

**The Corporation of the
County of Dufferin
Financial Information
For the year ended December 31, 2019**

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Financial Information
For the year ended December 31, 2019**

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers
of County of Dufferin

Opinion

We have audited the consolidated financial statements of County of Dufferin (the municipality), which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of County of Dufferin as at December 31, 2019 and its consolidated results of operations, its consolidated change 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

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



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

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

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

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

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

Chartered Professional Accountants, Licensed Public Accountants
Orangeville, Ontario
June 11, 2020

The Corporation of the County of Dufferin
Consolidated Statement of Financial Position

December 31	2019	2018
Financial assets		
Cash and temporary investments (Note 1)	\$30,452,361	\$ 27,937,720
Trade and other receivable	3,488,856	2,491,205
Portfolio investments (Note 2)	17,105,374	16,545,719
	<u>51,046,591</u>	<u>46,974,644</u>
Liabilities		
Temporary borrowings (Note 4)	-	2,000,000
Accounts payable and accrued liabilities	5,785,983	7,048,834
Post-employment benefits (Note 5)	1,710,590	1,706,615
Deferred revenue (Page 32)	10,638,620	9,166,338
Long-term liabilities (Note 6)	13,977,406	15,004,997
	<u>32,112,599</u>	<u>34,926,784</u>
Net financial assets	18,933,992	12,047,860
Non financial assets		
Inventory of supplies	133,936	94,000
Prepaid expenses	281,444	366,528
Tangible capital assets (Note 3)	143,850,191	143,067,596
	<u>144,265,571</u>	<u>143,528,124</u>
Accumulated surplus (Note 8)	\$ 163,199,563	\$ 155,575,984

The Corporation of the County of Dufferin
Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31	2019	2019	2018
	Budget (Note 11)	Actual	Actual
Revenue			
Taxation	\$ 38,989,122	\$39,189,862	\$ 38,065,568
Fees and user charges	4,596,880	4,520,395	4,475,748
Government contributions (Note 13)	36,363,829	38,016,141	38,208,781
Other income (Note 10)	8,671,848	9,738,563	11,256,009
	<u>88,621,679</u>	<u>91,464,961</u>	<u>92,006,106</u>
Expenses			
General government	6,933,555	6,778,283	6,817,982
Protection services	1,540,000	1,872,324	1,578,981
Transportation services	9,951,835	9,572,319	9,274,810
Environmental services	6,081,095	5,511,626	5,343,324
Health services	14,937,699	15,947,297	14,273,309
Social and family services	33,188,123	33,480,530	33,076,323
Social Housing	7,627,887	8,395,443	7,909,077
Recreation and cultural services	1,125,730	1,220,674	1,199,978
Planning and development	1,326,500	1,062,886	865,024
	<u>82,712,424</u>	<u>83,841,382</u>	<u>80,338,808</u>
Annual surplus (Note 11)	5,909,255	7,623,579	11,667,298
Accumulated surplus, beginning of year	<u>155,575,984</u>	<u>155,575,984</u>	<u>143,908,686</u>
Accumulated surplus, end of year	<u>\$161,485,239</u>	<u>\$163,199,563</u>	<u>\$155,575,984</u>

The Corporation of the County of Dufferin
Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31	2019	2019	2018
	Budget (Note 11)	Actual	Actual
Annual surplus (Page 6)	\$ 5,909,255	\$ 7,623,579	\$ 11,667,298
Acquisition of tangible capital assets	(14,420,602)	(10,795,784)	(13,673,666)
Amortization of tangible capital assets	7,871,816	8,847,777	8,238,984
Loss (gain) on sale of tangible capital assets	-	1,015,446	(1,948,218)
Proceeds on disposal of tangible capital assets	-	149,966	2,893,716
	(6,548,786)	(782,595)	(4,489,184)
Change in prepaid expenses	-	85,084	(193,836)
Change in inventory of supplies	-	(39,936)	(32,944)
	-	45,148	(226,780)
Increase (decrease) in net financial assets	(639,531)	6,886,132	6,951,334
Net financial assets, beginning of the year	12,047,860	12,047,860	5,096,526
Net financial assets, end of the year	\$ 11,408,329	\$18,933,992	\$ 12,047,860

The Corporation of the County of Dufferin
Consolidated Statement of Cash Flows

For the year ended December 31	2019	2018
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 7,623,579	\$ 11,667,298
Items not involving cash		
Change in post-employment benefits	3,975	(24,596)
Amortization of tangible capital assets	8,847,777	8,238,984
Deferred revenue recognized	(3,544,120)	(5,118,774)
(Gain) Loss on sale of tangible capital assets	1,015,446	(1,948,218)
	13,946,657	12,814,694
Changes in non-cash working capital balances		
Trade and other receivable	(997,651)	1,485,892
Accounts payable and accrued liabilities	(1,262,851)	(576,377)
Deferred revenue received	5,016,402	3,270,819
Prepaid expenses	85,084	(193,836)
Inventory of supplies	(39,936)	(32,944)
	2,801,048	3,953,554
	16,747,705