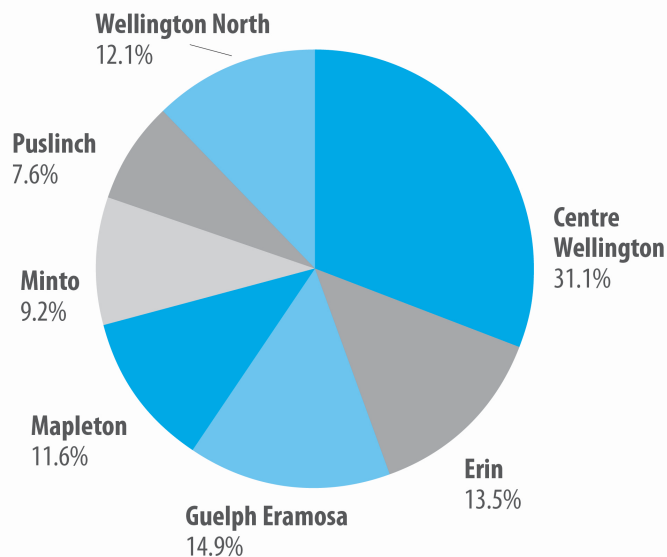
Director of Economic Development



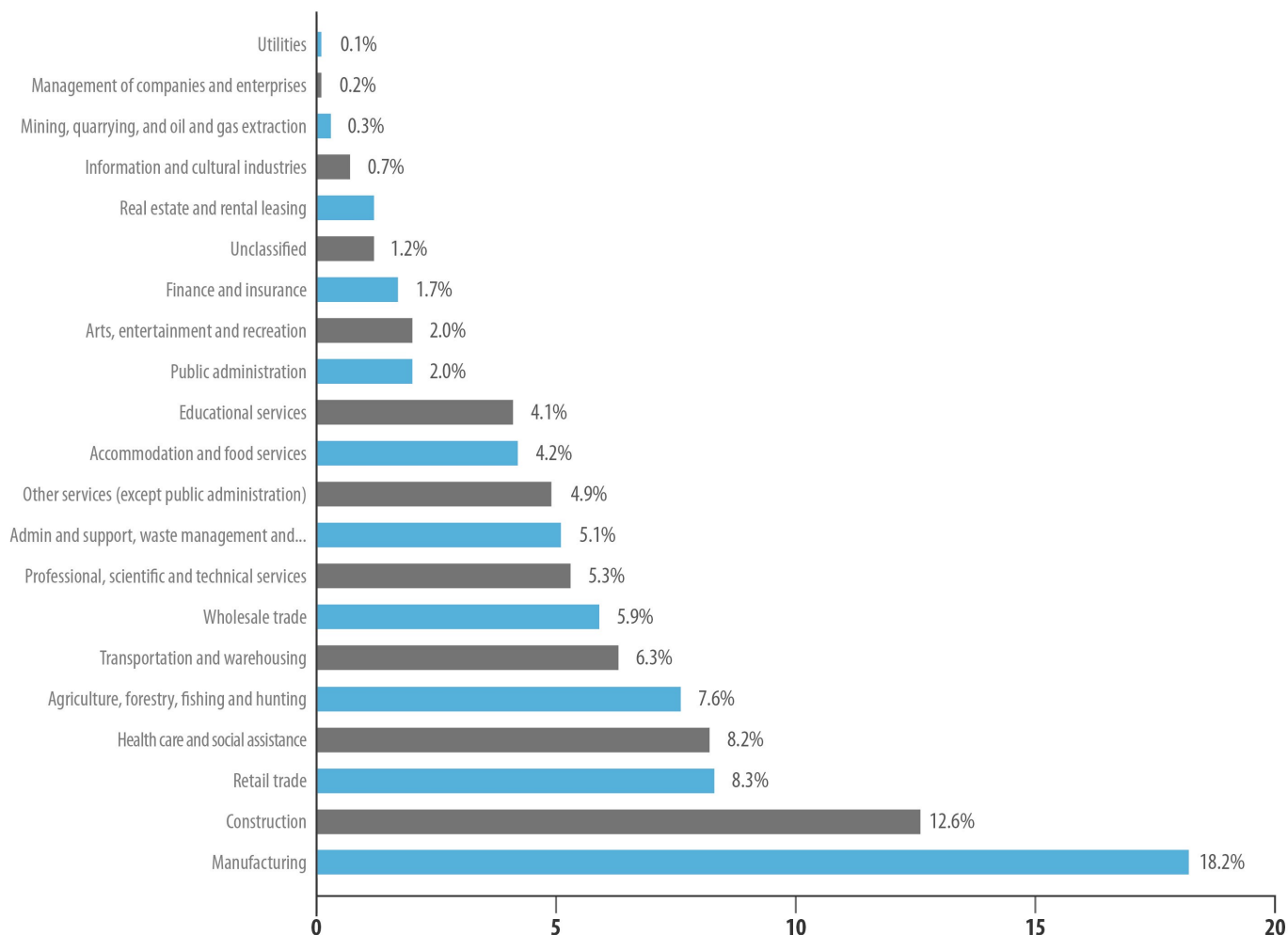
LOCAL ECONOMY

Jobs in the County of Wellington stand at 47,249 (2021) and the labour force totals 58,164 employees. From 2020 to 2021 job growth has increased by 1.8% or 1,028 jobs.

Over the past five years, Wellington has been experiencing significant growth in the number of jobs in manufacturing, construction, transportation, and professional services. The growth represents an excellent indication of the very strong, stable and expanding economy found in Wellington.



SECTORS OF EMPLOYMENT (2021)

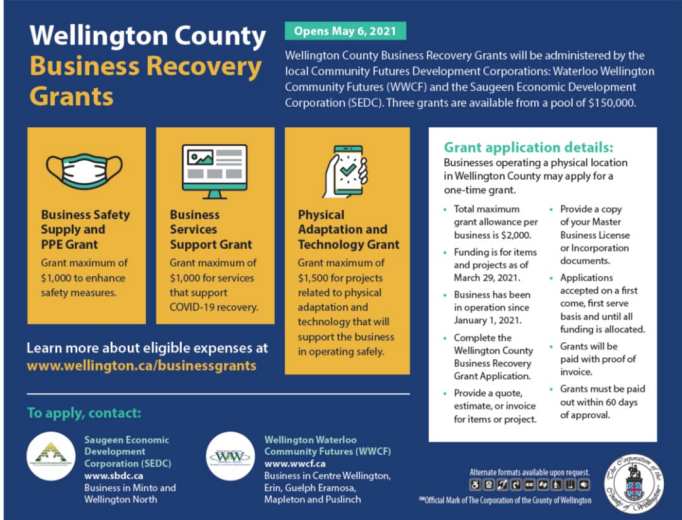


2021 NOTABLE PROGRAMMES AND EVENTS

Wellington County Business Recovery

In November and December 2020, staff from the County and all seven member municipalities conducted the OMAFRA Business Retention and Expansion (BR+E) Recovery Survey. In total, 435 surveys were submitted by Wellington County businesses and a BR+E Recovery Action plan was developed. In 2021, recovery efforts addressed the four key support areas identified in the survey: Operating Safety, Business Services, Mental Health Resources for Businesses, and Shop Local and Promotion of Wellington County.

Partnering with the local Community Futures organizations, \$150,000 was provided to businesses in the form of Business Recovery Grants. Three grants: Business Safety Supply and PPE Grant, Business Services Support, and Physical Adaptation and Technology Grant provided 163 grants to 93 businesses.



Wellington County Business Recovery Grants

Opens May 6, 2021

Wellington County Business Recovery Grants will be administered by the local Community Futures Development Corporations: Waterloo Wellington Community Futures (WWCF) and the Saugeen Economic Development Corporation (SEDC). Three grants are available from a pool of \$150,000.



Business Safety Supply and PPE Grant
Grant maximum of \$1,000 to enhance safety measures.



Business Services Support Grant
Grant maximum of \$1,000 for services that support COVID-19 recovery.



Physical Adaptation and Technology Grant
Grant maximum of \$1,500 for projects related to physical adaptation and technology that will support the business in operating safely.

Learn more about eligible expenses at www.wellington.ca/businessgrants

To apply, contact:



Saugeen Economic Development Corporation (SEDC)
www.sedc.ca
Business in Minto and Wellington North



Wellington Waterloo Community Futures (WWCF)
www.wwcf.ca
Business in Centre Wellington, Erin, Guelph Eramosa, Mapleton and Puslinch

Grant application details:
Businesses operating a physical location in Wellington County may apply for a one-time grant.

- Total maximum grant allowance per business is \$2,000.
- Funding is for items and projects as of March 29, 2021.
- Business has been in operation since January 1, 2021.
- Complete the Wellington County Business Recovery Grant Application.
- Provide a quote, estimate, or invoice for items or project.
- Provide a copy of your Master Business License or Incorporation documents.
- Applications accepted on a first come, first serve basis and until all funding is allocated.
- Grants will be paid with proof of invoice.
- Grants must be paid out within 60 days of approval.

Alternate formats available upon request

Official Mark of the Corporation of the County of Wellington

Business Retention and Expansion (BR+E) Municipal Implementation Fund

The BR+E Local Implementation Fund provides funding for the direct execution of BR+E activities to enhance the local economy. The BR+E Implementation Fund began in 2014 and in eight years has produced a total investment of approximately \$3.8 million in Wellington County with a 66% return on investment

Talent Attraction Initiative

Live and Work Wellington™ the Talent Attraction Initiative continues to promote Wellington County as a desirable place to live and work. In 2020, Immigration, Refugee and Citizenship Canada (IRCC) funding was secured to support the Economic Development Talent Attraction position with the aim to attract and connect newcomers with employers, thus helping address the labor skills shortage. Initiatives continue to help make Wellington County more inclusive and welcoming. Several employers, especially in manufacturing, health and the social services sector continue to employ newcomers, and more work is being undertaken to attract newcomers and immigrants to Wellington County.



Con Cast Pipe, Puslinch



Wallenstein Feed and Supply, Mapleton

2021 NOTABLE PROGRAMMES AND EVENTS

Business Retention and Expansion (BR+E) Municipal Implementation Fund

In 2018, the County of Wellington was awarded a \$499,500 MTO Community Transportation Grant over a five-year period to pilot the RIDE WELL rural transit programme. A demand-based, rideshare transit service that provides transportation for Wellington County residents and visitors is supported by the RideCo technology platform.



The RIDE WELL service launched on October 1, 2019 and has adapted to operate during the COVID-19 pandemic. In June 2021, the Government of Ontario announced the extension of the Community Transportation (CT) Grant Programme for an additional two years to continue supporting communities across Ontario until the 2024-25 fiscal year. This provides RIDE WELL with \$242,541 in additional funding and expands the pilot until 2025.

The RIDE WELL service provided 2,248 rides in 2020 to 4,572 rides in 2021, resulting in 103% service growth. In September 2021, vehicle hours were increased from 26 hours per day to 31 hours per day to accommodate increasing demand.

On April 4, 2022, RIDE WELL returned to ridesharing, after limiting rides to one booking due to public health safely protocols. We will continue to reach new customers and build the service to support transportation needs in Wellington County.

NEED A RIDE?

Check out the RIDE WELL transit pilot service!

Enjoy \$5.00 off your first ride by entering the code "FIRSTRISE" at checkout

- 1 Visit www.ridewell.ca/book, get the app, or call 1.833.900.RIDE (7433) to register for an account.
- 2 Enter your pick-up and drop-off addresses.
- 3 Choose a time between 6:00 am and 7:00 pm, Monday to Friday.
- 4 Book and pay for your trip with a credit card.




Find out more at www.ridewell.ca

"This Way to Wellington" Signage Programme

The County of Wellington's signage programme is an initiative to promote greater awareness of Wellington County, to generate new investments, attract tourism and strengthen County pride. The implementation of the programme rolled out in three phases. Gateway Entrance Signage on County boundary roads (2017-2019), Pay-to-Play Directional Tourism Signage, an annual programme to promote tourism based businesses (2018 launched) and Community Directional Signs for urban population centres (2020).



2021 NOTABLE PROGRAMMES AND EVENTS

Ontario Food Cluster, Investment Attraction

In 2016 the County of Wellington became a member of the Ontario Food Cluster (OFC). The OFC is a cost-sharing partnership of government and economic development organizations in southern Ontario that pool their resources together to attract agri-food company investment to the participating Ontario communities.



Taste Real Local Food



Guelph-Wellington is a region deeply rooted in agriculture, with a long tradition in food preparation and processing. The Taste Real programme helps to build connections within the region to make it easy for residents and visitors to access local food and local food experiences. Wellington County is home to a number of excellent food events and festivals, engaging on-farm experiences, and six farmers' markets that highlight the county's diverse terroir. The region is also famous for its craft breweries - a testimony to the type of entrepreneurial spirit and craftsmanship that makes this region unique and complements Wellington's authentic food culture

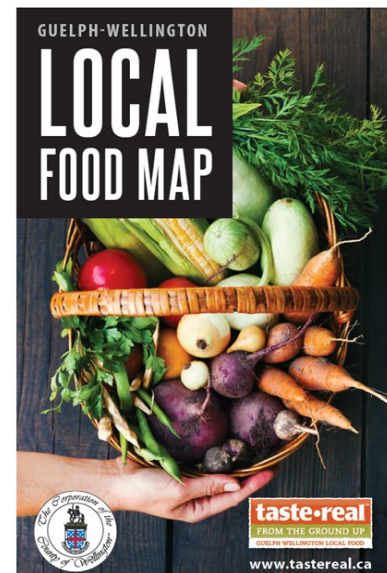
Taste Real Programming:

- Taste Real Local Food Map and promotional brochures.
- Local Food B2B Networking and Learning Workshops.
- Rural Romp, Self-Guided Farm and Food Tour.
- Seasonal campaigns, highlighting experiences, farm and food outings, and local ingredients.

Farmers' Market Programming:

- Farmers' Market Trail: in 2021 we developed a market passport, encouraging residents and visitors to explore the eight local farmers' market.
- Farmers' Market Boxes: launched in 2021 in partnership with our local farmers' markets we supported curated market boxes throughout the market season that highlighted each location. The boxes generated \$25,000 in sales for local farmers' market vendors and brought the markets right to the doorstep of residents and Wellington County and Guelph.

Additional programmes in 2021, included the online Take Out Map and the Online Picnic Map, that encouraged people to purchase for local restaurants and experience parks across the County.



2021 NOTABLE PROGRAMMES AND EVENTS

Western Ontario Warden Caucus (WOWC)



A Regional Workforce Strategy was undertaken by the WOWC in 2021 to help support and guide the region. The WOWC Regional Workforce Strategy focuses on workforce retention and attraction, leveraging existing populations, attainable

housing, and employer recruitment and retention. The County continues to play an active role in WOWC advocacy and projects.

Councillor Bridge, Chair of the County Economic Development Committee, led the creation of the 2017 Regional Economic Development Strategic Plan for Southwestern Ontario and continues to champion the WOWC. In 2021, Council Bridge was re-appointed as Chair of the WOWC Economic Development Sub-Committee.



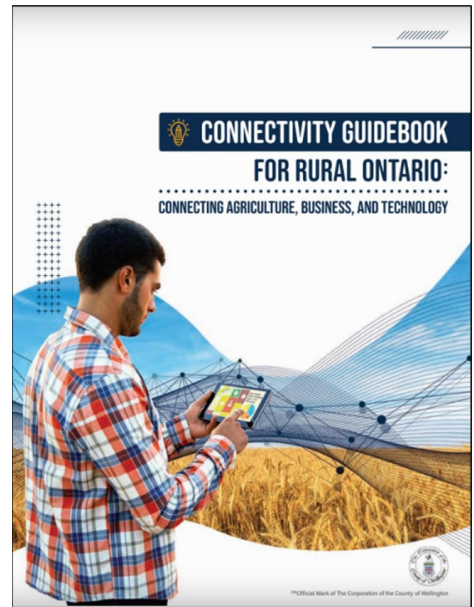
Southwest Integrated Fibre Technology (SWIFT)



In 2011, the Western Wardens' initiated the SWIFT project with the goal of providing 3.5 million people across 350 Ontario communities with high-speed

internet service. Today SWIFT includes 20 partners who have contributed \$17 million in funding in addition to \$180 million in financial support from the Provincial and Federal governments. The County of Wellington is one of these partners, having committed to \$880,000 over a five-year period in the Economic Development budget.

SWIFT announced in May 2019 that Wellington County would receive \$12.1 million in targeted projects focused on underserved homes and businesses. Requests for proposals were submitted in September 2019 and in January 2020 the successful Wellington County projects were announced. The projects have been executed with a total project value of \$12,969,035, the final number of premises passed reached 3,085 and 197.6 total fibre road kilometres archived.



In 2021, the Economic Development Committee and Council further supported the County's investment in SWIFT 2.0, dedicating \$4 million over the next five years to support further internet infrastructure across Wellington County.

The County produced a Connectivity Guidebook for Rural Ontario in June 2021, to help inform and support local agriculture businesses. CIRA Internet Speed Testing is ongoing to gather local data about internet upload and download speeds. We continue to advocate for rural internet and support local residents with internet enquires and solutions, visit www.wellington.ca/internet for more information.

2021 NOTABLE PROGRAMMES AND EVENTS

Smart Cities: Our Food Future

Our Food Future is Guelph-Wellington's \$10 million federally-funded partnership, focused on building Canada's first circular food economy. The project officially launched in January 2020, and as a reaction to the first COVID-19 lockdown in 2020 the Grow Back Better plan was developed and implemented in order to bring business and community support to the forefront of five-year project.



Our Food Future Goals:

Goal 1: Affordable, nutritious food.

Goal 2: Circular businesses and collaborations.

Goal 3: Waste as a resource.



Notable achievements in 2021:

- April 2021, \$5 million in federal funding for Circular Opportunity Innovation Launchpad COIL announced.
- Food Hub Feasibility Study
- Experimental Acres Pilot Launch
- ReSource Exchange Marketplace
- Industrial, Commercial and Institutional (ICI) sector organic waste pilot
- Project Mid-term Report released in January 2022.
- Goal of 50 circular business and collaboration achieved.

Visit www.ourfoodfuture.ca for more information.



2021 NOTABLE PROGRAMMES AND EVENTS

Invest Well - Community Improvement Programme (CIP)

The Invest Well, Community Improvement Programme (CIP) launched in 2018, and continues to support business revitalization, beautification, and investment attraction in Wellington County.

The CIP provides a framework for the County to participate financially in local member municipal CIP projects by providing tax incentives and grants to projects that align with our countywide goals. The Invest Well priorities include:

1. Using land strategically
2. Provide rental housing
3. Improve building infrastructure
4. Diversify the economy
5. Promote Tourism

Wellington County will continue to offer Invest WELL to member-municipalities and businesses. This programme illustrates the County's ongoing commitment to fostering a dynamic and productive business community.



Attainable Housing

In 2019, the Economic Development Division worked with Weston Consulting to develop an Attainable Housing Strategy with the purpose of seeking recommendations that would encourage attainable housing options in Wellington County.

As a result of this work in 2021, a Wellington County Attainable Housing Taskforce has been brought together to implement recommendations and seek opportunities. With the main goal of creating a greater supply of attainable housing options in Wellington County, the taskforce is undertaking the following actions:

1. Make Wellington County Home, public awareness campaign. A reality-driven narrative that express the housing needs in our communities and dispels myths about what attainable housing looks like.
2. Encouraging more diverse housing options and policy review to allow for non-traditional options.
3. Additional residential units (ARU).
4. Exploring the addition of housing incentives in the Community Improvement Programme.
5. Working with member municipalities to develop an attainable housing pilot project.



Report from the County Treasurer

KEN DEHART, CPA, CGA

May 31, 2022



2021 was the second year of the global pandemic. The County continued to redeploy staff and focus on supporting the community through enhanced public health measures. Last year we partnered with our local municipalities and set up community vaccination centres in local arenas. County staff from many departments were utilized to support the process and medical community by helping to organize and setup the sites, support registration and documentation and assist in getting the public vaccinated as quickly as possible. The County adapted services by providing curbside library materials pickup, virtual exhibits and offering more services online. In order to support the local economy, County Council approved a COVID-19 Business Recovery Fund which provided one-time funding to support local businesses and staff developed a “Buy Local” campaign.

Provincial and Federal governments continued to be extremely supportive. Additional funding was provided to support the most vulnerable in our community including enhanced safety and protection measures at our long-term care home, and funding to build new shelters and supportive housing to house the homeless. The County applied for and received COVID-19 resiliency funding to adapt our public facilities with improved air quality measures. We were also successful in obtaining a couple of rounds of provincial modernization funding to enhance the electronic delivery of services—including a new Human Resources Information System, corporate VISA and expense management system and Office 365 enhancements that will facilitate more collaborative and efficient service delivery.

Looking forward, some of the challenges that lie ahead include dealing with historically high inflation costs that are affecting local residents and businesses as well as the delivery of County services. High inflation will affect fuel costs for the County fleet, food for residents at the long-term care home, capital and construction costs, as well as put pressure on staff wages. It will be incumbent on the County to recognize the impacts of inflation on our community members, while delivering a budget that is reflective of the increased cost of delivering public services. As the government increases interest rates to curb inflation, the cost of debt will rise so it will be important for the County to focus on long-term asset management planning and financial sustainability.

Last year, the County completed the build-out of its major financial policy updates that support the County’s Long-Term Financial Sustainability Strategy. This includes updates to the County’s Budget and Debt Management Policies as well as a major update to the Asset Management Plan, which are described on the following pages. We remain committed to practicing responsible debt and reserve management and are focused on providing long-term and sustainable infrastructure funding. As such, the County will continue to integrate its Asset Management Planning into the budget process and refine the amount of long-term funding required to support our infrastructure.

The Treasury Department recently completed the third successful virtual year-end audit and received a very clean audit findings report. For the second consecutive year, KPMG found no control deficiencies or audit risk issues identified, no concerns with respect to the presentation and disclosure of the financial statements, and no adjustments requested for identified differences. I am pleased to present the 2021 year-end statements and annual report that follow.

Report from the County Treasurer

KEN DEHART, CPA, CGA

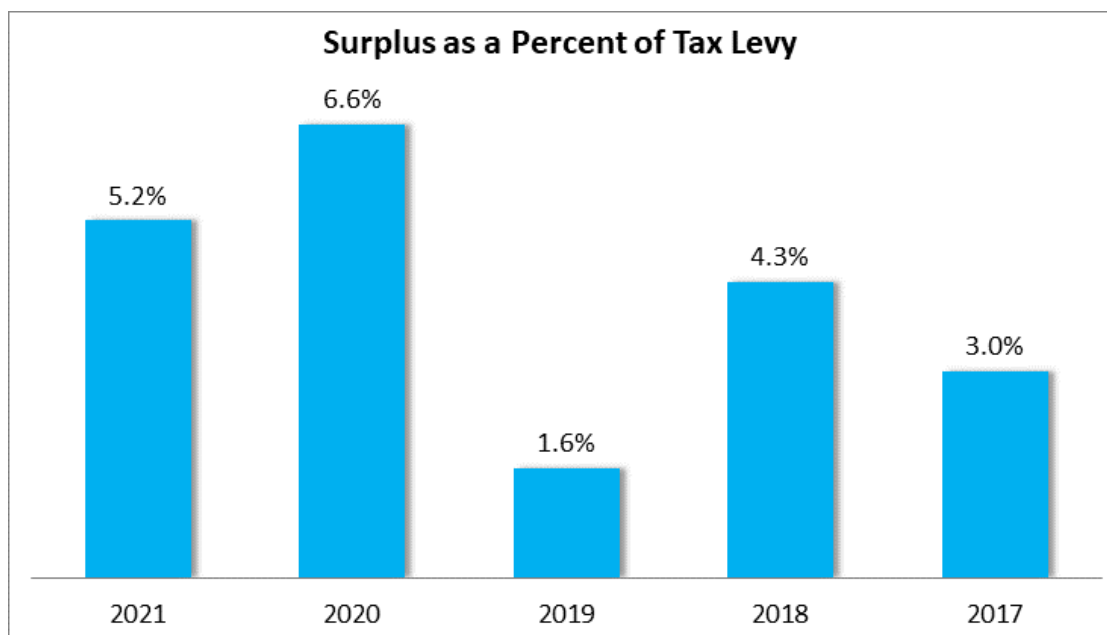
Highlights include:

- The Treasury Department was recognized by the Government Finance Officers' Association (GFOA) with awards for both its Annual Financial Report and Budget and Ten-Year Plan document.
- Completed the update of the Asset Management Plan (AMP) for Core Assets in the fall of 2021. Using 2020 dollars, the AMP identified the total replacement value of core assets at \$628 million and the backlog of under-replaced assets at \$59.7 million. County Council approved an additional transfer of \$2.1 million in the 2022 budget to begin to address the backlog.
- We continued the review and updates of our financial policies in 2021 including establishing a new consolidated Budget Management Policy, which updates and consolidates a number of existing policies, a new Debt Management Policy as well as a new Insurance and Claims Management Policy. These policy updates continue to be developed in accordance with the County's Long-Term Financial Sustainability framework.

Operating Results

As described further on pages 63-64 of this report, the County approves its budget and reports regularly on its financial results on a modified accrual basis of reporting. For practical purposes, this demonstrates that property taxes were collected and spent for their intended purpose.

The County's 2021 year-end position on a modified accrual (cash) basis was a surplus of \$5,660,700 which is 5.2% of the tax levy. As approved by County Council, the surplus was transferred to the County Property Reserve to facilitate a future property purchase currently being discussed in closed session. By having this funding available to facilitate the purchase, it will eliminate the need to issue debt for the project.



Report from the County Treasurer

KEN DEHART, CPA, CGA



Long-Term Financial Planning

The County's long-term financial planning process aims to create a local government that is financially resilient. The County strives to provide services to residents and ratepayers at a reasonable cost, while maintaining its ability to mitigate the impacts of economic downturns, severe weather conditions, and changes in funding and operational requirements by other levels of government.

To that end, the County takes a long-term approach to financial management. The County has implemented several policies and procedures that contribute to an integrated financial planning approach which balances three areas of financial resiliency:

1. **Financial Sustainability:** addresses the County's stability. It is the ability to provide and maintain service and infrastructure levels without resorting to unplanned increases in rates or cuts to services.
2. **Financial Vulnerability:** addresses the County's vulnerability to external sources of funding that it cannot control. It is focused on minimizing the level of risk that could impact the County's ability to meet existing financial obligations and commitments, including the delivery of services.
3. **Financial Flexibility:** is the County's ability to issue debt responsibly without impacting the credit rating or ability to generate required revenues. It is the County's capacity to change debt or tax levels to meet financial obligations.

Report from the County Treasurer

KEN DEHART, CPA, CGA

Financial Sustainability

Wellington efficiently manages its resources to ensure the current needs of its citizens are met without jeopardizing the ability for future generations to meet their own needs. This requires long term planning through multi-year budgeting. The County annually prepares a ten-year operating and capital budget and forecast that provides for consistent contributions to reserves and reserve funds and recognizes the ongoing operating costs associated with capital projects.

This diligent reserve and reserve fund management allows the County to avoid the issuance of debt for the repair, rehabilitation and replacement of existing assets where possible, build up funding for future liabilities such as landfill closure and post-closure costs and provides contingency funding for unexpected events. The County recognizes its responsibility to provide good stewardship of public assets and has prepared ten-year asset management plans for the majority of its capital assets including roads, bridges, culverts and County owned social housing units. The County updated its Asset Management Plan for core assets in 2021 and Council approved an increase in over \$2 million to the Roads Capital Reserve in the 2022 budget to address the infrastructure gap.

Financial Vulnerability

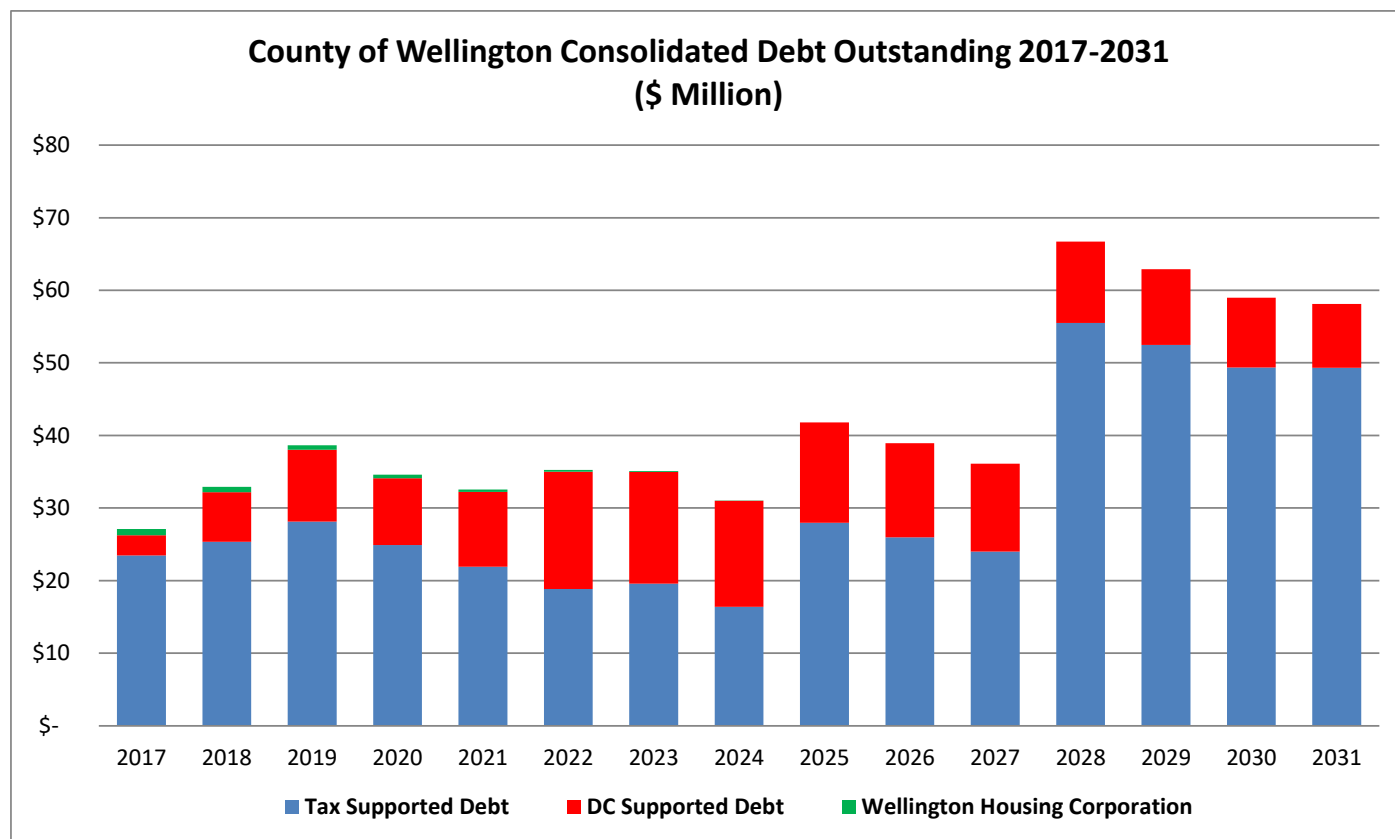
To ensure consistency and stability in funding, the County recognizes the importance of managing its revenue sources effectively. County staff actively manage the property tax assessment base to ensure that properties are added to the roll in a timely manner and are assessed in a fair and consistent basis. The County's Economic Development Strategic Plan assists current business owners to succeed and helps to attract new investment into the County and increase commercial and industrial assessment. The County transfers investment income to reserves funds, so lower investment returns do not impact budgetary performance. As well, the County charges user fees according to the Council approved User Fee Policy that promotes ongoing review of user fees and full cost recovery when appropriate. In 2022, the County is updating its development charges by-law to assist with funding growth related capital projects to ensure growth pays for growth to the maximum extent possible.

Financial Flexibility

The County's Debt Management Policy provides a debt management framework that establishes debt limits, debt structuring and debt issuance procedures in accordance with industry best practices. In the 2021 credit rating review, Standard and Poor's indicates that the County's strong budgetary performance will continue to assist in managing debt levels. They believe that pandemic-related funding in conjunction with cost-containment policies helps limit the financial impact on the County's budget. They expect the County will continue to produce after-capital surpluses and maintain a moderate debt burden as the County proceeds with its capital plan.

Report from the County Treasurer

KEN DEHART, CPA, CGA



Financial Ratio Analysis

The following page shows a number of ratios used by Standard and Poor's and County staff to assess the ongoing financial health of the corporation. Explanations for year-over-year changes are provided for comparison purposes. The ratios show the continued strength of the County's financial operations.

I hope that you find this annual report informative and helpful in assessing the County's financial health. Please do not hesitate to contact the County's Treasury Department with any questions at 519.837.2600.

Sincerely,

Ken DeHart, CPA, CGA
County Treasurer

Report from the County Treasurer

KEN DEHART, CPA, CGA

Financial Indicator	2021	2020	Compared to Prior Year	(Indicators are based on S&P Global Rating and BMA Municipal Study results)
Net Financial Liabilities Ratio	(0.72)	(0.53)	↑	This ratio indicates the extent to which financial liabilities could be met by own source operating revenues. A ratio greater than zero would indicate that total liabilities exceed total assets.
Capital Expenditures/ Total Expenditures	10.1%	15.7%	↓	Wellington County's capital expenditures decreased to 10% of 2021 total adjusted expenditures which reflects less spending on capital projects during the pandemic.
Operating Balance/ Operating Revenue	13.9%	16.9%	→	The 2021 adjusted operating balance as a % of adjusted operating revenue is a strong with a surplus of almost 14%.
After-Capital Balance/ Total Revenue	10.3%	5.7%	↑	Wellington County experienced an after-capital surplus in 2021 of 10.3% of adjusted total revenue. This demonstrates healthy liquidity and robust budgetary performance.
Asset Consumption Ratio	46.5%	45.1%	↑	This ratio is an indicator of the useful life left in the County's capital assets. MMAH considers a ratio of 26% to 50% to be moderately new capital assets.
Tax Discretionary Reserves as a % of own source revenues	88%	78%	↑	This ratio is a strong indicator of financial stability and shows the total value of funds held in reserves and reserve funds compared to a single years own source revenues.
Direct Debt Outstanding/ Operating Revenue	14.4%	16.2%	↑	At fiscal year-end 2021, debt outstanding (County only) was 14.4% of adjusted operating revenues. This debt is manageable and remains well below the County's self imposed limit of 30% of operating revenues.
Debt Interest / Operating Revenue	0.8%	1.3%	↑	This ratio is positive, stable and indicates that only 0.8% of the County's adjusted operating revenues are committed to funding debt interest charges (includes lower tiers).
Debt to Reserve	0.27	0.33	↑	The benchmark by credit rating agencies for this ratio is 1:1 and that means debt should not exceed total reserve and reserve fund balances. This ratio remains positive and indicates that the County has approximately \$1 in reserves and reserve funds for every \$0.27 in debt.

Key Financial Indicators

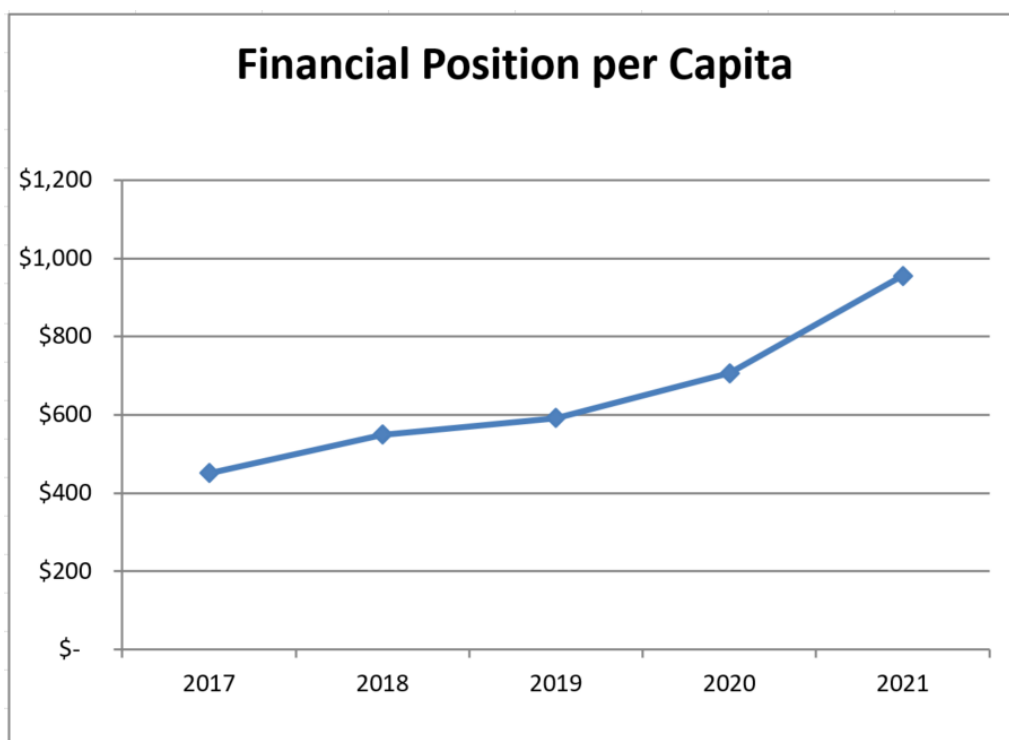
Background:

Each year, BMA Consulting Inc. completes a comparative study on behalf of participating Ontario municipalities. This section takes measures from that study and calculates the current year's values from the Financial Information Return (FIR). The analysis is completed using the most recent current value assessment, tax policies, levy by-laws, development charges, water/sewer rates, FIRs, user fees and economic development programmes. These indicators help evaluate each municipality's existing financial condition and identify future challenges and opportunities. This section illustrates Wellington County's performance over a five-year period and is based on information contained in the Annual Financial Information Return submitted to the Ministry of Municipal Affairs and Housing (MMAH).

SUSTAINABILITY - The ability to provide and maintain service and infrastructure levels without resorting to unplanned increases in rates or cuts to services.

Indicator 1: Financial Position Per Capita

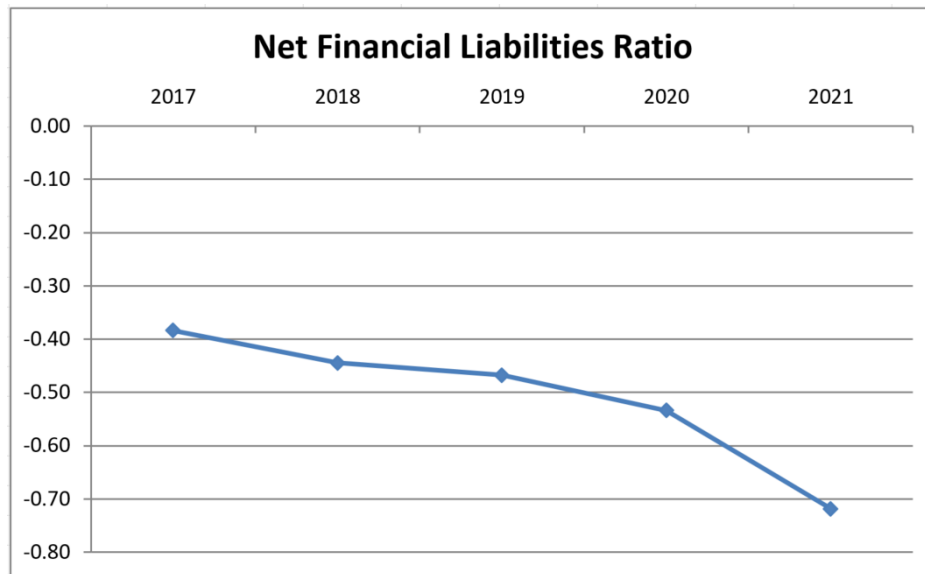
Financial position is a key indicator of a municipality's financial health. It provides an indication of the affordability of future municipal spending. The net financial position is a broader measure of a municipality's indebtedness than debenture debt as it includes all of the municipality's financial assets and liabilities. A negative number indicates that a municipality's total liabilities exceed its total assets.



Key Financial Indicators

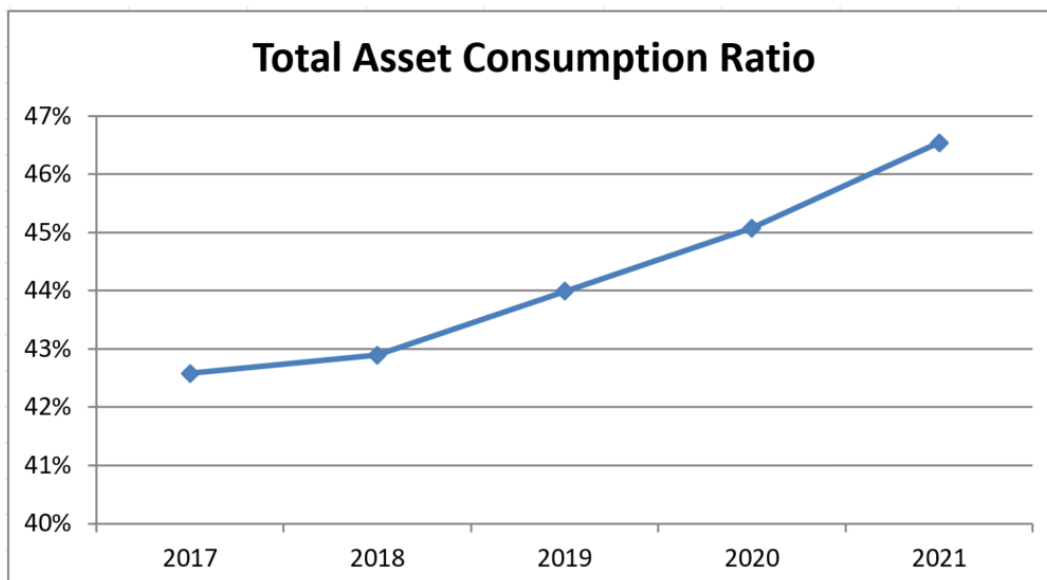
Indicator 2: Net Financial Liabilities Ratio

Net Financial Liabilities ratio is total liabilities minus assets as a percentage of own source revenues. It indicates the extent to which financial liabilities could be met by its operating revenue. A ratio greater than zero indicates that the municipality's total liabilities exceed the total assets.



Indicator 3: Asset Consumption Ratio

This provides an estimate of the useful life remaining in the municipality's capital assets. It shows the value of the tangible capital assets that have been consumed and seeks to highlight the aged condition of the assets and the potential asset replacement needs. The MMAH considers a ratio of 25% or under to be relatively new; 26%-50% to be moderately new; 51%-75% to be moderately old and over 75% to be old.



Key Financial Indicators

FLEXIBILITY – The ability to issue debt responsibly without impacting the credit rating. Also, the ability to generate required revenues.

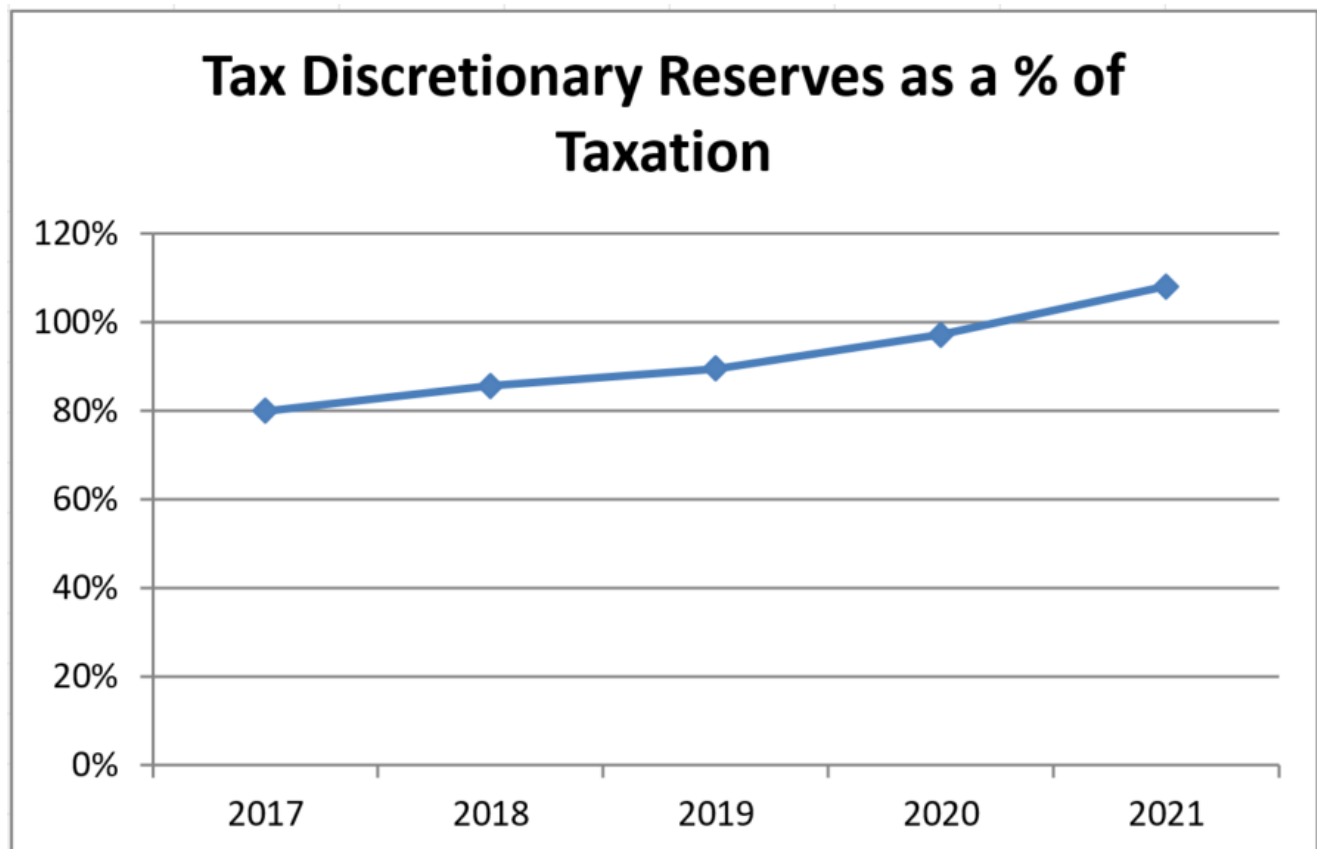
Indicator 4: Reserves

Reserves are a critical component of a municipality's long-term financial plan. Reserves offer liquidity which enhances the municipality's flexibility in addressing operating requirements and in permitting the municipality to temporarily fund capital projects internally, allowing it time to access debt markets and take advantage of favourable conditions.

Three financial indicators have been included for tax reserves. In each case, the obligatory reserve funds have been excluded.

I. Tax Discretionary Reserves as a % of Taxation

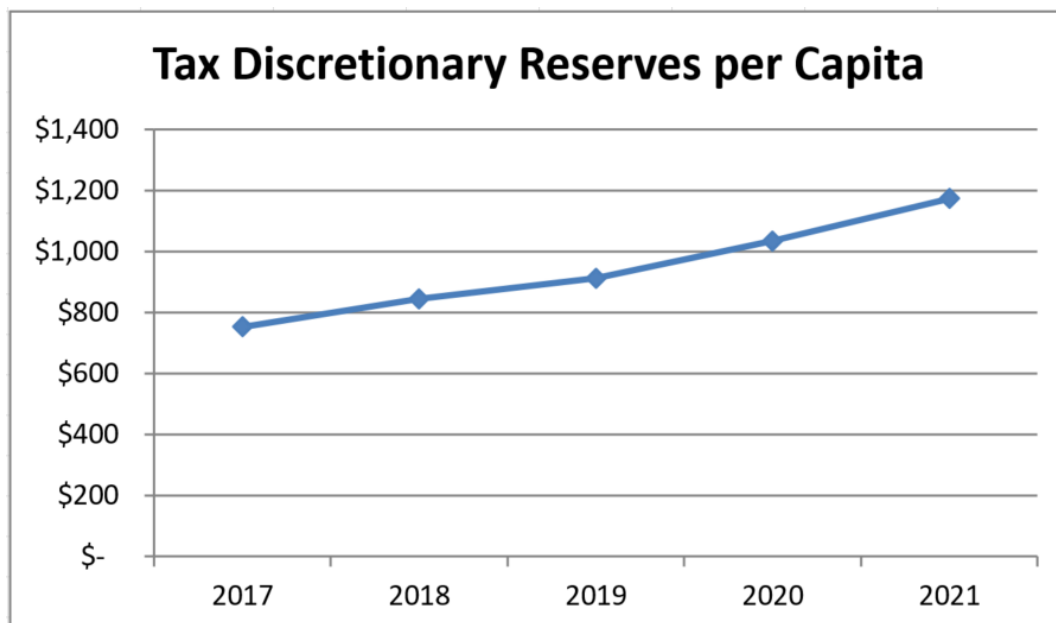
This provides the total tax discretionary reserves and reserve funds in relation to total taxation.



Key Financial Indicators

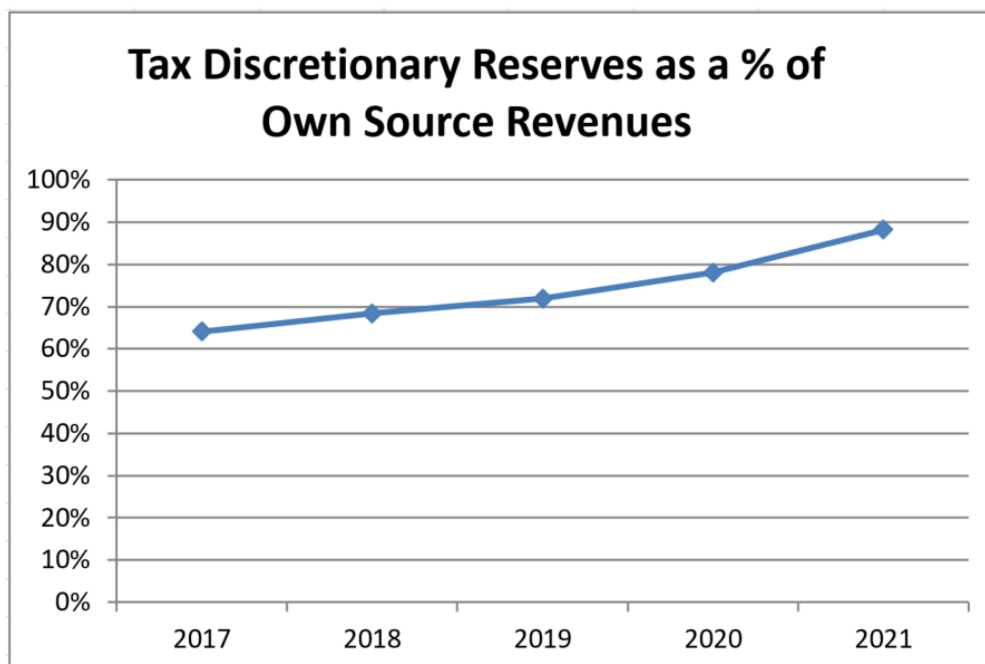
II. Tax Discretionary Reserves per Capita

This provides the total tax discretionary reserves in relation to the population.



III. Tax Discretionary Reserves as a % of Own Source Revenues

This shows the total value of funds held in reserves and reserve funds compared to a single year's own source revenue. It is a strong indicator of financial stability.



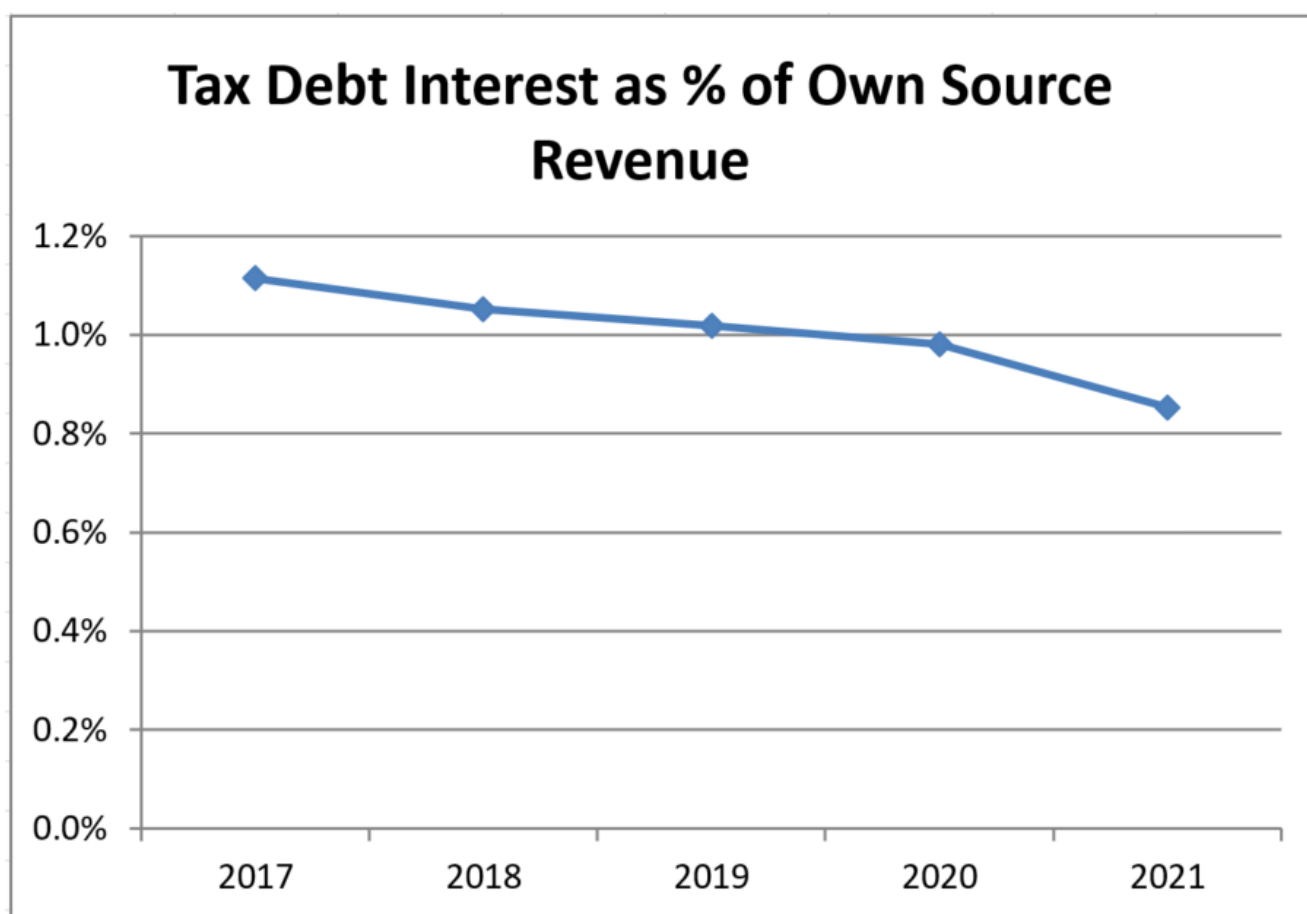
Key Financial Indicators

Indicator 5: Debt

There are five financial debt indicators that have been included in the analysis to provide a clear understanding of the overall debt outstanding and the debt servicing costs.

I. Tax Debt Interest as % of Own Source Revenue

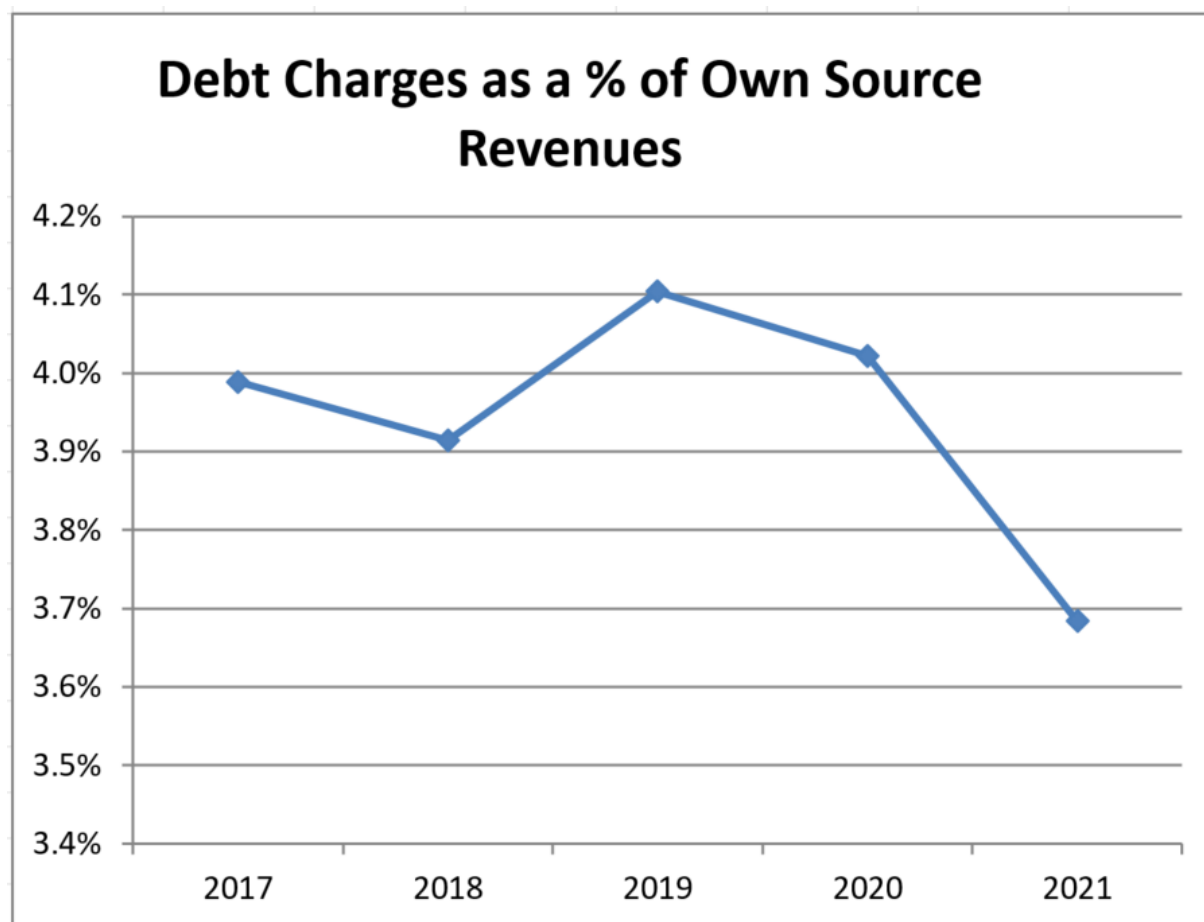
This ratio indicates the extent to which the municipality's own source revenues are committed to debt interest charges.



Key Financial Indicators

II. Debt Charges as a % of Own Source Revenues (Debt Service Ratio)

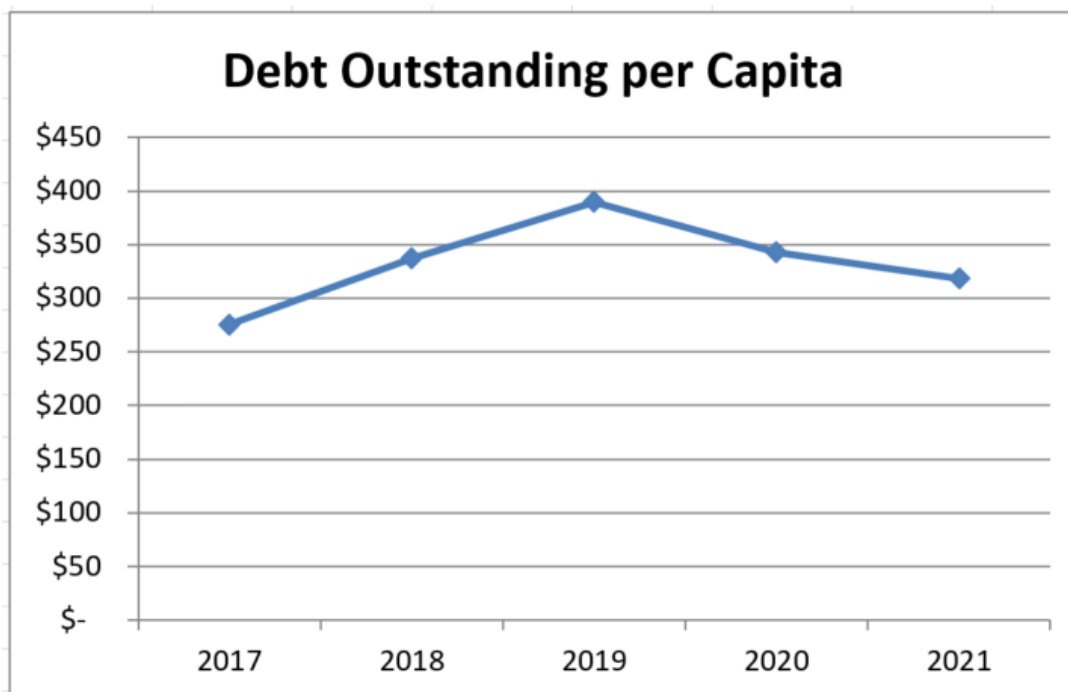
Debt service is the amount of principal and interest that a municipality must pay each year to service the debt. As debt service increases it reduces expenditure flexibility. This shows the % of total debt expenditures, including interest as a % of own source revenue. It is a measure of the municipality's ability to service its debt payments. Credit rating agencies consider that principal and interest should be below 10% of own source revenue.



Key Financial Indicators

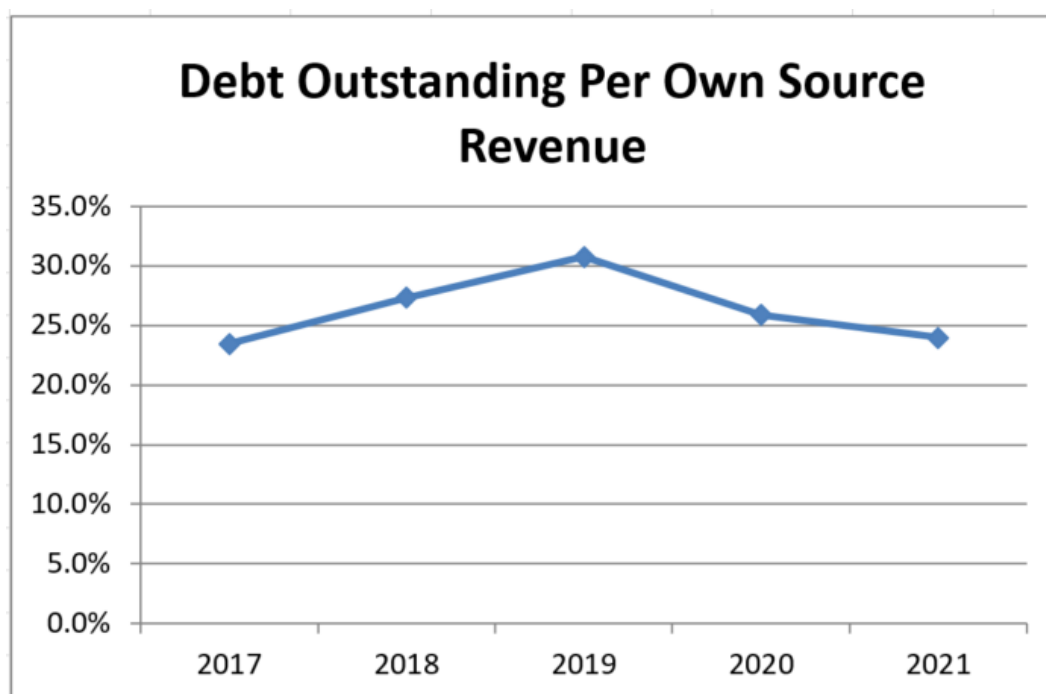
III. Debt Outstanding per Capita

This provides the debt outstanding divided by the population.



IV. Debt Outstanding Per Own Source Revenue

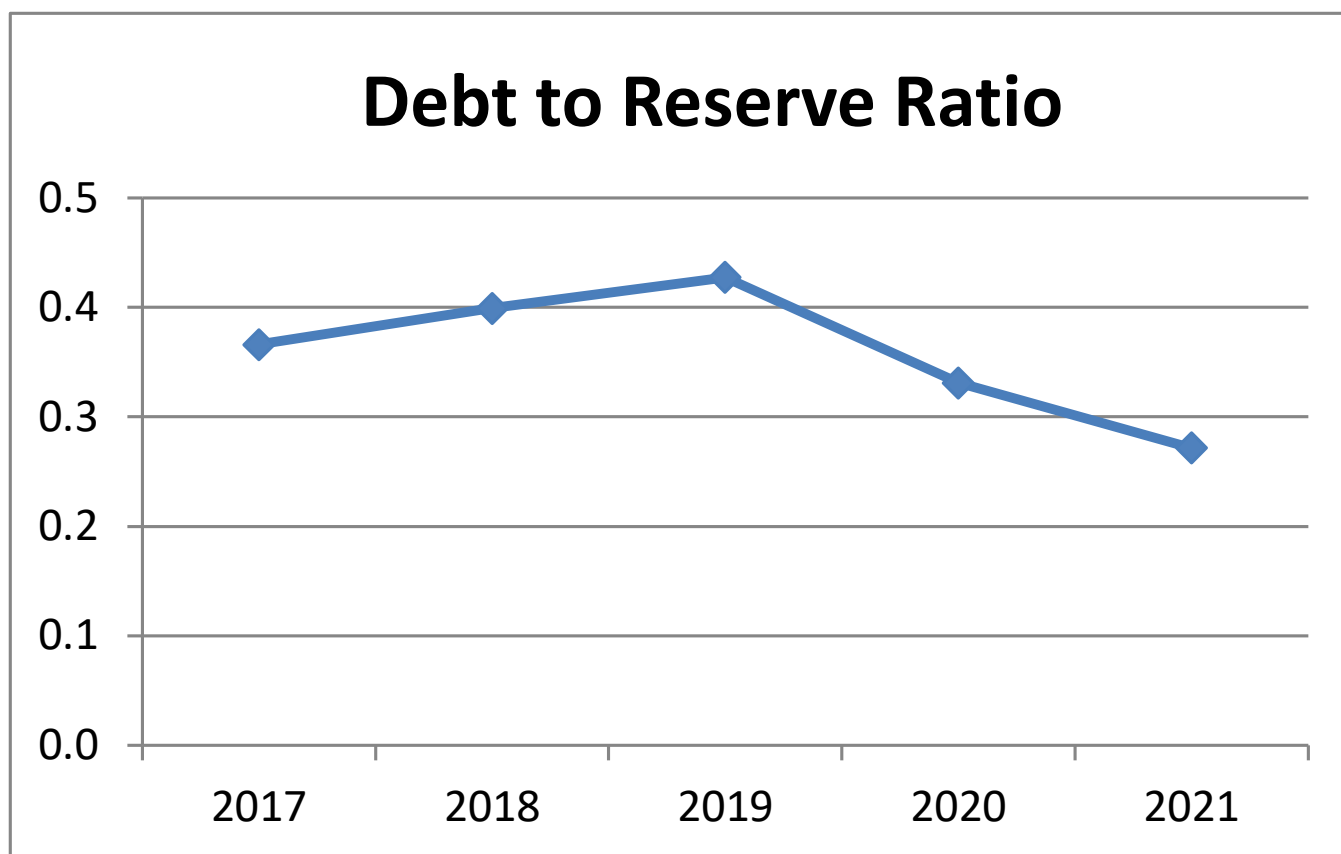
This provides the debt outstanding divided by the municipality's own source revenues.



Key Financial Indicators

V. Debt to Reserve Ratio

This measure reflects the amount of debt outstanding divided by a municipality's reserves and reserve funds. A measure above 1.0 indicates that a municipality has more long-term debt than reserves.



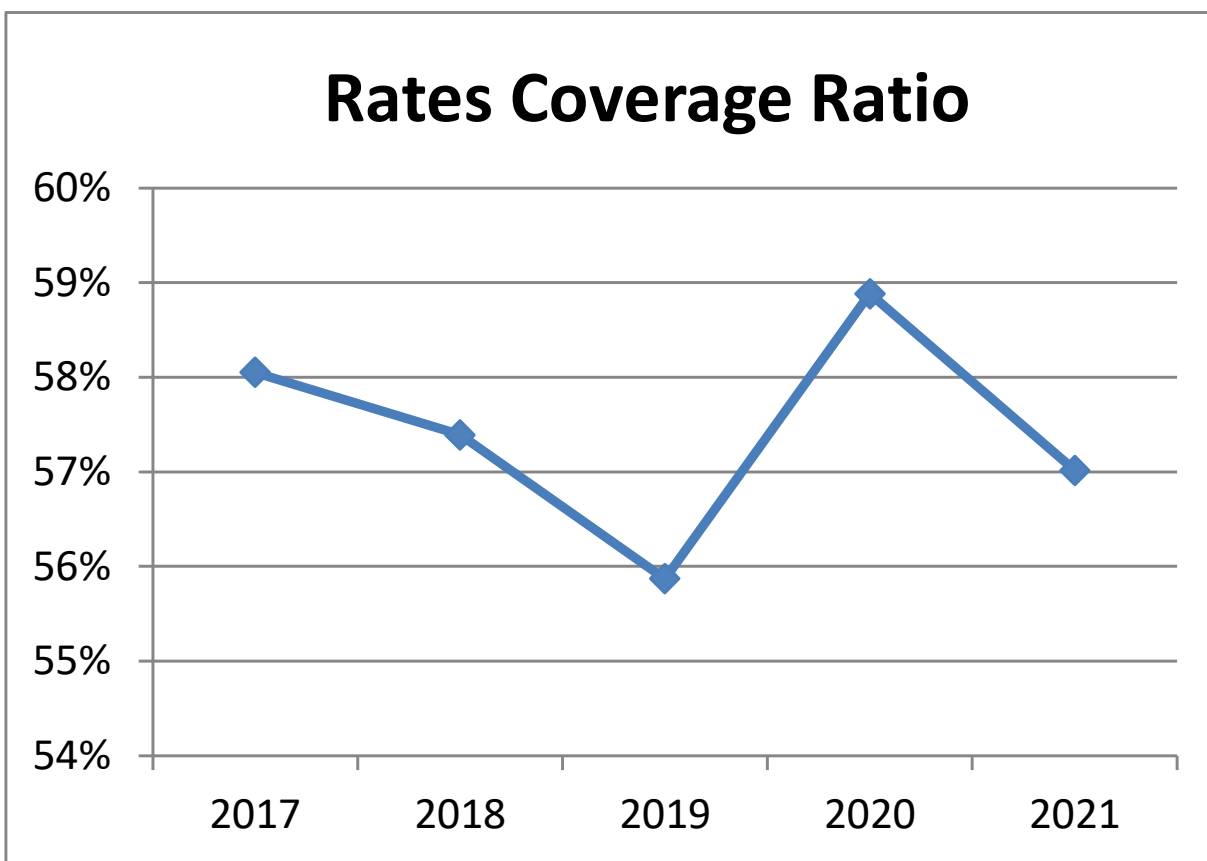
Key Financial Indicators

VULNERABILITY – Addresses a municipality’s vulnerability to external sources of funding that it cannot control and its exposure to risks.

Indicator 6: Rates Coverage Ratio

The Rates Coverage Ratio provides a measure of the municipality’s ability to cover its costs through its own sources of revenue. It measures own source revenue as a % of total expenditures.

According to the MMAH, a basic target is 40%-60%; an intermediate is 60%-90% and an advanced target is 90% or greater.



Management Discussion and Analysis

Management and Auditor Responsibilities

Management at the County of Wellington is responsible for the accuracy of the data presented in the 2021 Annual Financial Report and the completeness and fairness of the financial statements, including all disclosures (see signed management report—Pages 66-67).

The purpose of management's financial discussion is to analyze and comment on the principal features of the 2021 audited financial statements and to highlight key financial results that occurred during the year. This discussion allows readers to assess the County's financial activities and available resources.

More generally, the 2021 Annual Financial Report serves to provide stakeholders with full access to the County's financial statements with supplemental information, both financial and non-financial, that provides readers with a detailed view of the year's activities.

The presented financial statements and accompanying notes meet the accounting principles and disclosure requirements of the Chartered Professional Accountants of Canada guidelines included in the CPA Canada Public Sector Accounting Handbook. The financial statements have been examined by KPMG, LLP Chartered Professional Accountants, the external auditors for the Corporation of the County of Wellington. The responsibility of the external auditor is to express an opinion on whether the financial statements are fairly represented, in all material respects, in accordance with Canadian generally accepted accounting principles.

Financial Policies

As discussed in the Report from the County Treasurer, the County follows financial policies to govern budgeting and finance activities. These policies are regularly updated to reflect applicable legislation and internal procedures.

In March of 2021 the **Purchasing Policy** was updated to reflect current procurement process and practices such as increasing staff's approval authority to award contracts, documenting changes to informal and non-competitive procurement methods, the addition of a **Corporate Credit Card Policy** and updates related to Contract Risk Management.

In June of 2021 the **Reserve and Reserve Fund Policy** was updated to document roles and responsibilities and recommend reserve and reserve fund targets to ensure adequate reserve and reserve fund balances are maintained and are in alignment with the County's **Long-Term Financial Sustainability Strategy** and **Asset Management Plan**.

In October of 2021, the **Budget Management Policy** was created to consolidate the previously separate Budget, Review, Approval and Amendment Policy, the Budget Variance Reporting Policy and the Year End Accounting Policy. As well, aspects related to the capital budget were removed from the former Capital Budget, Lease Financing and Debt Management Policy and included in this new policy. This consolidation now provides a single document that clearly outlines the processes by which the County develops and manages its annual budget and ten-year plan as well as incorporating municipal budgeting best practices.

Once all aspects of capital budgeting were removed from the former Capital Budget, Lease Financing and Debt Management Policy were complete, this policy was renamed the **Debt Management Policy** to more accurately reflect the Policy contents which establish the principles governing the financing of the County's long term infrastructure and facility requirements.

In January of 2022, County Council approved a new **Insurance and Claims Management Policy** that formalizes the County's efforts to minimize risk exposure and provide staff with direction and resources on how to manage claims and an overview of what insurance coverages are.

Management Discussion and Analysis

The Treasury Department has also developed policies and procedures for:

- Long-Term Financial Sustainability
- Cash and Investment Management
- Assessment Base Management
- Property Tax
- Accounting for Tangible Capital Assets
- Strategic Asset Management
- Corporate Fraud and Risk Management
- Development Charge Interest
- Donation Policy
- User Fee Policy

Asset Management Planning

The County owns and operates approximately \$1.2 billion in assets that deliver services to the Community. The following services are supported by the Asset Management Programme at the County:

- Transportation – Roads, Bridges and Culverts (Core Assets)
- Storm Water Management – Ditches, Storm Water Pipes, Catch Basins (Core Assets)
- Facilities Management – Social Housing, Libraries, County Offices, Public Works Yards
- Fleet Management – Vehicles and Equipment
- Solid Waste Management – Landfill Sites and Waste Facilities
- Technology and Communications – Hardware, Software and Communication Infrastructure

The County continues to focus Corporate Asset Management Programme activities on best practices and compliance with the Provincial Asset Management Planning Regulation (O. Reg 588/17). The compliance timelines and status within the regulation are reflected in the table below:

Date	Requirement	Description	Status
July 1, 2019	Strategic Asset Management Policy	Identifies municipal goals the asset management plan supports, how the budget is informed, asset management planning principles, climate change, and a commitment to provide opportunities for stakeholder input.	Complete
July 1, 2022	Asset Management Plan (Core Assets)	The plan must address current levels of service and the associated costs of maintaining that service for roads, bridges, culverts and storm water assets.	Complete
July 1, 2023	Asset Management Plan (All Assets)	The plan must address current levels of service and the associated costs of maintaining that service for all municipal assets.	In Progress
July 1, 2025	Proposed Levels of Service	Builds on the 2023 requirement by including a discussion of proposed levels of service, the activities required to meet those proposed levels, and a strategy to fund those activities.	

Management Discussion and Analysis

Asset Management Planning cont'd

In 2021, the County completed the following major asset management initiatives:

- The County continued to work collaboratively on Asset Management initiatives by working with its Asset Management Working Groups to review opportunities in asset management planning and coordinated service delivery

Working Group	Membership
Internal Asset Management Working Group	Representatives from County of Wellington internal departments including: Roads, Solid Waste Services, Housing, Planning, Libraries, Museum, Long-Term Care, and Property Services
External Asset Management Working Group	Representatives from County of Wellington member municipalities and neighbouring communities (including City of Guelph and Township of Woolwich)

- Completed Asset Management Programme Development Initiative, including:
 - State of Maturity Assessment Report
 - Levels of Service Frameworks
 - Condition Protocols Programme
 - Risk Framework and Report
- Completed second phase of CityWide asset and maintenance manager software implementation
- Completed the Asset Management Plan for Core Assets as required under Ontario Regulation 588/17
- Created initial Capital Projects Mapping Dashboard
- Continued to prepare for compliance with the upcoming accounting standard for asset retirement obligation (PSAB 3280)
- Continued working with internal departmental Asset Management reps in their expanded roles to move forward with recommendations from State of Maturity Report
- Completed Canada's Core Public Infrastructure Survey for 2020

Management Discussion and Analysis

Financial Statements Discussion and Analysis

2021 Financial Highlights

Total consolidated revenue for 2021 is \$263 million compared to total expenses of \$238 million resulting in a net revenue of \$24 million (2020 — \$18 million) which is used to fund capital assets and also to contribute to reserve and reserve funds. Reserve and reserve fund balances increased by almost \$15.5 million over 2020.

As well the County repaid \$3.8 million in long-term debt in 2021. The County's debt servicing costs of \$5.0 million are only 3.7% of own source revenues which is well below the 2021 prescribed limit of 25% or \$31.4 million (MMAH 2019 Financial Information Return Data).

The County of Wellington continued to maintain its strong financial position in 2021 with an accumulated surplus of \$534.3 million (an increase of 4.76%). The accumulated surplus on the Consolidated Statement of Financial Position is a key measure of the County of Wellington's financial strength and long-term sustainability. Accumulated surplus consists of Financial Assets and Non-Financial Assets.

While the large majority of the accumulated surplus is related to non-financial assets such as the County's infrastructure, which is used to support service delivery, the greatest growth in 2021 was related to financial assets with an increase of 36.8% over 2020.

(in thousands of dollars)	2021	2020	Change	% Change
Net Financial Assets	\$97,636	\$71,380	\$26,256	36.8%
Non-Financial Assets	\$436,645	\$438,608	(\$1,963)	(0.45%)
Accumulated Surplus	\$534,281	\$509,988	\$24,293	4.76%

Consolidated Statement of Financial Position

Net Financial Assets

(in thousands of dollars)

Net Financial assets is the amount by which all assets exceed all liabilities and represents the County's ability to meet its future obligations. The County ended the year with a net financial asset position of \$97.6 million, a 36.8% increase (or \$26.3 million) from the prior year. The increase in financial assets of \$26.3 million was offset by a minor increase in liabilities of \$0.9 million. The largest contributors to the change was the increase in the County's cash and cash equivalents (\$9.6 million) and portfolio investments (\$16.7 million), an increase in deferred revenue (\$1.0 million) and the Landfill Site Closure and Post Closure Liability (\$1.6 million) offset by a decrease in Net Debentures and Loans (\$2.0 million).

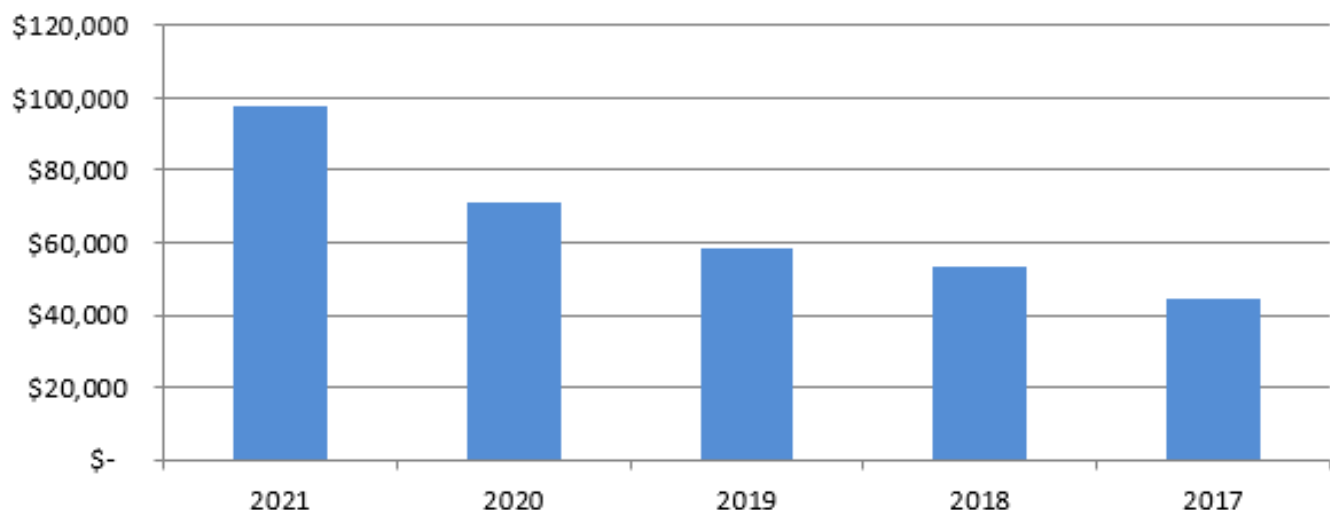
Management Discussion and Analysis

Net Financial Assets (cont'd)

(in thousands of dollars)	2021	2020	Change	% Change
Financial assets	\$ 181,507	\$ 154,380	\$ 27,127	17.6%
Less liabilities	83,871	82,999	872	1.1%
Net financial assets	\$ 97,636	\$ 71,381	\$ 26,255	36.8%

The following chart illustrates the five-year trend in net financial assets.

Net Financial Assets (in thousands of dollars)



Financial Assets

In 2021, the County's financial assets increased by \$27.1 million, mostly due to the increase in cash and cash equivalents and portfolio investments as previously mentioned. As well, there was an decrease in loans receivable of \$0.22 million due to the repayment of loans related to cost sharing agreements with the Township of Centre Wellington of \$0.03 million and the Keep Well—Emergency Business Sustainability Fund of \$0.194 million.

Portfolio Investments

Portfolio investments include all investments with an original maturity date of more than three months. The county uses a "laddering strategy" to maintain a relatively consistent amount of maturities each year. This helps to maintain a competitive rate of return, reduce risk and ensure cash is available to coincide with future expected use of reserves and reserve funds.

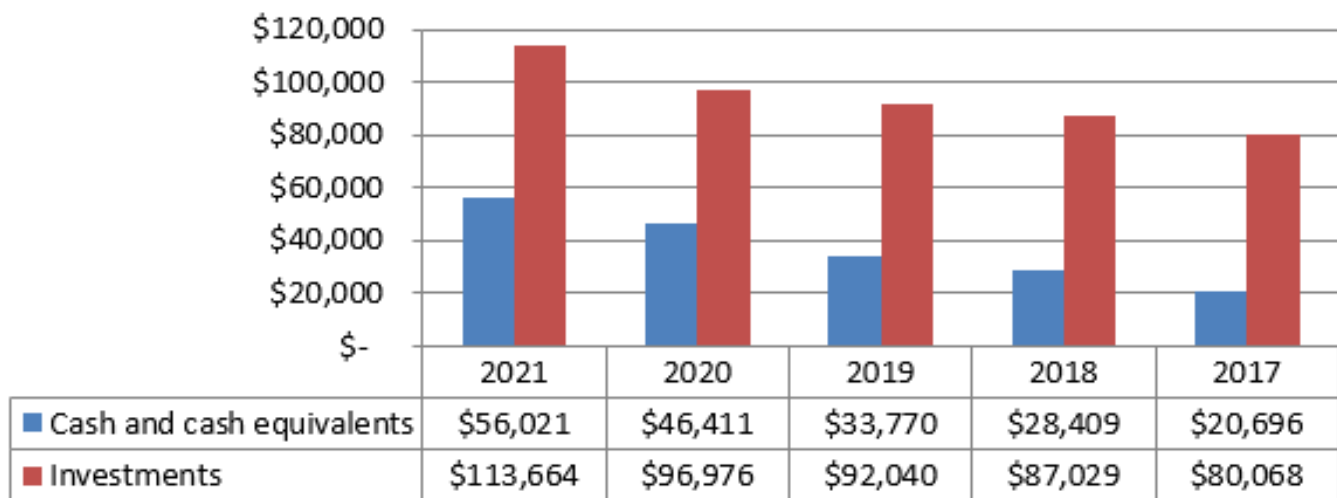
Management Discussion and Analysis

Portfolio Investments (cont'd)

For 2021, the weighted average yield to maturity for all portfolio investments was 2.5%, generating \$2.86 million in investment income (2020 — \$2.91 million). Higher cash balances were held in 2021 as a contingency for impacts due to the pandemic and record low investment yields. The County continued to invest in Principal Protected Notes (PPNs) and the One Investment Equity Fund in order to improve investment returns. The total investment in PPNs at December 31, 2021 was \$13.8 million (2020— \$6.8 million). The market value of the County's investment in the One Investment Equity Fund at December 31, 2021 was \$8.75 million (2020 — \$7.3 million).

Cash and investment holdings at year-end are compared over the past five years in the following graph:

Cash and Investment Positions at December 31, 2021 (in thousands of dollars)



Liabilities

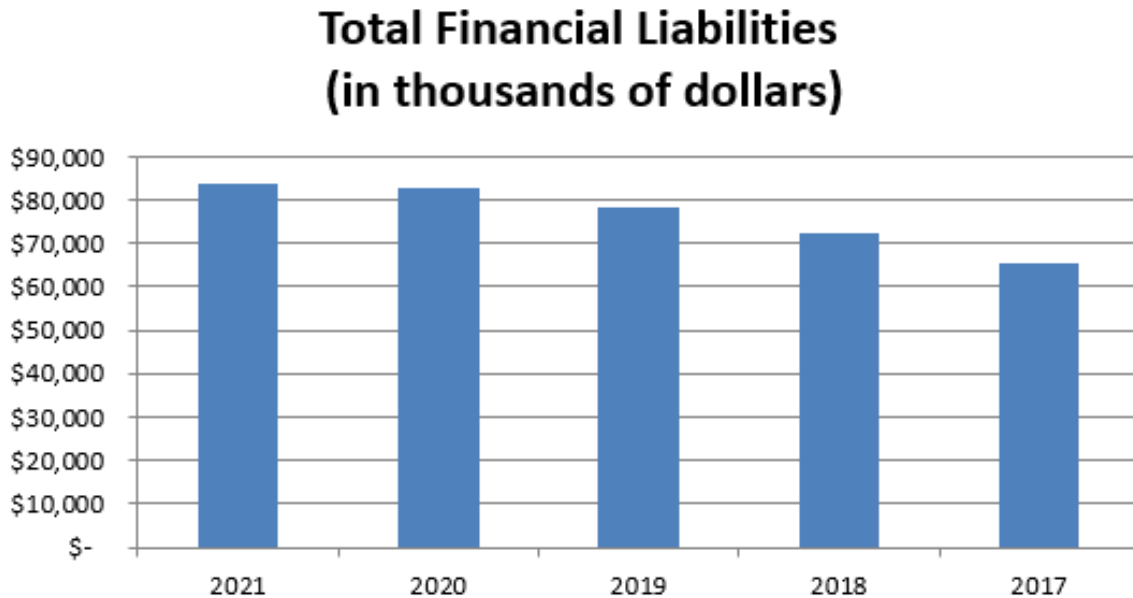
Financial liabilities increased by \$0.87 million in 2021 with the balance of this increase is due to an increase in Deferred Revenue of \$1.0 million and an increase in the Landfill Site Closure and Post Closure Liability of \$1.58 million offset by a decrease in Net Debentures and Loans of \$2.02 million.

A major reason for the increase in deferred revenue is an increase in Development Charge collections of \$2.24 million offset by increased spending. The Landfill Liability increased by \$1.58 million and this is largely due to an increase in the cash flow forecast period from 25 to 30 years in order to capture significant costs associated with the expected closure of Riverstown Landfill Site Phase 2 in 2050.

Management Discussion and Analysis

Liabilities (cont'd)

The chart below outlines the trend in financial liabilities over the previous five years:



Debt

Long-term liabilities at December 31, 2021 has decreased to \$32.6 million from \$34.6 million last year. These amounts include \$32.2 million in debentures payable for 2021 (\$34.1 million in 2020) as well as the long-term mortgage payable for Wellington Housing Corporation (WHC) held by the Canadian Mortgage and Housing Corporation with a carrying amount of \$0.36 million in 2021 (\$0.49 million in 2020).

The decrease in long-term liabilities is due to principal repayment of \$3.85 million offset by a new debt issue in 2021 of \$1.825 million to fund growth related capital costs associated with the Roads capital project: WR 46 (WR34—401). Guidelines established by the Ministry of Municipal Affairs and Housing (MMAH) state that total debt charges (principal and interest) cannot exceed 25% of own source revenues. Based on Financial Information Return information from 2019, 25% of the County's own source revenue was \$31.4 Million. Debt servicing costs for 2021 were \$5.0 million which is well below the guideline set by the MMAH.

The County also has additional self-imposed limitations:

- Maintain tax-supported direct debt to adjusted operating revenue at less than 30%: 2021—14.4%
2020—16.2%
- Maintain an interest payment (includes lower tier per S&P) to adjusted operating revenues of less than 5%: 2021—0.77% 2020—1.3%
- Maintain a direct debt to reserve ratio of 0.75:1: 2021—0.27:1, 2020—0.33:1

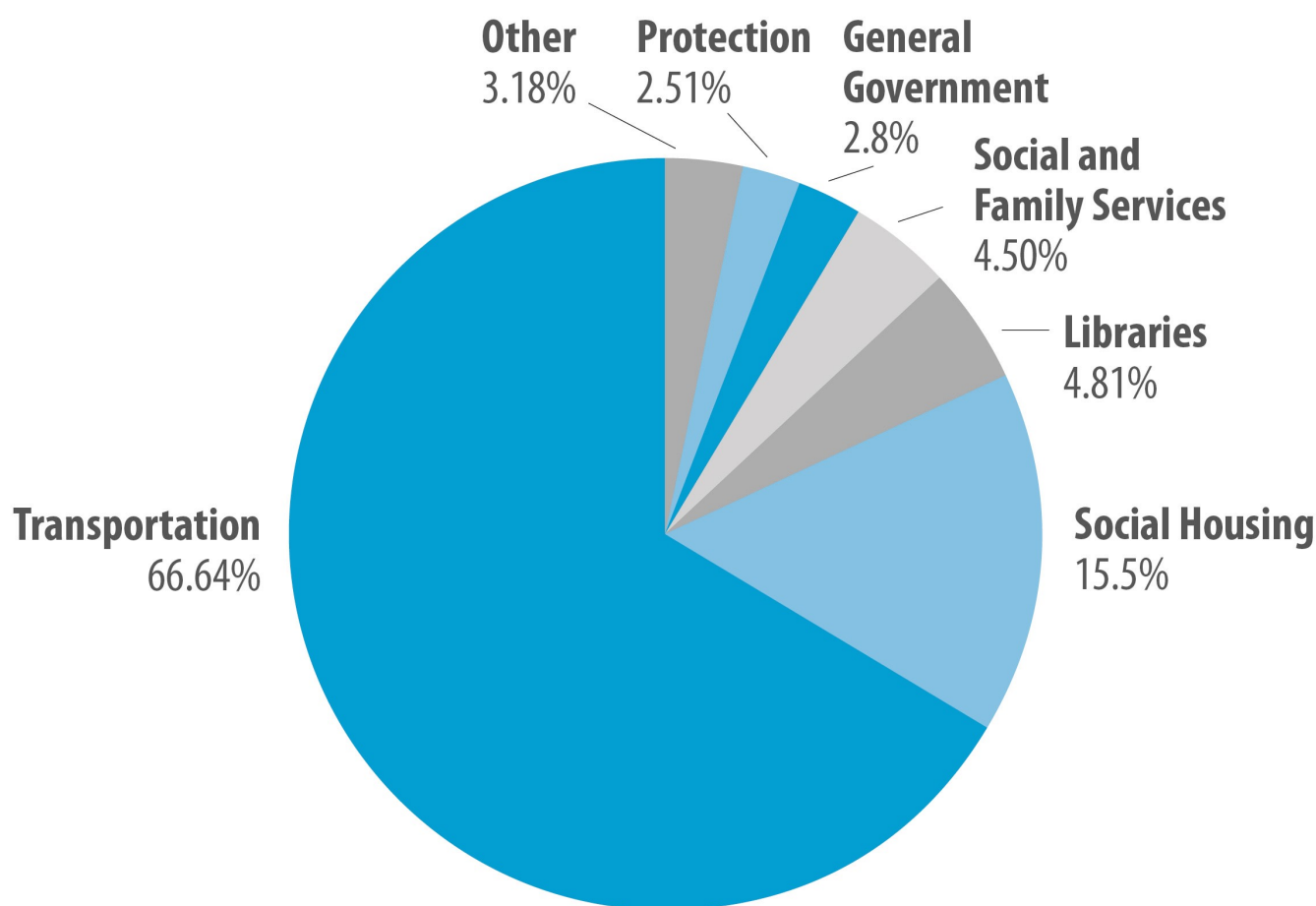
The County remains well within these additional restrictive guidelines and demonstrates responsible debt management practices.

Management Discussion and Analysis

Non-Financial Assets

Total non-financial assets, primarily consisting of tangible capital assets, decreased by 0.45% over 2020 equating to a decrease of almost \$2.0 million including a \$0.97 million decrease in the net book value of tangible capital assets. For Tangible Capital Assets specifically, the annual amortization expense was slightly higher than the cost of new additions as effects of the pandemic resulted in delays in capital investment.

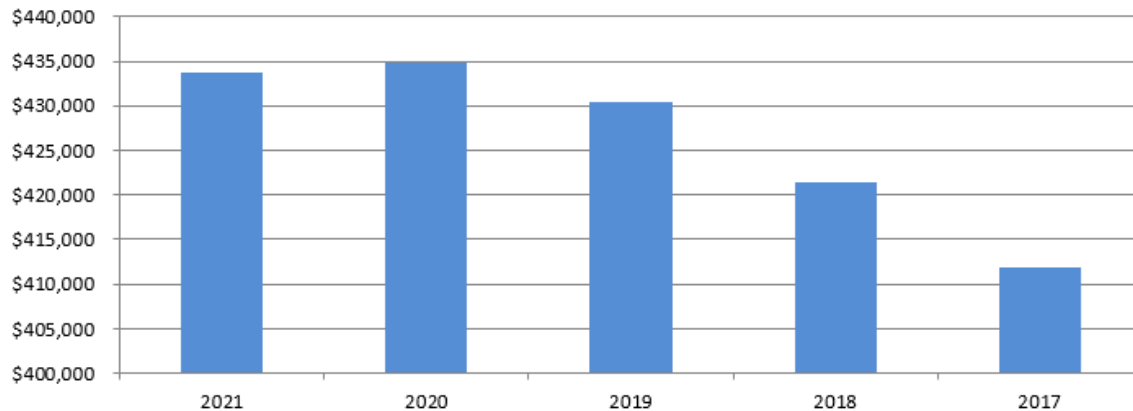
The pie chart below provides the breakdown of 2021 tangible capital assets by the function they support.



Management Discussion and Analysis

The chart below shows the tangible capital asset growth trend over the previous five years.

Tangible Capital Assets
(in thousands of dollars)



(in thousands of dollars)	2021	%	2020	%	Change	% Change
Land and landfill sites	\$ 34,966	8%	\$ 34,477	8%	\$ 489	1.4%
Buildings	123,959	29%	125,918	29%	(1,959)	-1.6%
Infrastructure	234,481	54%	234,238	54%	243	0.1%
Vehicles, machinery and other	20,094	5%	21,429	5%	(1,335)	-6.2%
Assets under construction	9,195	2%	7,763	2%	1,432	18.4%
Public health and WHC	11,117	3%	10,955	3%	162	1.5%
	\$ 433,813	100%	\$ 434,781	100%	\$ (968)	-0.2%

In 2021, the 1.5% increase in Public Health and Wellington Housing Corporation (WHC) assets is related to the completion of site work surrounding the four new affordable housing units. Assets under construction increased by approximately 18.4% and vehicles, machinery and other was lower by 6.2% as supply chain issues continued because of the pandemic.

Accumulated Surplus

Overall, the County has maintained a strong accumulated surplus with a total of \$534 million, an increase of 4.7% from the prior year balance of \$510 million. The change in accumulated surplus arises from the annual excess of revenues over expenses for the year, representing \$24.3 million. This includes revenues used for the acquisition of assets.

It is critical for readers of the financial statements to understand that the term “accumulated surplus” cannot be construed as “cash or funds” available for spending, as the bulk of the value is non-financial assets and reflects the County’s investment in infrastructure which is used to deliver programmes and services. They are not assets which are surplus to operations and available to be liquidated.

Management Discussion and Analysis

Accumulated Surplus (cont'd)

A detailed breakdown of accumulated surplus (in thousands) is presented in Note 12 of the Consolidated Financial Statements. Summary information is included in the table below:

(in thousands of dollars)	2021	2020	Change
Reserves	\$ 96,511	\$ 81,718	\$ 14,793
Reserve funds	23,399	22,728	671
Investment in tangible capital assets	433,813	434,781	(968)
Invested in Capital Fund	25,229	15,869	9,360
Share of Public Health	1,327	1,050	277
Contingency Reserve Recovery of Keep Well Loan	661	855	(194)
Amounts to be recovered - from future revenues	(34,027)	(37,159)	3,132
Amounts to be recovered - from reserve funds	(12,631)	(9,853)	(2,778)
	\$ 534,282	\$ 509,988	\$ 24,293

Reserve and Reserve Fund balances have increased by \$15.5 million over 2020. This includes an increase of \$3.7 million in Contingency and Stabilization Reserves, \$11 million in Capital Reserves and \$0.7 million in Specific Purpose Reserve Funds. The significant \$11 million increase in Capital Reserves includes the \$5.7 million year-end budget surplus transfer to the Property Reserve as well as a \$2.1 million increase in the Housing Development Reserve and \$2.2 million increase in the Roads Capital Reserve. As well, a review of the County Reserves and Reserve Funds was completed in 2021 and some reserves were closed, consolidated or created. One newly created Specific Purpose Reserve Fund is the Post-Employment Benefit Reserve Fund with a balance of \$1.96 million which almost completely funds the related liability of \$1.97 million (not including the Public Health Unit).

The invested in capital fund value has increased by almost \$9.3 million over 2020. This amount represents reserve and reserve funds transferred to approved capital projects in accordance with the County Reserve and Reserve Fund Policy and annual approved operating and capital budgets. These transfers as well as transfers from the operating fund to capital may be made in advance of expenditures that can span across several years.

The share of Public Health represents the County's 32% share of the Wellington-Dufferin-Guelph Health Unit's Financial and Non-Financial Assets less Accounts Payable and Deferred Revenue (see Note 16).

The Contingency Reserve Recovery represents the amount of funds that will be repaid to this reserve as the Keep Well Loan payments are made until June 30th, 2026. The Contingency Reserve was identified as the funding source for the Keep Well Loan programme.

Management Discussion and Analysis

Accumulated Surplus (cont'd)

Amounts to be recovered from future revenues has decreased by \$4.6 million and is related to the \$2.0 million decrease in net debentures and \$1.9 million decrease in Post-Employment benefits as this is now funded from Reserve Funds.

Consolidated Statement of Operations

The Consolidated Statement of Operations is the municipal equivalent of the private sector's income statement, providing a summary of revenues and expenses throughout the year. The annual surplus reported on this statement represents the difference between the cost of providing the County's services and the revenues recognized for the year on an accrual basis. Budget figures represent capital and operating budgets combined as outlined in Note 20 of the financial statements.

Total revenue of \$262.6 million less total expenses of \$238.3 million has resulted in net revenue of \$24.3 million for 2021 and represents a \$6.3 million or 35.1% increase over 2020. Revenues increased over 2020 by \$17.6 million or 7.2% and expenditures increased by \$11.3 million or 5.0%.

Revenues

2021 Budget to Actual Comparative Analysis

Revenues (in thousands of dollars)	Budget	Actual	Variance	%Variance
Taxation (Note 13)	\$ 111,161	\$ 111,845	\$684	0.6%
Government transfers:				
Provincial (Note 14)	77,400	87,314	9,914	12.8%
Federal (Note 14)	10,598	8,183	(2,415)	-22.8%
Municipal	24,747	23,092	(1,655)	-6.7%
Fees and Service Charges	12,456	13,245	789	6.3%
Licenses, Permits, Rent	8,687	8,604	(83)	-1.0%
Interest, Donations, Other	3,321	7,111	3,790	114.1%
Development Charges Earned	692	3,179	2,487	395.4%
	\$ 249,062	\$ 262,574	\$ 13,512	5.4%

Management Discussion and Analysis

Revenues (cont'd)

The variances in the budget and actual columns are often related to differences in assumptions used. As Council-approved budgets are prepared to determine the levy requirements, they are primarily on a modified-accrual (or cash) basis. The actuals reported in the audited financial statements are following PSAB requirements, and are predominantly fully accrued transactions. These differences in reporting methodologies will always generate variances when compared to each other.

One significant factor is the timing of capital expenses and revenues being incurred in a different year from the budget year. For example, the development charge revenue budget is based on funds needed for 2020 capital projects. However, this assumes the capital project will be constructed and funded in the same year and this is regularly not the case. Development charges are not recognized as revenue until they are used to fund a capital project which could be a 2021 project or projects budgeted in prior years and therefore a variance is incurred. In 2021, development charges recognized as revenue were \$3.18 million versus an adjusted 2021 capital budget of \$0.69 million. This applies to Canada Community Building Fund (CCBF) and Ontario Capital Infrastructure Fund (OCIF) funded capital projects as well. Funds are kept in obligatory reserve funds until related capital expenditures occur and Government Transfer revenue is recognized in the consolidated financial statements. In 2021, CCBF funding of \$4.6 million was earned and \$3.17 million of OCIF funding was earned.

Note 20, "Budget Data" provides a reconciliation of the 2021 operating and capital budgets approved by Council on January 27, 2021 plus Council approved net capital budget amendments made in 2021 in the amount of \$3.8 million (2020—\$174,000).

Year Over Year Comparative Analysis

Revenues (in thousands of dollars)	2021	2020	Change	% Change
Taxation (Note 13)	\$ 111,845	\$ 108,337	\$ 3,508	3.2%
Government transfers:				
Provincial (Note 14)	87,315	78,233	9,091	11.6%
Federal (Note 14)	8,183	6,113	2,070	33.9%
Municipal	23,092	26,012	(2,920)	-11.2%
Fees and Service Charges	13,245	11,523	1,722	14.9%
Licenses, Permits, Rent	8,604	8,584	20	0.2%
Interest, Donations, Other	7,111	3,743	3,368	90.0%
Development Charges Earned	3,179	2,419	760	31.4%
	\$ 262,574	\$ 244,954	\$ 17,619	7.2%

Management Discussion and Analysis

Revenues (cont'd)

Total revenue reported for the year 2021 was \$262.6 million, an increase of \$17.6 million over last year's amount of \$245.0 million. The increase in taxation revenue of \$3.5 million is consistent with the increased 2021 levy requirement approved by Council plus higher than expected supplementary tax and omitted taxes by \$1.3 million and lower net tax write-offs by \$0.3 million.

As well, Provincial Transfers were higher in 2021 by \$9.1 million due in part to higher COVID related funding of \$10.4 million (2020 - \$8.2 million), higher funding for Public Health of \$9.7 million (2020—\$6.8 million), and higher Ontario Community Infrastructure revenue earned of \$3.2 million (2020—\$0.6 million). The Ontario Works Benefit Subsidy was \$3.8 million lower than prior year due to lower caseloads.

In 2021, \$4.6 million of Federal Canada Community Building fund revenue was spent versus \$2.7 million in 2020. The County also received a donation of a building in 2021 to be used for social housing purposes valued at \$3 million which is treated as revenue. As well, there was higher spending of development charges on growth related capital by \$0.8 million over 2020.

Expenses

2021 Budget to Actual Comparative Analysis

Amortization is a non-cash item and was not included in the approved budget, however, it has been included in the consolidated financial statements budget based on estimated annual amortization presented to Council prior to budget approval per Ontario Regulation 284/09. The estimated 2021 amortization included in the financial statement budget is \$26.0 million, while the actual amortization expensed in 2021 was \$25.4 million, a difference of \$0.6 million.

Expenses	Budget (includes amortization)	Actual	Variance
General Government	\$ 23,671	\$ 20,444	\$ 3,227
Protection Services	19,626	19,867	(241)
Transportation Services	31,315	32,507	(1,192)
Environmental Services	13,270	14,480	(1,210)
Health Services	17,300	18,607	(1,307)
Social Housing	34,953	43,027	(8,074)
Social and Family Services	77,250	74,279	2,971
Library	8,961	8,709	252
Museum	2,573	2,504	69
Planning and Development	4,335	3,858	477
	\$ 233,254	\$ 238,282	\$ (5,028)

Management Discussion and Analysis

Expenses (cont'd)

For 2021, \$8.0 million worth of expenses originally budgeted as capital were expensed to operating versus \$5.1 million in 2020. These expenses include \$2.7 million worth of COCHI and OPHI grant related community social housing, \$1.3 million related to roads pavement patchwork and mill and pave, \$1.0 million related to Armstrong Bridge as the asset ownership will be transferred to the Township of Guelph/Eramosa, \$0.6 million related to County owned social housing retrofits, and \$0.3 million related to a Storm Water Condition Review.

On the other hand, in 2021, \$1.6 million worth of expenses budgeted in operating were actually capitalized compared to \$1.2 million in 2020. This includes capitalization to pools for desktop, laptop, data centre and network storage expenses as well as library expenses related to capitalized library collection purchases.

Year Over Year Comparative Analysis

For 2021 there is a \$11.3 million increase in expenses over 2020. This increase relates to increased social housing transfer payments, a full year of the environmental services expanded curbside collection contract, as well as increased Public Health expenses related to the community COVID vaccination efforts.

These are offset by reduced expenses in Ontario Works related to lower caseloads and in Planning due to staffing related savings and lower legal and consulting costs.

Expenses (in thousands of dollars)	2021	2020	Change	% Change
General Government	\$ 20,444	\$ 19,513	\$ 931	4.77%
Protection Services	19,867	19,191	676	3.52%
Transportation Services	32,507	32,172	335	1.04%
Environmental Services	14,480	11,498	2,982	25.93%
Health Services	18,606	14,945	3,661	24.50%
Social Housing	43,027	38,384	4,643	12.10%
Social and Family Services	74,279	76,155	(1,876)	-2.46%
Library	8,709	8,355	354	4.24%
Museum	2,504	2,590	(86)	-3.32%
Planning and Development	3,858	4,172	(314)	-7.53%
	\$ 238,281	\$ 226,975	\$ 11,306	4.98%

Management Discussion and Analysis

Expenses (cont'd)

The Wellington Terrace Long-Term Care facility had overspending in salaries and benefits, supplies and materials and purchased services directly related to pressures of the COVID-19 pandemic. However, these were offset by additional provincial funding.

Consolidated Statement of Change in Net Financial Assets

The purpose of the Statement of Change in Net Financial Assets is to assist financial statement users in fully understanding the nature of the County's financial activities in the period. The statement backs out all of the non-financial activity from the statement of operations (e.g. amortization, gains/losses, purchases and sales of assets). As a result, the financial impact on the surplus attributable to the change in net financial assets is an increase of \$26.3 million, compared to last year's increase of \$12.7 million. This is primarily attributable to the significant increase in cash and cash equivalents and portfolio investments balances as described in earlier sections.

Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows explains how the County financed its activities and met its cash requirements. It also details items not involving cash such as annual amortization and changes in estimated liabilities. This schedule reconciles the change in cash and cash equivalents from one year to another. The consolidated cash position of the municipality increased from \$46.4 million in 2020 to \$56.0 in 2021.

Factors contributing to the increase in cash position were:

- Cash used to acquire capital assets in 2021 was \$21.9 million (2020 - \$32.9 million)
- Long term debt issued of \$1.8 million
- Sale of County assets of \$0.5 million
- Loan repayments of \$0.22 million including Keep Well loans repayments of \$0.19 million and Township of Centre Wellington loans repayment of \$0.03 million (See Note 4)
- Decrease inventory of supplies and prepaid expenses of \$1.0 million

Factors contributing to a decrease in cash position were:

- Long-term debt repayment of \$3.8 million
- Increase in long-term investments of \$16.7 million
- Increase in accounts receivable of \$1.0 million

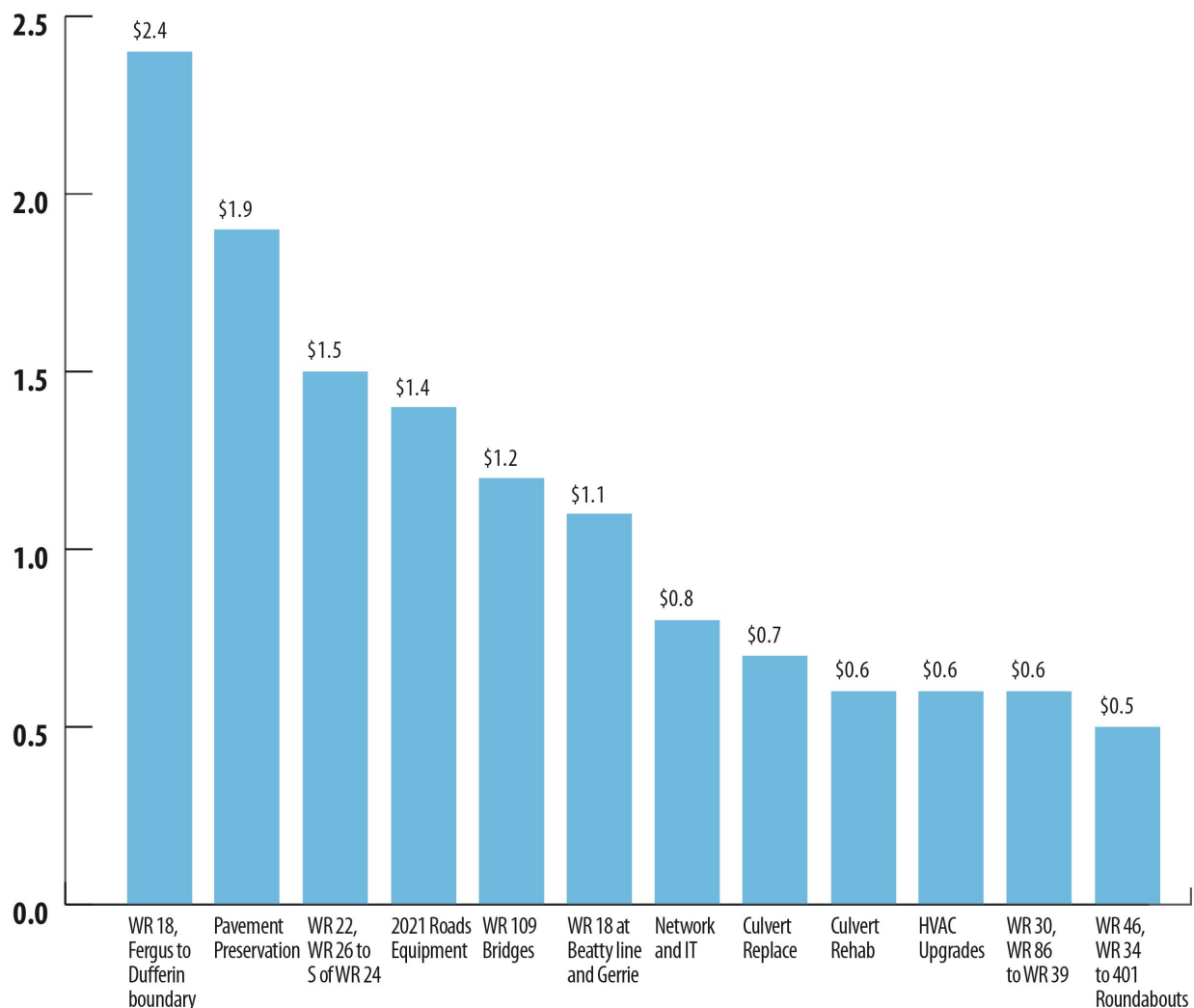
This means the County of Wellington had a net cash increase of \$9.6 million in 2021.

Management Discussion and Analysis

2021 Capital Financial Highlights

In 2021, the County had capital additions and betterments of approximately \$23 million (not including capital work-in-progress). The following major capital projects were capitalized at year-end:

- ◆ \$8.6 million in the rehabilitation and construction of County roads, bridges and culverts
- ◆ \$1.9 million in pavement preservation
- ◆ \$1.4 million in roads vehicle and equipment purchases
- ◆ \$0.8 million in network and IT Equipment upgrades
- ◆ \$0.6 million in mechanical and HVAC upgrades

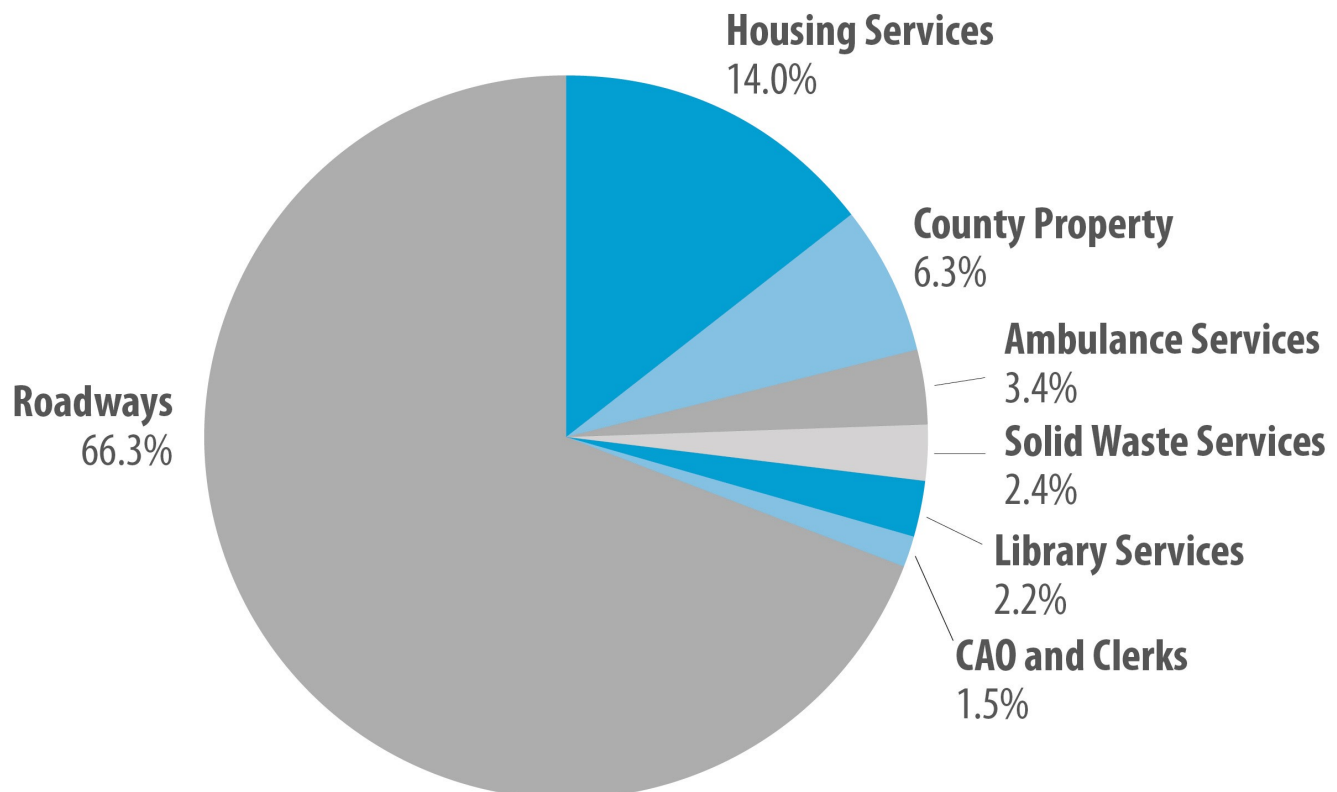


Management Discussion and Analysis

2022 Capital Budget and Forecast:

The County's 2022 Capital Budget and Ten-Year Plan highlights the following projects for the upcoming years:

- Investment of \$343 million in roads capital infrastructure and facilities over the next ten years, including \$87.9 million in roads resurfacing, \$65.0 million in roads construction, \$58.9 million in bridge rehabilitation and replacement and \$41.2 million for redevelopment of the Arthur, Erin, Brucedale, Harriston and Aberfoyle roads garages.
- Investment of \$45.8 million in Social Housing and \$23.9 million in affordable housing over the next ten years including \$42.6 million on the County Owned Housing Units and \$18.0 million on new affordable housing units.
- Investment of \$31.4 million in County Properties over the next 10 years, including \$28 million for an Administration Centre Expansion in 2028
- Investment of \$16.9 million in Ambulance capital projects over the next ten years, including \$10.8 million in new Ambulance Stations in the County and \$2.8 million in replacement ambulances.
- Investment of \$11.9 million in Solid Waster Services capital projects over the next ten years, including \$4.2 million in Equipment and \$2.3 million in the Riverstown Phase II Cell Development.
- Investment of \$11.2 million in Library capital over the next 10 years, including \$7.5 million from 2022-2024 for the construction of a new Erin Library branch.



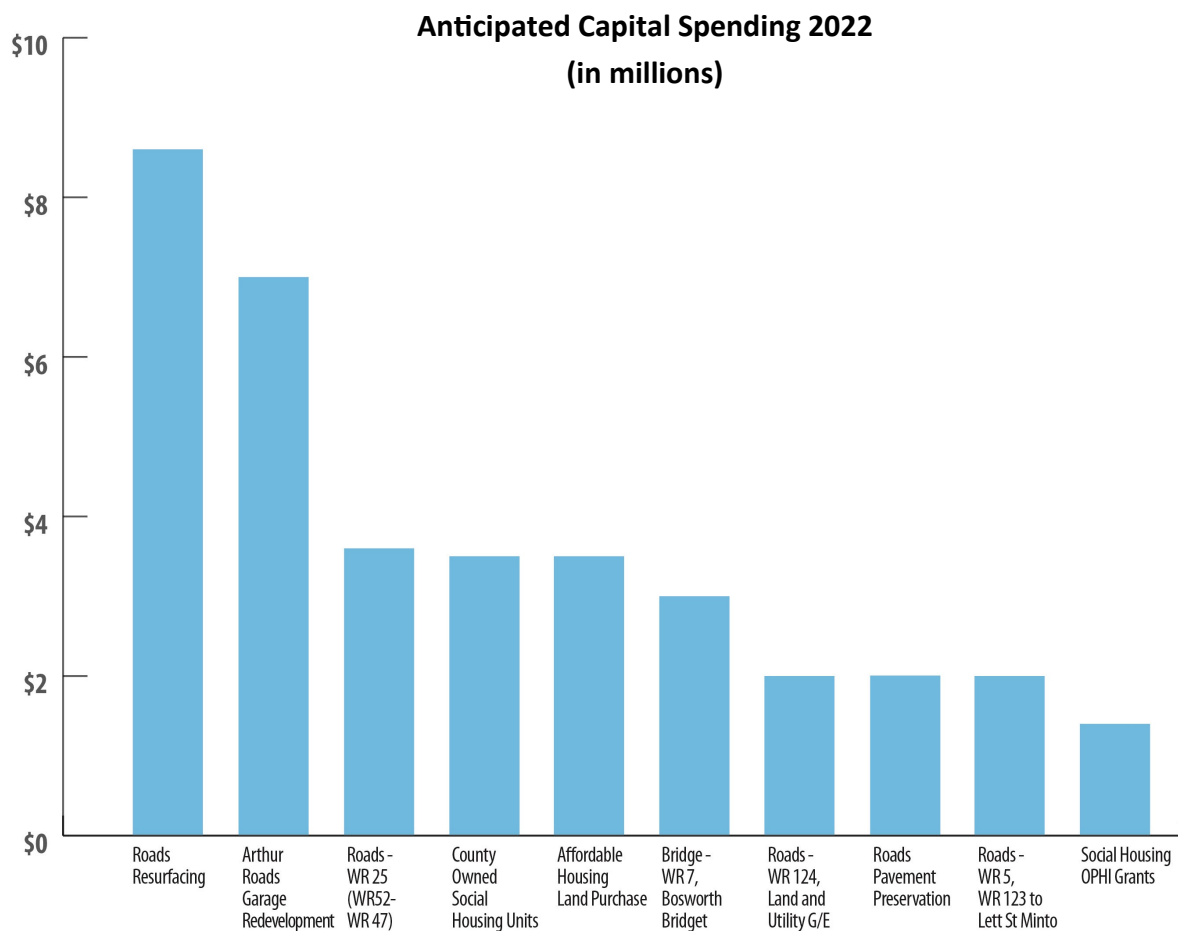
Management Discussion and Analysis

2022 Operating Budget

- Operating expenditure = \$248.9 million
- 2022 tax levy = \$113.5 million
- County tax impact = 2.0% which on average results in 1.1% on the total residential property tax bill
- Residential tax impact per \$100,000 of assessment = \$13

2022-31 Capital Budget Forecast

- Total 2022 capital investment = \$56.5 million
- Total ten-year capital investment = \$511.2 million
- New debt issues are projected to be \$64.2 million over ten-years and include \$33.2 million for roads facility projects, \$4.0 million for a new Erin Library Branch and \$27.0 million for an Admin Centre Expansion
- Total debt outstanding peaks at \$66.7 million in 2028



County Tax Levy Projection	Actual		Forecasted			
	2021	2022	2023	2024	2025	2026
County Tax Levy (\$000's)	\$108,828	\$113,491	\$118,894	\$124,853	\$130,502	\$136,913
Residential Tax Impact	1.2%	2.0%	3.5%	3.7%	3.2%	3.6%

County Tax Levy Projection	Forecasted				
	2027	2028	2029	2030	2031
County Tax Levy (\$000's)	\$143,294	\$150,351	\$157,564	\$164,614	\$171,536
Residential Tax Impact	3.4%	3.6%	3.5%	3.2%	2.9%

Annual Surplus Reconciliation

The County of Wellington approves its annual operating and capital budgets using the modified accrual basis of accounting. The annual (audited) financial statements are presented on a full accrual basis of accounting. In order to help the reader understand the differences between the two basis of accounting, a conversion or reconciliation of the surplus relative to the budget approved by County Council is presented in the following section of the report.

In accordance with the **Municipal Act**, the County approves a balanced budget on an annual basis—which includes both an operating and a capital budget. The budget provides for the costs of all programmes provided by the County, any debt payments required during the year (including principal repayments), capital project expenses to be financed through the current year's levy, contributions to reserve funds to finance future infrastructure replacements, and may include contingencies and provisions for tax rate stabilization. The County continues to budget using the modified accrual basis of accounting because it provides the best measure of determining the annual tax levy requirement and meaningful and understandable budget to actual results throughout the year. Through its Budget Management Policy, the County provides monthly financial statements to Council and variance reports throughout the year to establish controls and monitor results.

The annual financial statements provide information about the broad fiscal situation of the County over time. The “annual surplus” in these statements represents the amount of municipal funding available for capital formation and debt repayment after interest costs and amortization. This is different than the annual surplus reported on a modified accrual basis—which measures how tax dollars were collected and spent for their intended purpose over the year.

Annual financial statements are presented by the mandated programme categories as indicated in the chart below.

Expense by Function	Description of Department or Programme
General Government	Property Assessment (MPAC), Council, CAO/Clerks, Treasury, Human Resources, Economic Development, Property, and Community Grants.
Protection to Persons and Property	Police Services, Emergency Management, and Provincial Offences Act Administration.
Transportation Services	Roads Department including roads maintenance activities and winter control.
Environmental Services	Solid Waste Services, consisting of garbage collection, recycling, operation of transfer stations and landfills.
Health Services	Land Ambulance Services and Public Health and Hospital Grants.
Social Housing	Housing Services Department, including the operation of Social and Affordable Housing units.
Social and Family Services	Social Services such as Children's Early Years and Ontario Works, as well as the Wellington Terrace, the County's long-term care home.
Library and Museum	The County's 14 library branches and the Wellington County Museum and Archives.
Planning and Development	Planning Services as well as the Green Legacy tree planting programme.

Annual Surplus Reconciliation

Wellington County Council approves the operating and capital budgets each year on a modified-accrual basis of accounting (sometimes referred to as cash basis). Since the audited financial statements are prepared on a full accrual basis, a reconciliation must be performed in order to show the difference in the annual surplus on a property tax basis to the full accrual method. The reconciliation for 2021 is as follows:

Reconciliation of County Property Tax Surplus and Consolidated Financial Statement Annual Surplus	2021	2020
County Tax Supported Operating Surplus	\$5,660,740	\$6,962,000
Revenue not included in Operating Surplus		
Development Charges	3,179,074	2,418,713
Deferred Federal Gas Tax Revenue	4,588,227	2,676,722
Ontario Community Infrastructure Fund Revenue	3,170,036	549,964
Capital Provincial Grants	3,379,758	472,537
Capital Municipal Transfers	2,470,993	4,539,347
Safe Restart Funding	1,449,108	2,311,900
Wellington-Dufferin-Guelph Public Health Net Revenues	384,532	291,457
Wellington Housing Corporation Net Revenues	533,020	911,744
Donated Asset	3,000,000	
Other	707,812	744,562
	22,862,560	14,916,946
Expenses not included in Operating Surplus		
Amortization of Tangible Capital Assets	24,706,868	27,045,085
Operating Expenses from Capital	7,988,674	5,118,288
Landfill, WSIB and Post-Employment Liability	1,746,904	23,422
Loss on Disposal of Assets	(17,686)	382,074
Other	512,567	363,283
	34,937,327	32,932,152
Revenue included in Operating Surplus, but not in Consolidated Statements		
Transfers from Reserves	4,227,258	4,809,245
Interest - Development Charge and Federal Gas Tax Reserve Funds	324,272	303,905
Sale of Assets	470,877	379,290
	5,022,407	5,492,440
Expenses included in Operating Surplus, but not in Consolidated Statements		
Transfers to Reserves and Reserve Funds	19,301,995	17,725,005
Transfers to Capital	10,691,000	11,080,500
Tax Increment Grant Payment	45,064	60,086
Landfill Liability and Short Term Disability	456,451	522,809
Debt Principal Repayments	3,714,005	3,934,015
Operating Expenses Capitalized	1,521,399	1,203,169
	35,729,914	34,525,584
Consolidated Financial Statement Annual Surplus	24,293,480	17,979,937

Financial Statements

For the Year Ended December 31, 2021

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Wellington:

We have audited the consolidated financial statements of The Corporation of the County of Wellington (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statements of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies (Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2021, and its consolidated results of operations, its consolidated changes in net financial assets 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 “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Entity 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 consolidated 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 Entity’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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditors’ 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 auditors’ report that includes our opinion.

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.



Chartered Professional Accountants, Licensed Public Accountants

May 26, 2022

Waterloo, Canada

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

County of Wellington

Consolidated Statement of Financial Position

As at December 31

	2021	2020
	\$	\$
Assets		
Financial Assets		
Cash and Cash Equivalents (Note 3)	56,020,725	46,410,515
Accounts Receivable	11,100,646	10,039,506
Portfolio Investments (Note 3)	113,664,072	96,976,239
Loans Receivable (Note 4)	722,141	953,504
Total Financial Assets	181,507,584	154,379,764
Liabilities		
Accounts Payable and Accrued Liabilities	21,753,664	21,562,364
Deferred Revenue (Note 5)	15,459,267	14,424,777
Landfill Site Closure and Post Closure Liability (Note 6)	10,190,146	8,613,565
Post Employment/Retirement Liability (Note 7)	2,462,766	2,359,915
WSIB Liability (Note 8)	1,394,249	1,361,104
Other Long-Term Liabilities (Note 9)	45,065	90,129
Net Long-Term Liabilities (Note 10)	32,566,214	34,587,574
Total Liabilities	83,871,371	82,999,428
Net Financial Assets	97,636,213	71,380,336
Non Financial Assets		
Tangible Capital Assets (Note 11)	433,813,213	434,780,804
Inventories of Supplies	844,591	1,400,178
Prepaid Expenses	1,987,575	2,426,794
Total Non Financial Assets	436,645,379	438,607,776
Accumulated Surplus (Note 12)	534,281,592	509,988,112

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

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF OPERATIONS

County of Wellington Consolidated Statement of Operations	(Note 20)		
	Budget	2021	2020
	\$	\$	\$
Revenues			
Taxation (Note 13)	111,160,900	111,844,954	108,337,251
Government Transfers			
Provincial (Note 14)	77,399,824	87,314,523	78,223,252
Federal (Note 14)	10,597,173	8,183,299	6,113,066
Municipal	24,746,880	23,092,243	26,011,667
Fees and Services Charges	12,456,000	13,245,063	11,523,390
Licenses, Permits, Rent	8,687,400	8,603,886	8,583,597
Interest, Donations, Other	3,321,440	7,110,700	3,742,772
Development Charges Earned	692,000	3,179,074	2,418,713
Total Revenues	249,061,617	262,573,742	244,953,708
Expenses			
General Government	23,671,147	20,443,660	19,513,187
Protection to Persons and Property	19,626,248	19,867,211	19,190,525
Transportation Services	31,314,562	32,506,942	32,171,614
Environmental Services	13,270,053	14,480,259	11,497,936
Health Services	17,299,604	18,606,612	14,944,922
Social Housing	34,952,668	43,026,625	38,384,207
Social and Family Services	77,249,835	74,278,539	76,155,158
Library	8,961,420	8,709,080	8,355,208
Museum	2,573,271	2,503,684	2,589,553
Planning and Development	4,334,912	3,857,650	4,171,461
Total Expenses	233,253,720	238,280,262	226,973,771
Annual Surplus	15,807,897	24,293,480	17,979,937
Accumulated Surplus, Beginning of Year	509,988,112	509,988,112	492,008,175
Accumulated Surplus, End of Year	525,796,009	534,281,592	509,988,112

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

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

County of Wellington

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31

(Note 20)

Budget

2021

2020

	\$	\$	\$
Annual Surplus	15,807,897	24,293,480	17,979,937
Acquisition of Tangible Capital Assets	(38,179,300)	(24,884,691)	(32,931,233)
Amortization of Tangible Capital Assets	26,000,000	25,378,798	27,703,651
Loss on Disposal of Tangible Capital Assets	-	2,607	514,770
Proceeds on Sale of Tangible Capital Assets	-	470,877	379,290
	3,628,597	25,261,071	13,646,415
Acquisition of Inventories of Supplies	-	(844,591)	(1,400,178)
Acquisition of Prepaid Expenses	-	(1,987,575)	(2,426,794)
Consumption of Inventories of Supplies	-	1,400,178	779,004
Use of Prepaid Expenses	-	2,426,794	2,088,423
Change in Net Financial Assets	3,628,597	26,255,877	12,686,870
Net Financial Assets, Beginning of Year	71,380,336	71,380,336	58,693,466
Net Financial Assets, End of Year	75,008,933	97,636,213	71,380,336

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

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

County of Wellington**Consolidated Statement of Cash Flows****For the year ended December 31****2021****2020**

\$

\$

Cash Provided By (Used In):**Operating Activities:**

Annual Surplus	24,293,480	17,979,937
Items Not Involving Cash:		
Amortization	25,378,798	27,703,651
Loss on Disposal of Tangible Capital Assets	2,607	514,770
Contributed Tangible Capital Assets	(3,000,000)	-
Change in Post Employment/Retirement Liability	102,851	46,126
Change in WSIB Liability	33,145	20,777
Change in Landfill Liability	1,576,581	32,345
Change in Other Long-Term Liabilities	(45,064)	(60,086)
Change in Non-Cash Assets and Liabilities:		
Accounts Receivable	(1,061,140)	991,925
Accounts Payable and Accrued Liabilities	191,300	4,920,092
Deferred Revenue	1,034,490	3,838,210
Inventories of Supplies	555,587	(621,174)
Prepaid Expenses	439,219	(338,371)

Net Change in Cash from Operating Activities

49,501,854

55,028,202

Capital Activities:

Proceeds on Sale of Tangible Capital Assets	470,877	379,290
Cash Used to Acquire Tangible Capital Assets	(21,884,691)	(32,931,233)

Net Change in Cash from Capital Activities

(21,413,814)

(32,551,943)

Investing Activities:

Change in Loan Receivable	231,363	(834,119)
Change in Long Term Investments	(16,687,833)	(4,936,572)

Net Change in Cash from Investing Activities

(16,456,470)

(5,770,691)

Financing Activities:

Long Term Debt Issued	1,825,000	-
Long Term Debt Repaid	(3,846,360)	(4,065,008)

Net Change in Cash from Financing Activities

(2,021,360)

(4,065,008)

Net Change in Cash and Short Term Investments

9,610,210

12,640,560

Cash and Short Term Investments, Beginning of Year

46,410,515

33,769,955

Cash and Short Term Investments, End of Year

56,020,725

46,410,515

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

Notes to the Financial Statements

For the Year Ended December 31, 2021

The County of Wellington (the County) is an upper-tier municipality in the Province of Ontario, Canada. The County is comprised of seven member municipalities: the Towns of Erin and Minto, and the Townships of Centre Wellington, Guelph/Eramosa, Mapleton, Puslinch and Wellington North.

1. ACCOUNTING POLICIES

The consolidated financial statements of the County of Wellington are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the County are as follows:

a) Basis of Consolidation

(i) Consolidated Entities

These consolidated statements include the activities of all committees of Council and the following boards and municipal corporation which are under the control of Council:

Wellington County Police Services Board

Wellington County Public Library Board

Wellington Housing Corporation (WHC)

All interfund assets and liabilities and sources of financing and expenses have been eliminated with the exception of loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenses.

Under PSAB standards, the County reports only its share of assets, liabilities and results of operations of any government partnerships in which it participates. The County participates in Wellington-Dufferin-Guelph Public Health to the extent of 32% (2020 – 32%) based on population, as stated in the agreement with the other participants, the City of Guelph and the County of Dufferin.

(ii) Trust Funds

Trust funds and their related operations administered by the County are not consolidated, but are reported separately on the Trust Funds Statements of Financial Position and Operations.

b) Basis of Accounting

(i) Accrual Basis of Accounting

The County follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(ii) Investments

Cash and cash equivalents

Cash and cash equivalents are comprised of the amounts held in the County's bank accounts and investments with an original maturity date of three months or less.

Notes to the Financial Statements

For the Year Ended December 31, 2021

Portfolio Investments

Investments with an original maturity date of more than three months are reported as portfolio investments. Investments and pooled investments are reported using the cost method. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. Provisions for declines in the market value of investments are recorded when they are considered to be other than temporary. Declines in the market values of investments are considered to be other than temporary. Declines in the market values of investments are considered to be other than temporary when the carrying value exceeds market value for more than three years.

(iii) Loans Receivable

In accordance with PS 3050 loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by Management. (Note 3).

(iv) Deferred Revenue

In accordance with PSAB requirements obligatory reserve funds are reported as a component of deferred revenue. The County has obligatory development charge reserve funds in the amount of \$6,948,539 (2020 — \$4,736,256). These funds have been set aside, as required by the Development Charges Act, to finance a portion of the cost of growth-related capital projects. Revenue recognition occurs after the funds have been collected and when the County has incurred the expenses for the capital works for which the development charges were raised (Note 5).

Unexpended funds of \$6,785,022 (2020 — \$5,543,456) received by the County from the Canada Community Building Fund (previously Federal Gas Tax) are reported as deferred revenue and will be recognized as revenue in the fiscal year in which the eligible expenses are incurred. Unexpended funds of \$50,502 (2020 — \$1,330,613) received by County under the Ontario Capital Infrastructure Fund are reported as deferred revenue and will be recognized as revenue in the fiscal year in which they eligible expenses are incurred.

(v) Solid Waste Landfill Closure and Post-Closure Liability

Under PS 3270, a liability must be recognized for all closure and post-closure costs associated with all inactive and active landfill sites. The estimated liability for the care is the present value of future cash flows over a rolling 30-year (previously 25-year) period discounted using the County's long term borrowing rate at the end of each year.

(vi) Taxation

Under PS3510, taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred (Note 13).

(vii) Government Transfers

Under PS3410, government transfers received relate to social services, police, health and cultural programmes. Transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made (Note 14).

Notes to the Financial Statements

For the Year Ended December 31, 2021

(viii) Contaminated Sites

Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material of live organism that exceeds an environment standard. This Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

(ix) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, landfill closure and post-closure liability, actuarial valuations of employee future benefits, and the historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

Notes to the Financial Statements

For the Year Ended December 31, 2021

c) Physical Assets

(i) Tangible Capital Assets

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

Major Asset Classification	Component Breakdown	Useful Life—Years
Land		N/A
Landfill Sites		N/A—Based on Usage
Buildings	Structure Exterior Interior Site Elements Leasehold Improvements	15 to 50 20 to 50 15 to 25 10 to 30 Lease Term
Infrastructure	Roads and Parking Lots—Asphalt Roads and Parking Lots—Gravel Roads—Base Bridges—Surface Bridges and Culverts—Structure Structural Walls Trails Traffic Signals, Street Signs, Outdoor Lighting	20 50 50 20 50 50 20 to 50 20
Vehicles and Machinery	Licensed Equipment Unlicensed Equipment Machinery and Equipment	7 15 7 to 20
Furniture and Fixtures		5 to 15
Technology and Communications		4 to 20
Library Books and Media		5

Notes to the Financial Statements

For the Year Ended December 31, 2021

Landfill sites are amortized using the units of production method based upon capacity used during the year. Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue. The value of assets contributed in 2021 is \$3,000,000 (2020 - \$0).

(iii) Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements. The County's art collection includes approximately 1,300 pieces, either created by a significant Wellington County artist and/or depicting Wellington County subject matter. The Museum's collection contains over 21,000 artifacts. The Archives' collection contains over 103,000 photographs, as well as maps, microfilm and audio-visual media. Both collections relate to the history of Wellington County and are fully catalogued with appraised values in the County's collections database. The collection is maintained and stored at the Wellington County Museum and Archives as per Provincial Standards for Ontario Museums.

(iv) Interest Capitalization

Borrowing costs incurred as a result of the acquisition, construction and production of an asset that takes a substantial period of time to prepare for its intended use are capitalized as part of the cost of the asset.

Capitalization of interest costs commences when the expenses are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalization is suspended during periods in which active development is interrupted. Capitalization ceases when substantially all of the activities necessary to prepare the asset for its intended use are complete. If only minor modifications are outstanding, this indicates that substantially all of the activities are complete.

The capitalized interest costs associated with the acquisition or construction of tangible capital assets during the year was \$0 (2020 - \$0).

(v) Leased Tangible Capital Assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are expensed as incurred.

(vi) Inventories of Supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

Notes to the Financial Statements

For the Year Ended December 31, 2021

(vii) Tangible Capital Assets recorded at Nominal Value

Under PS 3150.42 the County has no assets recorded at nominal value

2. TRUST FUNDS

Trust funds administered by the County amounting to \$103,264 (2020 — \$122,848) have not been included in the Consolidated Statement of Financial Position, nor have their operations been included in the Consolidated Statement of Financial Activities.

3. CASH AND CASH EQUIVALENTS AND PORTFOLIO INVESTMENTS

Total cash and cash equivalents of \$56,020,725 (2020 — \$46,410,515) are reported on the Consolidated Statement of Financial Position at cost.

Total portfolio investments of \$113,664,072 (2020 — \$96,976,239) are reported on the Consolidated Statement of Financial Position at cost and have a market value of \$116,760,588 (2020 — \$101,528,482).

At December 31, 2021 the County had two credit facilities arrangements. Facility 1 is \$5,000,000 by way of loans with an interest rate of prime less 0.50% and remains undrawn at December 31, 2021. Facility 2 is \$500,000 by way of Letters of Credit. The aggregate of Facility 1 and Facility 2 may not exceed \$5,000,000 at any time.

On November 15, 2019, an irrevocable Standby Letter of Credit was issued to finance the Badley (Metcalf Street) bridge replacement in favour of the Receiver General for Canada on behalf of Fisheries and Oceans Canada in the amount of \$201,900. The annual interest rate is 1.35% on any outstanding amounts. In January of 2021, the Letter of Credit was reduced by \$66,500 leaving a balance of \$135,400.

4. LOANS RECEIVABLE

(i) Cost Sharing Agreements with the Township of Centre Wellington

In 2010 the County entered into a cost sharing agreement with the Township of Centre Wellington and Groves Memorial Hospital to fund three phases of a Community Planning Area sub-watershed Study. The County funds the work upfront and is repaid by the Township at 54% and the Hospital at 6%. In 2011 phase 1 was completed and in 2012 phase 2 was completed. The Township will repay the County over 10 years, interest free, from year of completion and the Hospital will repay the County through the Township at the time of building permit issuance which occurred in 2017. The amount to be repaid to the County as at December 31, 2021 was \$13,230 (2020 — \$28,080).

In 2015, the County and the Township of Centre Wellington agreed to share soil remediation costs for the Fergus Library Expansion Project. The land, originally owned by the Township of Centre Wellington was remediated by the County upfront and will be repaid by the Township at 60%. The Township will repay the County over ten years, interest free, starting in 2016. The amount to be repaid to the County as at December 31, 2021 was \$56,304 (2020—\$70,380).

Notes to the Financial Statements

For the Year Ended December 31, 2021

(ii) Keep Well—Emergency Business Sustainability Fund

In 2020, the County also established the Keep Well—Emergency Business Sustainability Fund to provide up to \$1,000,000 in low-interest loans (3%) to support local businesses. The County has entered in to agreements with the Wellington-Waterloo Community Futures Development Corporation (WWCFDC) and the Saugeen Economic Development Corporation (SEDC) to administer these loans. The total loans advanced in 2020 were \$891,400 (WWCFDC \$740,400 and SEDC \$151,000). The total loans advanced in 2020 were \$891,400 (WWCFDC \$740,400, SEDC \$151,000). The total principal repaid in 2021 was \$194,436 (WWCFDC \$146,311, SEDC \$48,125) (2020 - total \$36,356, WWCFDC \$32,042, SEDC \$4,314) leaving an outstanding balance at December 31, 2021 of \$660,608 (WWCFDC \$562,046, SEDC \$98,561) (2020-total \$855,044, WWCFDC \$708,358, SEDC \$146,686). Of these outstanding balances only one loan was considered at risk of non-repayment and an allowance has been set up in the amount of \$8,000.

	2021 \$	2020 \$
Cost Sharing Agreements with Township of Centre Wellington		
Groves Memorial Hospital Sub-Watershed Study Phase 1 (0% Interest, maturity 2021)	-	8,235
Groves Memorial Hospital Sub-Watershed Study Phase 2 (0% Interest, maturity 2023)	13,230	19,845
	13,230	28,080
Fergus Library Soil Remediation (0% Interest, maturity 2025)	52,514	65,642
Fergus Library Site Work (0% Interest, maturity 2025)	3,790	4,738
	56,304	70,380
Total Cost Sharing Agreements with Township of Centre Wellington	69,534	98,460
Keep Well - Emergency Business Sustainability Fund		
Wellington-Waterloo Community Futures Development Fund (3% annual interest rate less 1% administration fee, maturity 2025)	562,046	708,358
Less: Valuation Allowance	(8,000)	(8,000)
	554,046	700,358
Saugeen Economic Development Corporation	98,561	146,686
Total Keep Well - Emergency Business Sustainability Loans	652,607	847,044
Total Loans Receivable	722,141	945,504

Notes to the Financial Statements

For the Year Ended December 31, 2021

5. DEFERRED REVENUE

Deferred revenue, which is reported on the Consolidated Statement of Financial Position, is further analyzed as follows:

	2021	2020
Canada Community Building Fund	6,785,022	5,543,456
Ontario Community Infrastructure Fund (OCIF)	50,502	1,330,613
Development Charges	6,948,539	4,736,256
Deferred Operating Grants	1,643,366	2,705,733
Other	31,838	108,719
	15,459,267	14,242,777
	2021	2020
Balance, Beginning of Year		
Canada Community Building Fund	5,543,456	5,297,933
OCIF	1,330,613	-
Development Charges	4,736,256	4,006,516
Deferred Capital and Operating Grants	2,705,733	1,218,274
Other	108,719	63,844
	14,424,777	10,586,567
Amounts Received		
Canada Community Building Fund	5,656,318	2,758,534
OCIF	1,863,466	1,863,466
Safe Restart Fund	1,449,108	2,311,900
Development Charges	5,267,019	3,025,369
Deferred Operating Grants	6,534,697	3,706,371
Other	49,679	72,763
Interest Earned	324,272	303,905
	21,144,559	14,042,308
Contributions Used	(20,110,069)	(10,204,098)
Balance, End of Year	15,459,267	14,424,777

Notes to the Financial Statements

For the Year Ended December 31, 2021

6. LANDFILL SITE CLOSURE AND POST-CLOSURE LIABILITY

The County is responsible for all aspects of solid waste management. As of December 31, 2021 there were 16 closed landfill sites (of which 5 locations were operating as transfer stations) and 1 active landfill site. The total estimated expenditure (on a discounted basis) for closure and post-closure care as of December 31, 2021 is \$11,783,831 (2020 — \$8,660,292). The amount reported on the Consolidated Statement of Financial Position as of December 31, 2021 is \$10,190,146 (2020 — \$8,613,565) and the amount remaining to be recognized is \$1,593,685 (2020 — \$46,727).

Closure costs include final cover and vegetation, drainage control features, leachate control and monitoring systems, water quality monitoring systems, gas monitoring and recovery, land acquisition, site remediation, and site closure reports. Post-closure costs include leachate monitoring and treatment, water quality monitoring, gas monitoring and recovery, ongoing maintenance and annual reports. The discounted cash flow analysis is based on the estimated costs for each of these items over a 30-year period using a long term borrowing rate of 2.75% (2020 — 2.42%). The forecast period was increased to recognize significant costs associated with the expected closure of Riverstown Landfill Site Phase 2 in 2050.

The liability for closure and post closure care is recognized as the capacity of each site is used. For any closed sites, 100% of the liability is recognized. A total of 86.48% (2020 — 99.46%) of the liability is recognized and reported, which represents the estimated weighted average capacity used to December 31, 2021. It is estimated that sufficient landfill site capacity exists for approximately 25 years.

Of the \$10,190,146 (2020 — \$8,613,565) recognized as a liability, \$908,819 (2020 — \$121,850) is included on the Consolidated Statement of Financial Position as a reduction to budgetary accumulated surplus and will be recovered from future general municipal revenues and \$9,281,327 (2020 — \$8,491,715) is shown as an amount to be recovered from reserve funds (see note 12).

7. POST-EMPLOYMENT / RETIREMENT LIABILITY

Post-employment benefits include a provision to pay 90% of the premium cost for retired non-union and retired union full-time employees for dental, extended health care and life insurance benefits for an employee voluntarily electing early retirement until the retired employee's 65th birthday. For union full-time employees, the County pays 100% of the premium for eligible early retirees with a retirement effective date of December 31, 2022 or earlier. There is also a provision to pay 50% of the premium cost for retired permanent part time employees for dental and extended health care. To be eligible to receive these benefits, the employee must be at least 55 years of age, have a minimum of ten years of continuous service with the County at the time of retirement and be in receipt of an OMERS pension.

The present value of these benefit obligations at December 31, 2021 was estimated from an actuarial review completed in December 2020. The review calculated the benefit obligations using an accrued benefit obligation methodology, which recognizes the accrued benefit over the employees' working lifetime.

Notes to the Financial Statements

For the Year Ended December 31, 2021

Of the \$2,462,766 (2020 - \$2,359,915) recognized as a liability, \$492,027 (2020 - \$526,354) is related to the County's share of the Wellington-Dufferin-Guelph Health Unit, \$14,954 (2020—\$1,833,561) is included on the Consolidated Statement of Financial Position as a reduction to budgetary accumulated surplus and will be recovered from future general municipal revenues and \$1,955,785 (2020 - \$0) is shown as an amount to be recovered from reserve funds (see Note 12).

Benefit	Number of Employees Entitled to Benefit as at December 31, 2021	Liability as at December 31, 2021	Liability as at December 31, 2020
Dental	47	447,949	416,768
Extended Health Care	47	1,420,509	1,321,631
Life Insurance	44	102,281	95,162
County of Wellington Total		1,970,739	1,833,561
Wellington-Dufferin-Guelph Public Health		492,027	526,354
Consolidated Total		2,462,766	2,359,915

Notes to the Financial Statements

For the Year Ended December 31, 2021

Information about the County's benefit plan is as follows:

	2021	2020
Accrued Benefit Obligation:		
Balance, beginning of year	2,709,840	2,918,714
Current benefit cost	139,067	149,466
Change due to Plan Amendment	-	(188,670)
Interest	87,028	115,257
Benefits Paid	(203,146)	(224,042)
Actuarial loss	-	(60,885)
Balance, end of year	2,732,789	2,709,840
Unamortized actuarial loss	(762,050)	(876,279)
Liability for benefits	1,970,739	1,833,561
Wellington-Dufferin-Guelph Public Health	492,027	526,354
Consolidated Total	2,462,766	2,359,915

Included in expenses is \$114,229 (2020 — \$118,289) for amortization of the actuarial loss. The unamortized actuarial loss is amortized over the expected average remaining service life of 15 years, beginning in 2021.

The main actuarial assumptions employed for the valuation are as follows:

(i) Interest (discount rate):

The present value of future liabilities and the expense for the 12 months ended December 31, 2021 were determined using a discount rate of 3.25%.

(ii) Health Care Cost Rates:

Medical costs were assumed to increase at the rate of 5.75% for 2021 vs. 2020 reducing by 0.333% per year to 3.75% per year in 2027 vs. 2026 and 3.75% each year thereafter.

(iii) Dental Cost Rates:

Dental costs were assumed to increase at the rate of 3.75% per year.

Notes to the Financial Statements

For the Year Ended December 31, 2021

8. WORKPLACE SAFETY AND INSURANCE

The County is a Schedule II (self-insured) employer with the Workplace Safety and Insurance Board (WSIB). Payments made to the WSIB in 2021 resulting from approved claims were \$52,060 (2020 — \$65,949) and are reported as a liability transaction on the Consolidated Statement of Financial Position. The WSIB liability is based on an actuarial evaluation completed in December 2020. The evaluation is updated every four years. As WSIB benefits are a compensated absence, PSAB Section PS 3250 requires full recognition of liabilities associated with workplace injuries that occurred on or before the valuation date. The amount reported on the Consolidated Statement of Financial Position as a liability is \$1,394,249 (2020 — \$1,361,104).

Information about the WSIB liability is as follows:

	2021	2020
Accrued Benefit Obligation:		
Balance, Beginning of Year	1,105,254	1,278,321
Current Benefit Cost	184,684	154,223
Interest	31,255	48,129
Expected Benefit Payments	(122,093)	(144,011)
Expected Accrued Benefit Obligation, End of Year	1,199,100	1,336,662
Actual Accrued Benefit Obligation, End of Year	1,199,100	1,105,254
Unamortized Actuarial Gain	195,149	255,850
WSIB Liability	1,394,249	1,361,104

Included as a reduction in expenses is \$60,701 (2020 — \$37,564) for amortization of the actuarial gain. The unamortized actuarial gain on future payments required to WSIB is amortized over the expected period of the liability which is 10 years.

The main actuarial assumptions employed for the valuation are as follows:

(i) Interest (discount rate):

The present value of future liabilities and the expense for the 12 months ended December 31, 2021 were determined using a discount rate of 2.75%.

(ii) Administration costs:

Administration costs were assumed to be 25.0% of the compensation expense.

(iii) Compensation expense:

Compensation costs, which include loss of earnings benefits, health care costs and non-economic loss awards, were assumed to increase at rates ranging from 2.5% to 3.75% depending on the benefit type.

Notes to the Financial Statements

For the Year Ended December 31, 2021

The County purchases two forms of insurance to limit exposure in the event of a significant work-related accident resulting in a death or permanent disability. Occupational Accident Insurance coverage provides a one-time fixed payment of \$500,000 per incident. Excess indemnity insurance is in place to a maximum of \$10,000,000 with a \$500,000 retention.

9. OTHER LONG-TERM LIABILITIES

In 2018, the County of Wellington approved The Invest Well Community Improvement Programme. This programme provides the framework to allow the County to participate financially in member municipality grant and loan programmes aimed at revitalizing, beautifying and attracting investment in Wellington. Tax Increment Equivalent Grants (TIEG) provide funding which is equal to the County portion of a property tax increase that is incurred as a result of a major community improvement project. County grants range from 100% coverage of the County portion tax increment in year one to 20% in year five. County funding is dependent on the member municipality participating financially through its own local CIP TIEG plan. Tax Increment Equivalent Grants must be approved individually by County Council and require the annual payment of property taxes by the applicant.

The County has agreed to participate in a TIEG grant and has entered into a Financial Assistance agreement with the Township of Centre Wellington. The year three payment of \$45,722 was made in 2021 (2020 — \$60,105) with subsequent payments estimated at \$45,065 (2020 — \$90,129). Annual grant payments are subject to property value assessments and recalculation of the grants each year.

	2021	2020
	\$	\$
2021	-	45,064
2022	30,043	30,043
2023	15,022	15,022
	45,065	90,129

Notes to the Financial Statements

For the Year Ended December 31, 2021

10. NET LONG-TERM LIABILITIES

Provincial legislation restricts the use of long-term liabilities to financing capital expenses, and also authorizes the County to issue long-term debt for both County and Local purposes, with the latter at the request of the Local Municipality. The responsibility for raising the amounts required to service these liabilities rests with the County and such Local Municipalities for which the debt was issued.

	2021	2020
Long-term liabilities outstanding for County purposes	32,208,914	34,097,919
Long-term liabilities outstanding for Wellington Housing Corporation	357,300	489,655
Total long-term liabilities at the end of the year	32,566,214	34,587,574

Long-term liabilities outstanding for Local Municipal purposes (2021 - \$22,750,862; 2020 — 19,764,364) are direct, unsecured, unsubordinated, joint and several obligations of the County and such Local Municipalities.

- (a) The outstanding principal portion of unmatured long-term liabilities for municipal expenses is reported on the Consolidated Statement of Financial Position, under "Net Long-Term Liabilities." Net long-term liabilities reported on the Consolidated Statement of Financial Position are comprised of the following:

	2021	2020
Long-term liabilities incurred by the County, including those incurred on behalf of member municipalities, and outstanding at the end of the year (interest rates range from 0.85% - 5.875%)	54,959,776	53,862,283
Long-term liabilities incurred by the County and recoverable from member municipalities	(22,750,862)	(19,764,364)
Net long-term liabilities at the end of the year	32,208,914	34,097,919

Notes to the Financial Statements

For the Year Ended December 31, 2021

The balance of net long-term liabilities is made up of the following:

	2021	2020
Debenture payable, 4.75% - 4.85%, repayable in annual principal and semi-annual interest payments of approximately \$225,000 annually, due October 5, 2021	-	215,000
Debenture payable, 2.75% - 3.35%, repayable in annual principal and semi-annual interest payments of approximately \$365,500 annually, with a balloon payment of \$735,000, due March, 6, 2022	1,056,000	1,380,000
Debenture payable, 2.45% - 3.20%, repayable in annual principal and semi-annual interest payments of approximately \$677,500 annually with a balloon payment of \$3,135,000, due June 3, 2023	4,250,000	4,785,000
Debenture payable 5.84%, repayable in blended semi-annual payments of \$119,573, due August 12, 2024	649,471	842,206
Debenture payable, 5.875%, repayable in blended semi-annual payments of \$856,527, due August 12, 2025	6,028,443	7,329,713
Debenture payable, 1.35%-2.45%, repayable in annual principal and semi-annual interest payments of approximately \$133,500 annually, due November 30, 2026	624,000	742,000
Debenture payable, 4.70% - 5.35%, repayable in annual principal and semi-annual interest payments ranging from \$195,266 to \$164,280 annually, due June 3, 2030	1,230,000	1,340,000
Debenture payable, 0.85%-2.45% repayable in annual principal and semi-annual interest payments of approximately \$115,000 annually for ten years, with a balloon payment of \$1,109,000 due November 30, 2031	1,825,000	-
Debenture payable, 2% - 3.45%, repayable in annual principal and semi-annual interest payments ranging from \$430,683.25 to \$770,754.50 annually, due May 30, 2038	7,727,000	8,246,000
Debenture payable, 1.9% - 2.6%, repayable in annual principal and semi-annual interest payments of approximately \$610,000 annually, due November 4, 2039	8,819,000	9,218,000
	\$ 32,208,914	\$ 34,097,919

Notes to the Financial Statements

For the Year Ended December 31, 2021

(b) Future principal payments for net long term liabilities are as follows:

	Principal
2022	4,436,997
2023	6,655,291
2024	3,085,201
2025	2,984,425
2026	1,379,000
Subsequent to 2026	13,668,000
	\$ 32,208,914

(c) The long-term liabilities in (a) of this note issued in the name of the County, as well as those pending issues of long-term liabilities and commitments to be financed by revenues beyond the term of Council, have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(d) Total charges for the year for net long-term liabilities are as follows:

	2021	2020
Principal Payments	3,714,005	3,934,016
Interest	1,154,673	1,306,295
	4,868,678	5,240,311

(e) The charges shown on the previous table are recovered as follows:

	2021	2020
General Municipal Revenues	3,881,954	4,255,659
Development Charges	986,724	984,652
	4,868,678	5,240,311

(f) Net long-term liabilities are to be recovered are as follows:

	2021	2020
Net Long-term Liabilities		
Recovered from General Municipal Revenues	21,931,914	24,916,919
Recovered from Development Charges	10,277,000	9,181,000
	32,208,914	34,097,919

Notes to the Financial Statements

For the Year Ended December 31, 2021

(g) Wellington Housing Corporation:

The mortgage payable is held by the Canadian Mortgage and Housing Corporation at an interest rate of 0.67% with monthly installments of \$11,262 (2020 — \$11,262) principal and interest and due August 2024.

The mortgage payable is secured by real estate and chattels owned by the corporation with a carrying value of \$4,073,325 (2019 - \$2,596,483).

Principal payments required on long-term debt are due as follows:

	Principal
2022	133,168
2023	134,062
2024	90,070
	\$ 357,300

11. TANGIBLE CAPITAL ASSETS

County tangible capital assets are identified by asset type. The cost of tangible capital assets, their accumulated amortization and net book value are disclosed in the following schedule:

Notes to the Financial Statements

For the Year Ended December 31, 2021

Cost	December 31, 2020	Reclasses	Additions	Disposals	December 31, 2021
Land	\$ 33,631,664	-	517,348	-	\$ 34,149,012
Landfill Sites	1,871,638	-	-	-	1,871,638
Buildings	194,711,783	-	5,914,611	(556,350)	200,070,044
Infrastructure	-	-	-	-	-
Roads	358,715,678	-	6,790,475	(405,883)	365,100,270
Bridges	100,116,737	-	3,039,783	(93,132)	103,063,388
Culverts	21,306,295	-	1,065,762	(319,398)	22,052,659
Structural Walls	308,003	-	-	-	308,003
Traffic Lights	4,488,426	-	1,533,755	-	6,022,181
Trails	249,984	-	-	-	249,984
Parking Lots	3,331,193	-	214,268	(42,161)	3,503,300
Vehicles and Machinery	-	-	-	-	-
Licensed Equipment	11,936,137	-	1,301,927	(1,231,290)	12,006,774
Unlicensed Equipment	10,276,168	-	120,656	(72,678)	10,324,146
Furniture and Fixtures	9,926,956	-	718,738	(2,537,975)	8,107,719
Technology and Communications	7,108,392	-	892,364	(249,534)	7,751,222
Library Books and Media	3,135,825	-	488,890	(751,455)	2,873,260
Wellington Housing Corporation	4,752,565	-	695,328	(147,738)	5,300,155
Public Health	11,323,776	-	176,569	-	11,500,345
Capital Work-in-Progress	7,762,939	-	1,979,162	(547,492)	9,194,609
Total	\$ 784,954,159	\$ -	\$ 25,449,636	\$ (6,955,086)	\$ 803,448,709

Accumulated Amortization	December 31, 2020	Reclasses	Amortization Expense	Disposals	December 31, 2021
Land	\$ -	-	-	-	\$ -
Landfill Sites	\$ (1,025,977)	-	(28,445)	-	\$ (1,054,422)
Buildings	(68,793,995)	-	(7,620,480)	304,153	(76,110,322)
Infrastructure	-	-	-	-	-
Roads	(194,044,802)	-	(9,533,023)	405,883	(203,171,942)
Bridges	(47,085,373)	-	(1,943,800)	90,037	(48,939,136)
Culverts	(9,913,656)	-	(444,013)	246,833	(10,110,836)
Structural Walls	(22,747)	-	(9,720)	-	(32,467)
Traffic Lights	(2,209,748)	-	(196,154)	-	(2,405,902)
Trails	(54,487)	-	(11,028)	-	(65,515)
Parking Lots	(946,623)	-	(169,268)	23,534	(1,092,357)
Vehicles and Machinery	-	-	-	-	-
Licensed Equipment	(6,285,046)	-	(1,458,948)	1,124,582	(6,619,412)
Unlicensed Equipment	(4,164,319)	-	(999,456)	72,678	(5,091,097)
Furniture and Fixtures	(5,083,404)	-	(602,298)	2,537,975	(3,147,727)
Technology and Communications	(3,706,538)	-	(1,088,831)	249,534	(4,545,835)
Library Books and Media	(1,715,055)	-	(601,404)	751,455	(1,565,004)
Wellington Housing Corporation	(679,240)	-	(226,158)	109,993	(795,405)
Public Health	(4,442,345)	-	(445,772)	-	(4,888,117)
Total	\$ (350,173,355)	\$ -	\$ (25,378,798)	\$ 5,916,657	\$ (369,635,496)

Notes to the Financial Statements

For the Year Ended December 31, 2021

Net Book Value	December 31, 2020	December 31, 2021
Land	\$ 33,631,664	\$ 34,149,012
Landfill Sites	845,661	817,216
Buildings	125,917,788	123,959,722
Infrastructure		
Roads	164,670,876	161,928,328
Bridges	53,031,364	54,124,252
Culverts	11,392,639	11,941,823
Structural Walls	285,256	275,536
Traffic Lights	2,278,678	3,616,279
Trails	195,497	184,469
Parking Lots	2,384,570	2,410,943
Vehicles and Machinery		
Licensed Equipment	5,651,091	5,387,362
Unlicensed Equipment	6,111,849	5,233,049
Furniture and Fixtures	4,843,552	4,959,992
Technology and Communications	3,401,854	3,205,387
Library Books and Media	1,420,770	1,308,256
Wellington Housing Corporation	4,073,325	4,504,750
Public Health	6,881,431	6,612,228
Capital Work-in-Progress	7,762,939	9,194,609
Total	\$ 434,780,804	\$ 433,813,213

(a) Assets Under Construction

Assets under construction having a value of \$9,194,609 (2020 — \$7,762,939) have not been amortized. Amortization of these assets will commence when the asset is available for use.

(b) Write-Down of Tangible Capital Assets and Loss on Disposal

The write-down of tangible capital assets during the year was \$0 (2020 - \$0). The loss on disposal of assets during the year was \$2,607 (2020 — \$514,770).

Notes to the Financial Statements

For the Year Ended December 31, 2021

12. ACCUMULATED SURPLUS

Accumulated surplus shown on the Consolidated Statement of Financial Position is analyzed as follows:

As at December 31	2021	2020
	\$	\$
Surplus:		
Invested in Tangible Capital Assets	433,813,213	434,780,804
Invested in Capital Fund	25,228,772	15,868,884
Share of Public Health Unit (Note 1)	1,327,140	1,049,918
Contingency Reserve Recovery of Keep Well Loan	660,608	855,044
Amounts to be Recovered		
From Future Revenues		
Net Long-Term Liabilities	(32,566,214)	(34,587,574)
Post-Employment Benefits	(506,981)	(2,359,915)
Landfill Liability	(908,819)	(121,850)
Other Long-Term Liabilities	(45,065)	(90,129)
From Reserve Funds		
Post-Employment Benefits	(1,955,785)	-
Landfill Liability	(9,281,327)	(8,491,715)
WSIB	(1,394,249)	(1,361,104)
Total Surplus	414,371,293	405,542,363
Reserves set aside by Council for:		
Capital	67,743,970	56,652,635
Contingencies and Stabilization	28,767,078	25,065,117
Total Reserves	96,511,048	81,717,752
Reserve Funds set aside for specific purposes by Council for:		
Landfill Closure and Post Closure	9,281,327	8,491,715
Housing Regeneration	4,263,999	4,207,820
Workplace Safety and Insurance	3,914,280	3,731,534
Public Health Debt Retirement	2,914,368	2,854,327
Post-Employment Benefit	1,955,785	-
Museum Donations and Endowments	240,275	209,675
Luella Logan Scholarship/Award	148,916	148,792
Homeownership Loan	492,768	202,543
Library Donations	102,957	100,657
Wellington Terrace Donations	84,576	77,797
Short Term Disability/Employee Benefits	-	2,703,137
Total Reserve Funds	23,399,251	22,727,997
Accumulated Surplus	\$ 534,281,592	\$ 509,988,112

Notes to the Financial Statements

For the Year Ended December 31, 2021

13. TAXATION

Under PS3510, taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred.

	2021	2020
Property Tax Levy	108,828,100	105,612,800
Supplementary and Omitted Taxes	2,811,338	2,518,533
Payment in Lieu of Taxes	874,499	835,356
Other	35,210	31,679
	112,549,147	108,998,368
Less:		
Property Taxes written off as uncollectible	(1,277,823)	(942,138)
Provisions for Assessment at Risk	573,630	281,021
	(704,193)	(661,117)
Tax Revenue Recognized	\$ 111,844,954	\$ 108,337,251

Notes to the Financial Statements

For the Year Ended December 31, 2021

14. PROVINCIAL AND FEDERAL GOVERNMENT TRANSFERS

The government transfers reported on the Consolidated Statement of Operations are:

	2021	2020
Provincial Government Grants		
Affordable Housing Construction Funding	176,703	201,314
COCHI Community Housing Initiative	1,488,054	-
Community Homelessness Prevention Initiative, SHEEP	4,024,779	3,917,657
Community Policing Partnership, RIDE, 1000 Officers, Court Security	265,286	223,384
COVID Funding - Air Quality (Capital)	562,123	-
COVID Funding - Children's Services	57,416	2,097,618
COVID Funding - Housing Services	5,639,726	2,202,409
COVID Funding - Long-Term Care	2,671,190	1,830,086
COVID Funding - Safe Restart Corporate	1,449,108	2,311,900
Health Unit – Ministry of Children and Youth Services	396,575	825,987
Health Unit – Ministry of Health and Long Term Care	9,284,079	5,992,034
Library Operating Grant	141,275	141,275
Long Term Care Operating Subsidy	10,379,359	9,426,448
Ministry of Education Funding - Children's Early Years	21,718,956	19,339,651
Ministry of Municipal Affairs - Investing in Affordable Housing	692,645	1,791,727
Museum Operating Grant and Other	57,589	70,739
Ontario Community Infrastructure Fund (OCIF)	3,170,036	549,964
Ontario Municipal Partnership Fund (OMPF)	1,089,700	1,281,900
Ontario Works Administration Subsidy	4,844,686	4,831,041
Ontario Works Benefit Subsidy	13,929,254	17,701,452
OPHI Ontario Priorities Housing Initiative	1,346,140	-
Reinvestment Funding—Children's Early Years	809,272	-
Strong Communities Rent Supplement	582,167	540,419
Waste Diversion Ontario, Stewardship Ontario, OTS Tire	1,273,302	1,057,159
Other	1,265,103	1,889,088
Subtotal Provincial Government Grants	87,314,523	\$78,223,252

Notes to the Financial Statements

For the Year Ended December 31, 2021

	2021	2020
Federal Government Grants		
Canada Community Building Fund	4,588,227	2,676,722
Canada Summer Job Grant—Economic Development	2994	-
Citizenship and Immigration Canada Subsidy	501,395	456,175
CHMC Seed Funding—Continuum of Care	89,625	19,465
COVID Funding - Ontario Works	5,820	19,465
FCM Asset Management Grant	(6,186)	92,901
Federal Housing Block Funding	2,462,228	2,507,768
Health Unit - Public Health Agency of Canada	11,924	19,428
Homeless Partnering Strategy	403,464	279,438
Smart Cities	123,808	61,169
Subtotal Federal Government Grants	\$8,183,299	\$6,113,066
Total Grant Revenues	\$ 95,497,822	\$ 84,336,318

15. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of its operations, the County is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time.

The County has approved a grant of 20% of eligible costs to a maximum of \$5.0 million for the redevelopment of Groves Memorial Community Hospital (GMCH) in the Township of Centre Wellington. As of December 31, 2021 the sum of \$3,677,306 (2020 — \$3,663,531) has been paid to GMCH, leaving an outstanding commitment of \$1,322,694 (2020 — \$1,336,469).

In January of 2020, the County provided a \$2,300,000 Obligations Guarantee for the Southwestern Integrated Fibre Technology (SWIFT) programme. This guarantee allowed SWIFT to obtain a credit facility and continue work on improving rural broadband service to Wellington County. This work is expected to be complete by November 2022 and the guarantee will be discharged at this time.

Notes to the Financial Statements

For the Year Ended December 31, 2021

16. GOVERNMENT PARTNERSHIP

The County of Wellington is a partner in the Wellington-Dufferin-Guelph Health Unit. The County provides 32.0% (2020 - 32.0%) of the municipal funding to the Health Unit for the Cost Shared Mandatory and related programmes, and is responsible for a similar share of the assets, liabilities and municipal position of the Health Unit. Based on updated 2016 Census information, the County share is 32.0% except for the share of the long-term loan which remains at 32.7%. The County's share of the results of the Health Unit's financial activities for the year and its financial position at year end have been consolidated in these financial statements. At December 31, 2021, the Health Unit's financial results and financial position are as follows:

	2021	2020
Financial Assets	8,017,479	5,567,985
Liabilities	(8,851,225)	(8,461,004)
Non-Financial Assets	20,699,931	21,557,543
Accumulated Surplus	19,866,185	18,664,524
Revenues	40,075,746	31,015,019
Expenses	38,874,085	30,128,513
Annual Surplus	1,201,661	886,506

The County Share of the Health Unit's assets, liabilities and municipal position are as follows:

	2021	2020
Financial Assets	2,565,594	1,781,756
Accounts Payable and Deferred revenue	(1,250,204)	(748,820)
Non-Financial Assets	11,750	16,982
Share of Public Health (Note 12)	1,327,140	1,049,918
Long Term Debt	(1,090,163)	(1,465,581)
Post Employment Liability (Note 7)	(492,027)	(526,354)
Invested in Tangible Capital Assets (Note 11)	6,612,228	6,881,431
Accumulated Surplus	6,357,178	5,939,414

Notes to the Financial Statements

For the Year Ended December 31, 2021

On December 19, 2012, the County entered into a Financing Agreement with the Wellington-Dufferin- Guelph Public Health Unit, the County of Dufferin and the City of Guelph, to finance the County portion of the cost of building the two new facilities at Chancellors Way, Guelph, and Broadway, Orangeville. The Financing Agreement allows for quarterly advances of capital by the County of Wellington to Public Health beginning in January 2013, until the completion of the new facilities. The total amount of the advances from all obligated municipalities will not exceed \$24,400,000 and based on 2011 Census population information, the County of Wellington's obligation is 32.7% or \$8,000,000. The interest rate on the loan repayment from the Health Unit to the County will be 3.34% per annum, and the term and amortization of the loan will be twenty years. The whole or any part of the capital financing under this agreement may be pre-paid at any time without penalty or bonus and the Health Unit has made three prepayments; December 2014 - \$490,500, April 2017 - \$611,964 and August 2019 - \$1,665,800. These amounts have been transferred to the County's Public Health Debt Retirement Reserve Fund. At December 31, 2021 the balance of the loan receivable is \$1,090,163 (2020 - \$1,465,581).

17. PUBLIC LIABILITY INSURANCE

The County has a comprehensive programme of risk identification, evaluation and control to minimize the risk of injury to its employees and third parties and to minimize the risk of damage to its property and the property of others.

The County's purchased general liability insurance policy is \$25,000,000 per occurrence with no aggregate. The environmental liability policy is the maximum that can be purchased at \$3,000,000 per occurrence with an aggregate of \$5,000,000. The County's licensed fleet is insured with liability coverage of \$25,000,000. The deductible (self-insurance) is \$10,000 on fleet policies and \$50,000 on property and liability. The County also carries a legal expense reimbursement policy that covers 100% of legal fees to a maximum of \$100,000 per claim with an annual aggregate of \$250,000.

Based on claims received to December 31, 2021, the maximum deductible exposure to the County is estimated at \$220,609. These claims have not been accrued in the Financial Statements because the outcome of these claims is not known and the loss will be accounted for in the period in which the loss, if any, becomes likely and can be reasonably estimated. For claims not covered by purchased insurance, the County has a Contingency and Stabilization Reserve, which as at December 31, 2021 totaled \$16,961,938 (2020 - \$6,022,715).

18. PENSION AGREEMENTS

The County makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of approximately 676 (2020 — 678) members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay.

Contributions of employees with a normal retirement age of 65 were being made at a rate of 9.0% for earnings up to the yearly maximum pensionable earnings of \$61,600 and at a rate of 14.6% for earnings over the yearly maximum.

The County's contribution to OMERS for 2021 was \$4,308,735 (2020 — \$4,169,595) for current service and past service costs and is included as an expense on the Consolidated Statement of Operations. Employee contributions to OMERS in 2021 was \$4,308,735 (2020 — \$4,169,595).

As per PSAB 3250.111, the County of Wellington is current with all payments to OMERS, therefore, there is neither a surplus or deficit with the County's pension plan contributions.

As at December 31, 2021, the OMERS Primary Plan had a funded ratio of assets to pension obligations of 97% (2020 — 97%). The OMERS pension plan funding deficit remains \$3.1 billion (2020 — \$3.2 billion).

Notes to the Financial Statements

For the Year Ended December 31, 2021

19. SOCIAL HOUSING PROPERTIES

The County has title to the 1,189 Social Housing units of the former Wellington-Guelph Housing Authority. The units are located in the City of Guelph and throughout the County. The related debt on these units remains with the Province of Ontario. Of the \$2,462,227 (2020 — \$2,507,769) in federal government subsidies provided to the County for social housing, \$556,065 (2020 — \$590,600) is retained by the province to fund the associated debt servicing costs.

The County owns 100% of the shares of Wellington Housing Corporation which owns 440 King Street East in Mount Forest. 440 King Street is a 39-unit townhouse complex that is split approximately 50/50 between rent-geared-to-income (RGI) and affordable rental units. At December 31, 2021 the mortgage outstanding was \$357,300 (2020 — \$489,655).

20. BUDGET DATA

The budget data presented in these consolidated financial statements is based upon the 2021 operating and capital budgets approved by Council on January 27, 2021 and capital budget amendments made in 2021 in the amount of \$3,807,900 (2020 — \$174,000) that were approved by Council throughout the year. Amortization was not included in the approved budget, however it has been included in the consolidated financial statements budget based on the estimated annual amortization presented to Council prior to budget approval per Ontario Regulation 284/09. The following chart reconciles the approved budget to the budget figures reported in these consolidated financial

	2021 Budget Amount	2020 Budget Amount
Revenue	\$	\$
Operating Budget	234,944,600	231,978,600
Capital Budget	38,179,300	38,985,200
Public Health Budget	10,970,217	7,045,715
Less:		
Transfers from other funds	(23,647,700)	(26,831,100)
New debt financing	(3,850,000)	(1,825,000)
Internal Recoveries	(7,534,800)	(7,384,000)
Total Revenue	249,061,617	241,969,415
Expenses		
Operating Budget	234,944,600	231,978,600
Capital Budget	38,179,300	38,985,200
Amortization	26,000,000	23,000,000
Public Health Budget	10,821,020	6,518,715
Less:		
Transfers from other funds	(27,412,500)	(25,829,701)
Capital Expenses	(38,179,300)	(38,985,200)
Debt principal payments	(3,714,000)	(3,934,000)
Internal Charges	(7,385,400)	(7,253,600)
Total Expenses	233,253,720	224,480,014
Annual Surplus	\$ 15,807,897	\$ 17,489,401

Notes to the Financial Statements

For the Year Ended December 31, 2021

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

22. SEGMENTED INFORMATION

The County of Wellington is a diversified municipal government institution that is responsible for ensuring the provision of a wide range of services to its citizens, including police, roads, solid waste services, ambulance, public health, child care, social housing, Ontario Works, homes for the aged, museum, library and planning.

County services are provided by departments and their activities are reported in the Consolidated Statement of Operations. Certain departments have been separately disclosed in the segmented information in the following schedule.

Notes to the Financial Statements

For the Year Ended December 31, 2021

2021						
	General Government	Protection	Transportation Services	Environmental Services	Health Services	Social Housing
Revenues						
Taxation	13,322,043	18,782,942	31,078,600	8,835,628	8,303,063	5,836,429
Grants and Subsidies	2,168,674	883,425	7,734,235	1,273,302	10,222,277	17,901,260
Municipal Revenue	17,865	206,413	1,242,730	-	181,266	14,870,819
Fees and Service Charges	837,356	206,844	741,194	4,764,601	-	(106,081)
Licenses, Permits, Rents	1,306,745	118,215	-	19,093	-	7,140,079
Interest, Donations, Other	3,554,717	9,261	140	162	4,305	3,427,552
Development Charges	349,642	277,634	1,604,452	-	79,343	-
Total Revenues	21,557,042	20,484,734	42,401,351	14,892,786	18,790,254	49,070,058
Expenses						
Salaries and Benefits	10,333,934	496,391	6,094,181	2,807,944	7,373,700	4,474,712
Goods and Services	6,432,877	1,707,926	11,275,278	10,877,519	2,804,254	10,083,527
Transfer Payments	707,857	16,691,083	-	-	7,919,970	24,384,645
Insurance and Interest	1,151,141	41,143	873,074	277,993	62,916	392,426
Amortization	1,817,851	930,668	14,264,409	516,803	445,772	3,691,315
Total Expenses	20,443,660	19,867,211	32,506,942	14,480,259	18,606,612	43,026,625
Excess (deficiency) of revenue over expenses	1,113,382	617,523	9,894,409	412,527	183,642	6,043,433

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Notes to the Financial Statements

For the Year Ended December 31, 2021

2021					
	Social and Family Services	Library	Museum	Planning and Development	Consolidated
Revenues					
Taxation	12,676,428	7,641,108	2,212,067	3,156,646	111,844,954
Grants and Subsidies	55,121,971	141,275	57,589	(6,186)	95,497,822
Municipal Revenue	6,168,143	29,640	-	375,367	23,092,243
Fees and Service Charges	5,726,185	9,402	40,444	1,025,118	13,245,063
Licenses, Permits, Rents	-	11,840	7,914	-	8,603,886
Interest, Donations, Other	98,718	3,291	11,068	1,486	7,110,700
Development Charges	112,685	755,318	-	-	3,179,074
Total Revenues	79,904,130	8,591,874	2,329,082	4,552,431	262,573,742
Expenses					
Salaries and Benefits	33,335,983	4,586,513	1,553,419	2,740,518	73,797,295
Goods and Services	4,472,995	2,012,418	618,373	442,298	50,727,465
Transfer Payments	34,049,169	-	-	524,114	84,276,838
Insurance and Interest	1,002,171	176,167	57,048	65,787	4,099,866
Amortization	1,418,221	1,933,982	274,844	84,933	25,378,798
Total Expenses	74,278,539	8,709,080	2,503,684	3,857,650	238,280,262
Excess (deficiency) of revenue over expenses	5,625,591	(117,206)	(174,602)	694,781	24,293,480

Notes to the Financial Statements

For the Year Ended December 31, 2021

2020						
	General Government	Protection	Transportation Services	Environmental Services	Health Services	Social Housing
Revenues						
Taxation	12,971,719	19,008,869	29,285,662	7,522,184	7,743,488	5,414,155
Grants and Subsidies	1,548,165	1,120,977	3,303,378	1,211,283	7,173,272	13,279,274
Municipal Revenue	48,406	(30,700)	2,886,835	-	52,021	16,618,163
Fees and Service Charges	907,203	119,253	442,719	3,955,107	-	(529,371)
Licenses, Permits, Rents	1,250,936	114,590	-	8,836	-	7,179,436
Interest, Donations, Other	3,221,261	16,596	-	-	12,991	297,423
Development Charges	143,648	161,358	1,470,364	-	66,462	-
Total Revenues	20,091,338	20,510,943	37,388,958	12,697,410	15,048,234	42,259,080
Expenses						
Salaries and Benefits	9,885,559	404,483	5,347,658	2,720,857	4,980,298	4,248,317
Goods and Services	6,337,293	1,353,651	10,221,117	7,856,617	1,799,647	6,965,107
Transfer Payments	476,262	16,428,619	-	-	7,560,208	22,567,554
Insurance and Interest	1,128,792	62,438	852,626	269,719	113,137	465,406
Amortization	1,685,281	941,334	15,750,213	650,743	491,632	4,137,823
Total Expenses	19,513,187	19,190,525	32,171,614	11,497,936	14,944,922	38,384,207
Excess (deficiency) of revenue over expenses	578,151	1,320,418	5,217,344	1,199,474	103,312	3,874,873

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Notes to the Financial Statements

For the Year Ended December 31, 2021

2020					
	Social and Family Services	Library	Museum	Planning and Development	Consolidated
Revenues					
Taxation	13,478,114	7,563,717	2,158,791	3,190,552	108,337,251
Grants and Subsidies	56,027,165	393,018	164,617	115,169	84,336,318
Municipal Revenue	6,087,737	33,600	-	315,605	26,011,667
Fees and Service Charges	5,508,222	45,245	34,164	1,040,848	11,523,390
Licenses, Permits, Rents	-	20,891	8,908	-	8,583,597
Interest, Donations, Other	188,521	1,743	1,975	2,262	3,742,772
Development Charges	74,056	502,825	-	-	2,418,713
Total Revenues	81,363,815	8,561,039	2,368,455	4,664,436	244,953,708
Expenses					
Salaries and Benefits	32,047,131	4,536,419	1,596,161	2,753,943	68,520,826
Goods and Services	4,853,188	1,627,921	641,237	531,147	42,186,925
Transfer Payments	36,538,592	-	-	729,723	84,300,958
Insurance and Interest	1,068,028	184,074	55,140	62,051	4,261,411
Amortization	1,648,219	2,006,794	297,015	94,597	27,703,651
Total Expenses	76,155,158	8,355,208	2,589,553	4,171,461	226,973,771
Excess (deficiency) of revenue over expenses	5,208,657	205,831	(221,098)	492,975	17,979,937

Wellington Housing Corporation

Financial Statements

For the year ended December 31, 2021

Financial Statements

INDEPENDENT AUDITORS' REPORT (WHC)

To the Members of the Board of Directors, Wellington Housing Corporation (WHC):

We have audited the accompanying financial statements of Wellington Housing Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations and changes in accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations and changes in accumulated surplus, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Entity 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 these 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 financial statements, management is responsible for assessing the Entity’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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditors’ Responsibility

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 auditors’ report that includes our opinion.

Financial Statements

INDEPENDENT AUDITORS' REPORT (WHC)

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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.



Chartered Professional Accountants, Licensed Public Accountants

May 12, 2022

Waterloo, Canada

Financial Statements

WHC — STATEMENT OF FINANCIAL POSITION

Wellington Housing Corporation

Statement of Financial Position

As at December 31

	2021	2020
	\$	\$
Assets		
Financial Assets		
Cash and Cash Equivalents (Note 3)	855,307	987,164
Accounts Receivable (Note 4)	151,144	218,814
Portfolio Investments (Note 3)	103,096	87,387
Total Financial Assets	1,109,547	1,293,365
Liabilities		
Accounts Payable and Accrued Liabilities	91,669	242,613
Deferred Revenue	12,325	14,439
Mortgage Payable (Note 5)	357,300	489,655
Total Liabilities	461,294	746,707
Net Financial Assets	648,253	546,658
Non Financial Assets		
Tangible Capital Assets (Note 6)	4,504,750	4,073,325
Accumulated Surplus (Note 8)	5,153,003	4,619,983

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

Financial Statements

WHC — STATEMENT OF OPERATIONS

Wellington Housing Corporation

Statement of Operations

For the year ended December 31

(Note 9)

Budget

2021

2020

\$

\$

\$

Revenues

Rental Revenues	248,100	283,937	212,159
Municipal Operating Subsidies	711,900	711,900	749,650
Provincial Capital Subsidies	-	-	450,000
Interest and other	10,200	22,655	13,904
Total Revenues	970,200	1,018,492	1,425,713

Expenses

Office and general	28,400	28,826	14,413
Professional fees	15,100	11,139	11,433
Management fees	30,000	28,596	32,288
Repairs and maintenance	325,600	133,267	119,028
Utilities	22,000	18,827	19,702
Insurance	13,000	14,807	11,960
Interest and bank charges	3,900	3,559	5,515
Amortization	-	226,158	166,934
Loss on disposal of tangible capital assets	-	20,293	132,696
Total Expenses	438,000	485,472	513,969

Excess of revenue over expenses	532,200	533,020	911,744
Accumulated Surplus, Beginning of Year	4,619,983	4,619,983	3,708,239
Accumulated Surplus, End of Year	5,152,183	5,153,003	4,619,983

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

Financial Statements

WHC — STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

Wellington Housing Corporation

Statement of Change in Net Financial Assets

For the year ended December 31

	(Note 9) Budget	2021	2020
	\$	\$	\$
Excess of Revenue over Expenses	532,200	533,020	911,744
Loss on Disposal of Tangible Capital Assets	-	20,293	132,696
Acquisition of Tangible Capital Assets	(638,000)	(677,876)	(1,776,472)
Amortization of Tangible Capital Assets	-	226,158	166,934
Change in Net Financial Assets	(105,800)	101,595	(565,098)
Net Financial Assets (Debt), Beginning of Year	546,658	546,658	1,111,756
Net Financial Assets (Debt), End of Year	440,858	648,253	546,658

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

Financial Statements

WHC — STATEMENT OF CASH FLOWS

Wellington Housing Corporation
Statement of Cash Flows
For the year ended December 31

	2021	2020
	\$	\$
Cash Provided By (Used In):		
Operating Activities:		
Annual surplus	533,020	911,744
Items not involving cash:		
Amortization	226,158	166,934
Loss on disposal of tangible capital assets	20,293	132,696
Net change in non-cash working capital items	(85,388)	427,414
Net Change in Cash from Operating Activities	694,083	1,638,788
Capital Activities:		
Purchase of tangible capital assets	(677,876)	(1,776,472)
Increase in portfolio investments	(15,709)	(6,267)
Net Change in Cash from Capital Activities	(693,585)	(1,782,739)
Financing Activities:		
Long term debt repaid	(132,355)	(130,993)
Net Change in Cash from Financing Activities	(132,355)	(130,993)
Net Change in Cash and Cash Equivalents	(131,857)	(274,944)
Cash and Cash Equivalents, Beginning of Year	987,164	1,262,108
Cash and Cash Equivalents, End of year	855,307	987,164

Notes to the WHC Financial Statements

For the Year Ended December 31, 2021

1. AUTHORITY AND PURPOSE

The Wellington Housing Corporation (the “Corporation”) is incorporated with share capital under the Ontario Business Corporations Act to provide, operate and construct housing accommodation primarily for persons of low and moderate income.

The Corporation operates the following non-profit property under Parts V1 and V11 of the Housing Services Act (HSA); 440 King Street East, Mount Forest, ON.

The Corporation’s shares are 100% owned by the County of Wellington. The County is also the service manager for the Corporation. The Corporation is exempt from tax under the Federal Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As an entity controlled by a local government, the Corporation is required to follow PSA standards. The financial statements have been prepared in accordance with public sector accounting standards.

(a) Basis of accounting

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned. Expenses are recognized as they are incurred and are measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Tangible capital assets

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

Major Asset Classification	Component Breakdown	Useful Life—Years
Land		N/A
Buildings	Structure Exterior Interior Site Elements Leasehold Improvements	15 to 50 20 to 40 15 to 40 10 to 30 Lease Term
Infrastructure	Parking Lots - Asphalt Parking Lots—Gravel	20 10
Furniture and Fixtures		15
Technology and Communications		5

Notes to the WHC Financial Statements

For the Year Ended December 31, 2021

(c) Contributions of Tangible Capital Assets

All assets contributed to the Corporation are recorded at their fair value at the time of contribution. Revenue at an equal amount is recognized at the time of contribution.

(d) Reserves and reserve funds

Annual surplus amounts are transferred to reserves designated for capital expenditures. Withdrawals from the reserves must have Board of Directors approval.

(e) Government transfers

Government transfers are received from the Service Manager and the Province for the provision of social housing services, building construction and other capital expenditures. Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except, when and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recorded as deferred revenue on Statement of Financial Position and recognized as revenue on Statement of Operations as the liability is extinguished.

(f) Rental Revenue

Rental and other revenue is recognized at the time the services are provided.

(g) Investments

Investments consist of equity and bond funds and are carried at cost. Losses are recognized when the decline in market value is other than temporary. Gains and losses on investments are recorded when the investment is sold and interest is recorded when received or receivable.

(h) Cash and cash equivalents

Cash and cash equivalents include short-term investments with a term to maturity of 90 days or less at acquisition.

(i) Use of estimates

The preparation of financial statements, in conformity with PSAS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Notes to the WHC Financial Statements

For the Year Ended December 31, 2021

3. CASH AND CASH EQUIVALENTS AND PORTFOLIO INVESTMENTS

Total cash and cash equivalents of \$855,307 (2020 — \$987,164) are reported on the Statement of Financial Position at cost.

Total portfolio investments of \$103,096 (2020 — \$87,387) are reported on the Statement of Financial Position at cost and have a market value of \$123,689 (2020 — \$104,202).

4. ACCOUNTS RECEIVABLE

Accounts receivable recorded on the balance sheet are composed of the following:

	2021	2020
GST/HST Receivable	59,654	117,774
Rent	1,490	5,040
Provincial Subsidy	90,000	90,000
Deposit Receivable	-	6,000
	151,144	218,814

5. NET LONG-TERM LIABILITIES

The mortgage payable is held by the Canadian Mortgage and Housing Corporation at an interest rate of 0.67% with monthly installments of \$11,262 (2020 — \$11,262) principal and interest and due August 2024.

The mortgage payable is secured by real estate and chattels owned by the corporation with a carrying value of \$4,504,750 (2020 — \$4,073,325).

Principal payments required on long-term debt for the next three years are due as follows:

	Principal
2022	133,168
2023	134,062
2024	90,070
	357,300

Notes to the WHC Financial Statements

For the Year Ended December 31, 2021

6. TANGIBLE CAPITAL ASSETS

Tangible capital assets are identified by asset type. The cost of tangible capital assets, their accumulated amortization and net book value are disclosed in the following schedule:

Cost	December 31, 2020 (\$)	Additions (\$)	Disposals (\$)	December 31, 2021 (\$)
Land	304,679	-	-	304,679
Buildings	4,093,828	628,089	(91,295)	4,630,622
Infrastructure—Parking Lots	282,380	64,382	-	346,762
Furniture and Fixtures	54,226	-	(38,991)	15,235
Capital Work-in-Progress	17,452	2,857	(17,452)	2,857
Total	4,752,565	695,328	(147,738)	5,300,155
Accumulated Amortization	December 31, 2020 (\$)	Disposals (\$)	Amortization Expense (\$)	December 31, 2021 (\$)
Land	-	-	-	-
Buildings	(590,256)	71,002	(207,984)	(727,238)
Infrastructure—Parking Lots	(52,579)	-	(13,335)	(65,914)
Furniture and Fixtures	(36,405)	38,991	(4,839)	(2,253)
Total	(679,240)	109,993	(226,158)	(795,405)
Net Book Value	December 31, 2020 (\$)			December 31, 2021 (\$)
Land	304,679			304,679
Buildings	3,503,572			3,903,384
Infrastructure—Parking Lots	229,801			280,848
Furniture and Fixtures	17,821			12,982
Capital Work-in-Progress	17,452			2,857
Total	4,073,325			4,504,750

7. CONTINGENCIES AND COMMITMENTS

In 2019, Wellington Housing Corporation entered into a contribution agreement with The Corporation of the County of Wellington (the "County") to construct and operate a four-unit affordable housing project on the 440 King Street, Mount Forest site. The County provided \$900,000 in a forgivable loan for the project. The loan and any accrued interest (8% per annum) are forgivable after 25 years as long as all conditions of the agreement have been met during this term. The terms of the forgivable loan include that the Corporation is to construct and operate the project as affordable housing units for a term of twenty-five years. As per the agreement, funding of \$450,000 was disbursed in 2019 as the initial milestone of having a signed contribution agreement in place was met. Additional funding of \$450,000 was disbursed in 2020 upon completion of structural framing and confirmation of occupancy.

Notes to the WHC Financial Statements

For the Year Ended December 31, 2021

8. ACCUMULATED SURPLUS

Accumulated surplus shown on the Consolidated Statement of Financial Position is analyzed below:

As at December 31	2021	2020
Surplus:		
Invested in Tangible Capital Assets	4,504,750	4,073,325
Invested in Capital Fund	87,626	422,883
Long term Liabilities	(357,300)	(489,655)
Total Surplus	4,235,076	4,006,553
Reserve Funds set aside by the Corporation Board for:		
WHC Capital Reserve	917,927	613,430
Total Reserves	917,927	613,430
Accumulated Surplus	5,153,003	4,619,983

9. BUDGET DATA

The budget data presented in these financial statements is based upon the 2021 operating and capital budgets approved by County of Wellington Council on January 28, 2021. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2021 Budget	2020 Budget
Revenue	\$	\$
Operating Budget	970,200	942,000
Capital Budget	638,000	508,000
Less:		
Transfer from other funds	(638,000)	(508,000)
Total Revenue	970,200	942,000
Expenses		
Operating Budget	970,200	942,000
Capital Budget	638,000	508,000
Less:		
Transfers to other funds	(400,000)	(400,000)
Capital Expenses	(638,000)	(508,000)
Debt principal payments	(132,200)	(127,000)
Total Expenses	438,000	415,000
Annual Surplus	\$ 532,200	\$ 527,000

10. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

Notes to the WHC Financial Statements

For the Year Ended December 31, 2021

10. IMPACT OF COVID-10

March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. The pandemic has resulted in significant financial, market and societal impacts in Canada and around the world.

The ultimate duration and magnitude of the COVID-19 pandemic's impact on the Corporation's operations and financial position is not known at this time.

These impacts could include a decline in future cash flows, changes to the value of assets and liabilities, and the use of accumulated surpluses to sustain operations. An estimate of the financial effect of the pandemic on the Corporation is not practicable at this time.

Trust Fund Financial Statements

For the Year Ended December 31, 2021

Financial Statements

INDEPENDENT AUDITORS' REPORT (TRUST FUNDS)

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Wellington:

We have audited the financial statements of the Trust Funds of The Corporation of the County of Wellington (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- And notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Entity 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 Entity’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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditors’ Responsibility

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 auditors’ report that includes our opinion.

Financial Statements

INDEPENDENT AUDITORS' REPORT (TRUST FUNDS)

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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.



Chartered Professional Accountants, Licensed Public Accountants

May 26, 2022

Waterloo, Canada

Financial Statements

TRUST FUNDS—STATEMENT OF FINANCIAL POSITION

County of Wellington

Trust Funds—Statement of Financial Position

As at December 31, 2021

	Comfort Money	County Wellness Centre	Safe Communities	2021	2020
Financial Assets					
Cash and Bank	49,716	8,995	44,553	103,264	122,848
Liabilities					
Accounts Payable	-	-	-	-	-
Balance	49,716	8,995	44,553	103,264	122,848

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

Financial Statements

TRUST FUNDS—STATEMENT OF OPERATIONS

County of Wellington

Trust Funds—Statement of Operations

For the year ended December 31, 2021

	Comfort Money	County Wellness Centre	Safe Communities	2021	2020
Balance at the beginning of the year	46,112	5,052	71,684	122,848	129,754
Source of Funds:					
Deposits	158,415	15,003	440	173,858	195,141
Use of Funds					
Withdrawals	154,811	11,060	27,571	193,442	202,048
Balance at the end of the year	49,716	8,995	44,553	103,264	122,847

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

Notes to the Trust Fund Financial Statements

For the Year Ended December 31, 2021

1. ACCOUNTING POLICIES

These trust funds have not been consolidated with the financial statements of the County of Wellington (the "County").

These financial statements reflect the financial activity and financial position of funds held in trust by the County for residents of the Wellington Terrace Long Term Care Home (Comfort Money), for County staff who are the members of the County Wellness Centre and for the Wellington County Safe Communities Committee.

In October 2012 the Safe Communities Trust fund was established. These funds are held in trust by the County for use by the Wellington County Safe Communities Committee.

Funds held in trust are maintained in separate bank accounts by the County on behalf of the Terrace residents and Safe Communities Committee. Net County Wellness Centre membership proceeds are maintained in the County's general bank account. Interest is credited to the funds and allocated to the Terrace residents and Wellington County Safe Communities Committee on the basis of their individual balances in the fund.

Statistical Data

For the Year Ended December 31, 2021

Five-Year Financial Statistics

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2021	2020	2019	2018	2017
Financial Assets	\$ 181,507,584	\$ 154,379,764	\$ 136,960,439	\$ 125,841,684	\$ 109,970,379
Liabilities	83,871,371	82,999,428	78,266,973	72,213,686	65,631,495
Net Financial Assets	\$ 97,636,213	\$ 71,380,336	\$ 58,693,446	\$ 53,627,998	\$ 44,338,884
Tangible Capital Assets	433,813,213	434,780,804	430,447,282	421,421,924	411,792,648
Prepays and Inventory	2,832,166	3,826,972	2,867,427	2,964,391	2,534,618
Accumulated Surplus	\$ 534,281,592	\$ 509,988,112	\$ 492,008,175	\$ 478,014,313	\$ 458,666,150
RESERVE AND RESERVE FUNDS					
Reserves and Reserve Funds	\$ 119,910,299	\$ 104,445,749	\$ 90,401,471	\$ 82,494,784	\$ 74,059,380
LONG-TERM LIABILITIES					
Gross Long Term Liabilities	\$ 54,959,776	\$ 53,862,283	\$ 62,526,249	\$ 60,014,041	\$ 55,546,727
Recoverable from Member Municipalities	(22,750,862)	(19,764,364)	(24,494,314)	(27,835,359)	(29,295,109)
NET LONG-TERM LIABILITIES	\$ 32,208,914	\$ 34,097,919	\$ 38,031,935	\$ 32,178,682	\$ 26,251,618
Supported by					
General Municipal Revenues	\$ 21,931,914	\$ 24,916,919	\$ 28,142,935	\$ 29,794,682	\$ 23,484,618
Development Charges	10,277,000	9,181,000	9,889,000	2,384,000	2,767,000
	\$ 32,208,914	\$ 34,097,919	\$ 38,031,935	\$ 32,178,682	\$ 26,251,618
CHARGES FOR NET LONG-TERM LIABILITIES					
Supported by					
General Municipal Revenues	\$ 3,881,954	\$ 4,255,659	\$ 4,189,301	\$ 4,026,339	\$ 3,992,525
Development Charges	986,724	984,652	840,379	557,400	479,819
	\$ 4,868,678	\$ 5,240,311	\$ 5,029,680	\$ 4,583,739	\$ 4,472,344
Provincial Annual Debt Repayment Limit	\$ 20,298,363	\$ 23,978,337	\$ 23,327,601	\$ 22,491,472	\$ 20,675,112

Five-Year Financial Statistics

CONSOLIDATED STATEMENT OF OPERATIONS

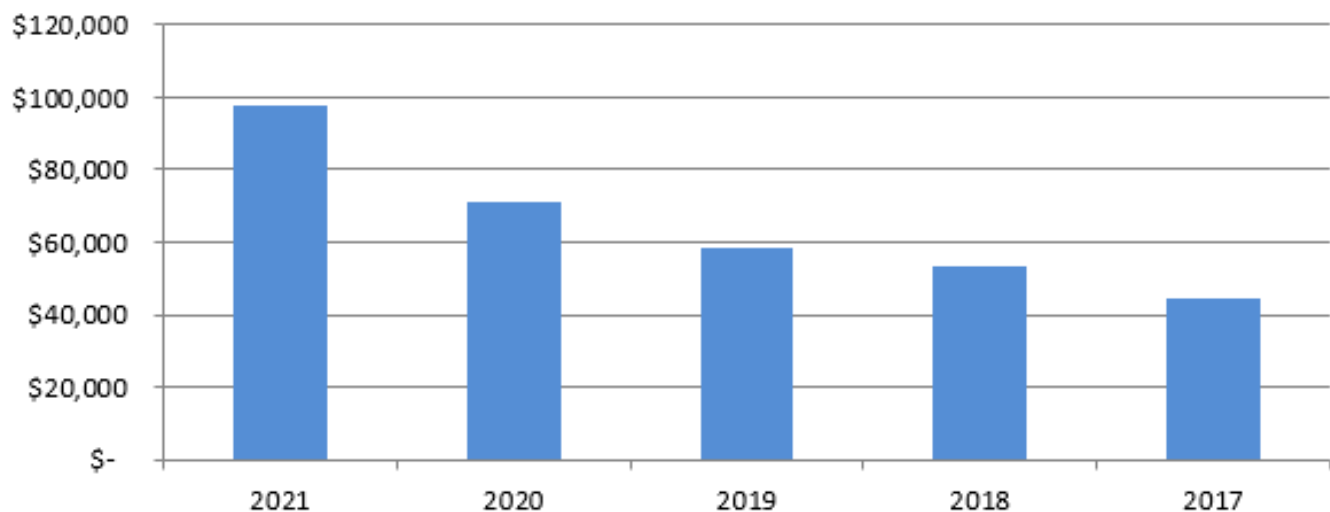
	2021	2020	2019	2018	2017
Sources of Revenue					
Taxation	\$ 111,844,954	\$ 108,337,251	\$ 101,785,776	\$ 97,111,559	\$ 93,248,002
Government Transfers					
Provincial	87,314,523	78,223,252	75,341,570	76,302,765	67,924,316
Federal	8,183,299	6,113,066	9,144,215	6,346,680	5,166,488
Municipal	23,092,243	26,011,667	26,604,122	24,451,012	24,042,601
Fees and Service Charges	13,245,063	11,523,390	12,319,029	10,930,545	10,564,373
Licenses, Permits, Rent	8,603,886	8,583,597	8,549,762	8,740,225	7,838,662
Interest, Donations, Other	7,110,700	3,742,772	3,561,633	2,933,760	2,737,834
Development Charges Earned	3,179,074	2,418,713	1,453,012	2,864,445	1,712,833
	262,573,742	244,953,708	238,779,119	229,410,991	213,235,109
Expenses by Function					
General Government	20,443,660	19,513,187	19,644,954	16,979,429	16,455,568
Protection to Persons and Property	19,867,211	19,190,525	18,372,745	17,785,831	17,347,807
Transportation Services	32,506,942	32,171,614	33,381,891	30,265,167	28,054,444
Environmental Services	14,480,259	11,497,936	10,229,115	8,774,198	9,307,931
Health Services	18,606,612	14,944,922	18,935,820	14,639,123	13,388,330
Social Housing	43,026,625	38,384,207	34,540,776	34,280,657	36,682,308
Social and Family Services	74,278,539	76,155,158	75,860,161	73,961,938	64,738,522
Library and Museum	11,212,764	10,944,761	10,113,459	9,869,284	9,566,106
Planning and Development	3,857,650	4,171,461	3,706,336	3,507,201	3,477,014
	238,280,262	226,973,771	224,785,257	210,062,828	198,988,030
Annual Surplus (Deficit)	24,293,480	17,979,937	13,993,862	19,348,163	14,247,079
Accumulated Surplus (Deficit), Beginning of Year	509,988,112	492,008,175	478,014,313	458,666,150	444,419,071
Accumulated Surplus (Deficit), End of Year	\$ 534,281,592	\$ 509,988,112	\$ 492,008,175	\$ 478,014,313	\$ 458,666,150
Expenses by Object					
Salaries and Benefits	\$ 73,797,295	\$ 68,520,826	\$ 64,251,219	\$ 61,616,902	\$ 57,764,122
Goods and Services	50,727,465	42,186,925	43,115,252	36,526,350	40,530,271
Transfer Payments	84,276,838	84,300,958	89,341,049	84,560,351	74,905,837
Insurance and Interest	4,099,866	4,261,411	4,247,176	4,758,022	3,572,675
Amortization	25,378,798	27,703,651	23,830,562	22,601,203	22,215,125
	\$ 238,280,262	\$ 226,973,771	\$ 224,785,257	\$ 210,062,828	\$ 198,988,030

Five-Year Financial Statistics

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

	2021	2020	2019	2018	2017
Annual Surplus	\$ 24,293,480	\$ 17,979,937	\$ 13,993,862	\$ 19,348,163	\$ 14,247,079
Acquisition of Tangible Capital Assets	(24,884,691)	(32,931,233)	(33,558,567)	(33,001,713)	(33,033,303)
Amortization of Tangible Capital Assets	25,378,798	27,703,651	23,830,562	22,601,203	22,215,125
Loss on Disposal of Tangible Capital Assets	2,607	514,770	418,246	306,492	110,296
Proceeds on Sale of Tangible Capital Assets	470,877	379,290	284,401	464,742	354,449
	25,261,071	13,646,415	4,968,504	9,718,887	3,893,646
Acquisition of Inventories of Supplies	(844,591)	(1,400,178)	(779,004)	(922,697)	(782,046)
Acquisition of Prepaid Expenses	(1,987,575)	(2,426,794)	(2,088,423)	(2,041,694)	(1,752,572)
Consumption of Inventories of Supplies	1,400,178	779,004	922,697	782,046	768,287
Use of Prepaid Expenses	2,426,794	2,088,423	2,041,694	1,752,572	2,039,256
Change in Net Financial Assets	26,255,877	12,686,870	5,065,468	9,289,114	4,166,571
Net Financial Assets, Beginning of Year	71,380,336	58,693,466	53,627,998	44,338,884	40,172,313
Net Financial Assets, End of Year	97,636,213	\$ 71,380,336	\$ 58,693,466	\$ 53,627,998	\$ 44,338,884

Net Financial Assets (in thousands of dollars)

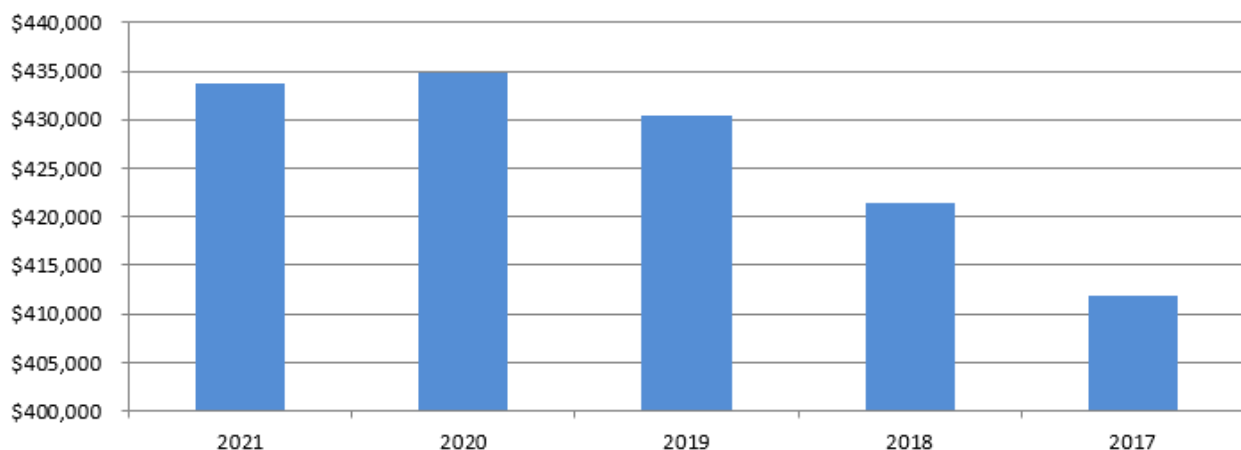


Five-Year Financial Statistics

NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS

	2021	2020	2019	2018	2017
Land	\$ 34,149,012	\$ 33,631,664	\$ 33,631,664	\$ 33,631,664	\$ 32,550,316
Landfill Sites	817,216	845,661	858,296	913,252	916,177
Buildings	123,959,722	125,917,788	130,788,606	130,722,244	120,492,079
Infrastructure					
Roads	161,928,328	164,670,876	164,207,997	164,853,716	160,297,095
Bridges	54,124,252	53,031,364	41,411,653	38,629,408	37,312,620
Culverts	11,941,823	11,392,639	12,210,880	11,713,562	11,328,630
Structural Walls	275,536	285,256	189,595	-	-
Traffic Lights	3,616,279	2,278,678	1,217,708	972,092	988,273
Trails	184,469	195,497	206,524	212,133	222,840
Parking Lots	2,410,943	2,384,570	1,989,140	1,848,028	805,875
Vehicles and Machinery					
Licensed Equipment	5,387,362	5,651,091	7,656,515	7,061,977	6,712,509
Unlicensed Equipment	5,233,049	6,111,849	4,861,970	4,189,699	3,852,817
Furniture and Fixtures	4,959,992	4,843,552	4,389,054	4,180,890	3,858,651
Technology and Communications	3,205,387	3,401,854	2,935,617	2,197,364	2,132,728
Library Books and Media	1,308,256	1,420,770	1,600,874	1,641,756	1,635,111
Wellington Housing Corporation	4,504,750	4,073,325	2,596,483	2,270,751	2,312,107
Public Health	6,612,228	6,881,431	7,156,597	7,360,849	8,006,413
Capital Work-in-Progress	9,194,609	7,762,939	12,538,109	9,022,539	18,368,406
Total	\$ 433,813,213	\$ 434,780,804	\$ 430,447,282	\$ 421,421,924	\$ 411,792,647

Tangible Capital Assets
(in thousands of dollars)



Five-Year Financial Statistics

CONSOLIDATED RESERVES AND RESERVE FUNDS

	2021	2020	2019	2018	2017
Capital Reserves					
Roads Construction and Equipment	\$17,041,363	\$ 14,761,737	\$12,507,745	\$ 12,713,888	\$ 11,867,061
County Property	15,045,756	8,263,941	7,746,621	7,758,296	9,323,161
Wellington Terrace and Continuum of Care	14,152,117	13,813,875	12,448,486	12,341,159	8,441,858
Social Housing Capital & Development	8,446,302	6,127,412	4,784,749	4,697,007	3,546,606
General Capital	5,910,363	5,818,439	5,023,237	5,147,243	5,608,670
Solid Waste Capital and Equipment	3,785,205	5,054,209	4,004,884	4,734,178	4,865,249
Climate Change Mitigation	2,623,263	2,242,652	2,071,474	1,903,670	1,712,626
Land Ambulance	739,601	570,370	465,814	742,838	585,542
	\$ 67,743,970	\$ 56,652,635	\$ 49,053,010	\$ 50,038,279	\$ 45,950,773
Contingency and Stabilization Reserves					
Contingency and Stabilization	\$16,961,938	\$15,380,349	\$12,465,715	\$8,968,802	\$8,364,926
Shared Services Reserve	7,476,832	6,877,520	6,312,365	5,658,919	4,894,647
Winter Control	4,328,308	2,807,248	1,391,360	1,342,214	777,394
	\$ 28,767,078	\$ 25,065,117	\$ 20,169,440	\$ 15,969,935	\$ 14,036,967
Specific Purpose Reserve Funds					
Landfill Closure and Post Closure	\$ 9,281,327	\$ 8,491,715	\$7,970,073	\$ 7,450,721	\$ 6,689,659
Housing Regeneration	4,263,999	6,321,855	3,337,662	2,410,787	1,235,189
Workplace Safety and Insurance	3,914,280	3,731,534	3,569,701	3,464,351	3,305,439
Public Health Debt Retirement	2,914,368	2,854,327	2,785,879	-	-
Post-Employment Benefit	1,955,785	-	-	-	-
Home Ownership Loan Programme	492,768	202,543	132,753	-	-
Museum Donations	240,275	209,675	190,705	156,564	120,329
Logan Donation	148,916	148,792	148,158	-	-
Library Donation	102,957	100,657	93,025	91,028	45,721
Wellington Terrace Donations	84,576	77,797	71,121	63,767	57,933
Short Term Disability/Employee Benefits	-	2,703,137	2,879,944	2,849,352	2,617,369
	\$ 23,399,251	\$ 22,727,997	\$ 21,179,021	\$ 16,486,570	\$ 14,071,639
Total Reserves and Reserve Funds	\$ 119,910,299	\$ 104,445,749	\$ 90,401,471	\$ 82,494,784	\$ 74,059,379

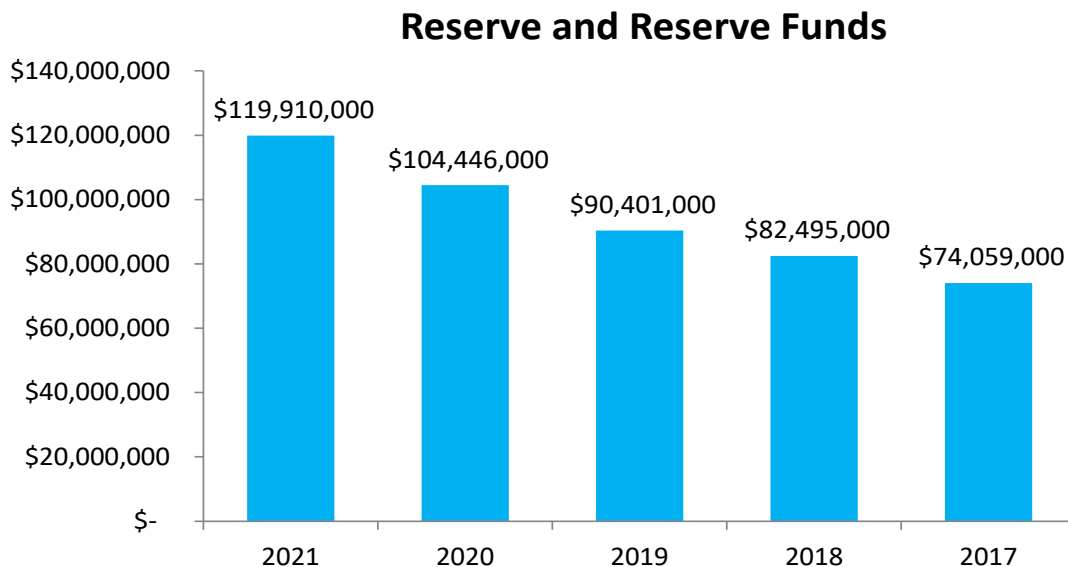
Five-Year Financial Statistics

CONSOLIDATED RESERVES AND RESERVE FUNDS

Reserves and reserve funds serve as a mechanism to plan financially for today and the future. The County strives to maintain solid reserves and reserve fund positions to ensure future liabilities can be met; capital assets/infrastructure are properly maintained; and that the County maintains sufficient financial flexibility to respond to economic cycles and unanticipated financial requirements. The County is committed to maintaining strong reserve balances.

In 2021, the County of Wellington had an operating budget surplus of \$5.7 million and this was transferred to the County Property Reserve to facilitate a future property purchase.

In 2021, after a comprehensive review, County Council approved an updated County reserve and reserve funds policy. Financing strategies, balance targets, financial performance indicators and peer comparisons were all part of this third party review. As a result and to improve transparency of reporting and reduce administration, various reserve and reserve funds have been consolidated, closed, renamed, repurposed and new reserves and reserve funds created. As well, to promote better management, reserves have been categorized as either Contingency and Stabilization or Capital with associated targets. Reserve Funds are for Specific Purposes as approved by Council or required by Provincial Statute with unique targets. For example, GFOA recommends that contingency and stabilization reserves have a balance of no less than two months of own sources revenues (16.7% of own source revenues). For 2021, the balance of the County's contingency and stabilization reserve is \$16.96 million or 12.5% of own source revenues (2020 - \$15.38 million or 11.5% of own source revenues). These do not include the Shared Services or Winter Control reserves as these are for specific contingencies.



Five-Year Financial Statistics

PROPERTY TAXES

	2021	2020	2019	2018	2017
Property Tax Rates by Class					
Residential	0.6220%	0.6144%	0.6175%	0.6278%	0.6403%
Multi-Residential	1.1818%	1.1674%	1.1732%	1.1929%	1.2165%
Farmland	0.1555%	0.1536%	0.1543%	0.1569%	0.1601%
Commercial	0.9274%	0.9161%	0.9207%	0.9361%	0.9546%
Industrial	1.4928%	1.4746%	1.4820%	1.5068%	1.5366%
Pipeline	1.3995%	1.3824%	1.3893%	1.4126%	1.4406%
Managed Forests	0.1555%	0.1536%	0.1543%	0.1568%	0.1601%
County Tax Levy	\$108,828,100	\$105,612,800	\$99,741,800	\$95,079,100	\$91,427,400
Supplementary and Omitted Taxes	\$2,811,338	\$2,512,217	\$2,223,353	\$2,212,685	\$2,075,669
Payment in Lieu of Taxes	\$874,499	\$835,356	\$765,247	\$721,500	\$671,679
Other	\$35,210	\$31,680	\$31,680	\$31,640	\$30,895
	\$112,549,147	\$108,992,053	\$102,762,080	\$98,044,924	\$94,205,643
Less:					
Property Taxes written off as uncollectible	(\$1,277,823)	(\$935,845)	(\$971,519)	(\$808,366)	(\$833,662)
Provision for Assessment as Risk	\$573,630	\$281,021	(\$4,785)	(\$125,000)	(\$123,979)
Total Property Taxes Collected By the County	\$ 111,844,954	\$108,337,229	\$101,785,776	\$97,111,558	\$93,248,002
Weighted Assessment (\$000)	\$17,496,569	\$17,189,609	\$16,152,362	\$15,143,290	\$14,279,600
Current Value Assessment (\$000)					
Residential	\$13,557,268	\$13,327,701	\$12,583,129	\$11,885,679	\$11,244,084
Non-residential	\$6,550,114	\$6,499,887	\$5,917,378	\$5,326,976	\$4,753,114
Total Current Value Assessment	\$20,137,382	\$19,827,588	\$18,500,507	\$17,212,448	\$15,997,198

Five-Year Financial Statistics

MUNICIPAL STATISTICS

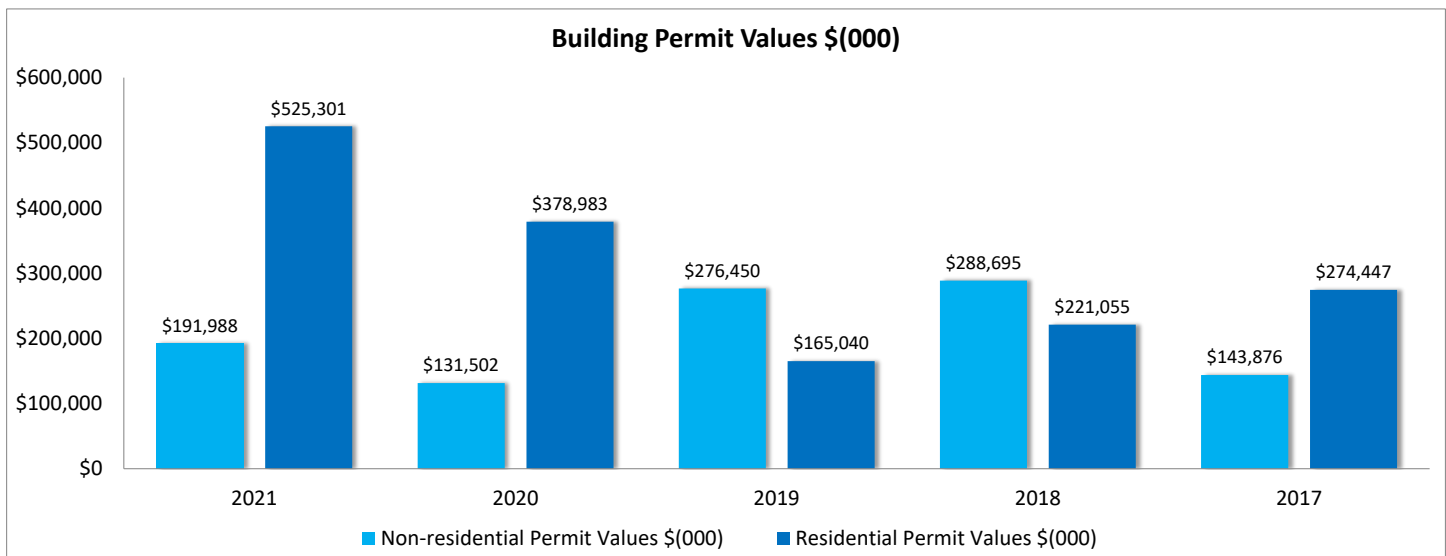
As shown by the building permit values in the table below, both residential and non-residential development has increased significantly in 2021 as home renovations have been on the rise during the pandemic. Ontario Places to Grow has forecasted the County's population to be 122,000 in 2031 and 140,000 in 2041, which indicates stable growth throughout the years to come. Employment is forecasted to reach 54,000 in 2031 and 61,000 in 2041 reflecting expansion of Wellington's economy, backed by the ongoing implementation of a solid Economic Development Strategy.

	2021	2020	2019	2018	2017
Population*	102,250	100,980	99,200	97,610	98,400
Households*	36,040	35,580	34,930	34,350	34,050
Average Unemployment Rate**	4.0%	4.2%	3.3%	3.1%	3.8%
Jobs	47,249	46,794	50,056	47,906	45,810
Residential Permit Values (\$000) (a)	\$525,301	\$378,983	\$276,450	\$288,695	\$274,447
Non-residential Permit Values (\$000) (b)	\$191,988	\$131,502	\$165,040	\$221,055	\$143,876
Per Household Information					
County Tax Levy Per Household	\$3,020	\$2,968	\$2,855	\$2,760	\$2,685
Debt Charges Per Household	\$135	\$147	\$144	\$133	\$132
Tangible Capital Assets Per Household	\$12,036	\$12,220	\$12,323	\$12,268	\$12,093
Total Debt Outstanding Per Household	\$894	\$958	\$1,089	\$937	\$771

* Source: Watson and Associates Economists Ltd and County of Wellington Planning Department.

** Note: Unemployment figures include the City of Guelph, which is not part of the County of Wellington

(a) (b) Source: Member Municipality Building departments and County of Wellington Planning Department



Five-Year Financial Statistics

FINANCIAL INDICATORS

Financial Indicator	2021	2020	2019	2018	2017
Net Financial Liabilities Ratio	(0.72)	(0.53)	(0.47)	(0.44)	(0.38)
Capital Expenditures/ Total Expenditures (Adjusted)	10.1%	15.7%	15.9%	16.7%	17.6%
Operating Balance/ Operating Revenue (Adjusted)	13.9%	16.9%	11.3%	14.7%	15.1%
After-Capital Balance/ Total Revenue (Adjusted)	10.3%	5.7%	1.9%	4.3%	3.3%
Asset Consumption Ratio	46.5%	45.1%	44.0%	42.9%	42.6%
Tax Discretionary Reserves as a % of Own Source Revenues	88%	78%	72%	68%	64%
Direct Debt Outstanding/ Operating Revenue (Adjusted)	14.4%	16.2%	19.3%	17.1%	14.9%
Debt Interest (Including Lower Tier)/ Operating Revenue (Adjusted)	0.8%	1.3%	1.1%	1.2%	1.3%
Debt to Reserve	0.27	0.33	0.43	0.40	0.37

Five-Year Financial Statistics

FULL-TIME STAFFING

Department	2021	2020	2019	2018	2017
Office of the CAO/Clerk	35.0	34.7	33.6	32.3	32.0
Economic Development	7.0	7.0	6.0	5.7	4.7
Treasury	18.2	16.1	15.4	14.7	14.7
Human Resources	12.3	12.3	14.3	14.3	14.3
Property	14.8	12.4	11.6	12.8	12.2
Police	2.1	2.1	2.1	2.4	2.4
Roads Admin	9.0	8.5	7.0	7.0	7.0
Roads Field	60.2	60.2	60.7	59.2	59.2
Solid Waste	29.9	29.9	30.9	30.9	30.9
Planning	17.5	17.5	16.8	14.5	14.5
Tree Nursery	8.2	7.9	7.9	7.9	7.7
Emergency Management	4.0	3.7	3.3	3.3	3.3
Museum	18.7	18.7	18.7	18.3	18.3
Library	59.7	59.7	58.9	58.9	57.8
Ontario Works	69.4	69.3	68.7	68.8	68.8
Child Care	94.0	91.1	80.7	57.3	52.5
Housing	47.3	46.8	45.3	44.5	42.8
Terrace	214.3	208.1	198.3	198.3	196.3
Total	721.6	706.0	680.1	651.1	639.4

TOP 20 EMPLOYERS IN 2021 (ESTIMATED EMPLOYEES)

County of Wellington (800+)

TG Minto (800+)

Jefferson Elora Corporation (500-599)

Musashi Auto Parts Canada Inc. (500-599)

Mammoet Crane (400-499)

Triton Water Canada Holdings Inc. (400-499)

Dana Long Corp. (300-399)

Schneider National (300-399)

Cascade Canada Ltd. (200-299)

Concast Inc. (200-299)

Elora Mill (200-299)

Groves Memorial Community Hospital (200-299)

Nexans Canada Inc. (200-299)

Royal Canin Inc. (200-299)

Walinga Inc. (200-299)

Wallenstein Feed and Supply Ltd. (200-299)

Walmart Supercenter (200-299)

Wellington North Health Care (200-299)

Zehrs (200-299)

TOP 20 CORPORATE TAXPAYERS IN 2021

Triton Water Canada Holdings
 Skyline Retail Real Estate, Centre Wellington
 Summit (7474 Mclean Road) Ltd., Puslinch
 TG Minto Corporation, Minto
 Jefferson Elora Corporation, Centre Wellington
 Musashi Auto Parts Canada, Wellington North
 Wallenstein Feed and Supply Ltd., Mapleton
 Darling International Canada Inc., Mapleton
 RMM Fergus Property Inc., Centre Wellington
 Royal Canin Canada Company, Puslinch
 Concast Inc., Puslinch
 Coldpoint Properties Ltd., Guelph/Eramosa
 Sharon Farms and Enterprises, Wellington North
 Riocan Holdings Inc., Centre Wellington
 Nexans Canada Inc., Centre Wellington
 Mammoet Crane, Puslinch
 Pier Property Inc., Puslinch
 1056469 Ontario Inc. (Pentalift), Puslinch
 Golden Valley Farms Inc., Wellington North
 Russel Metals Inc., Puslinch

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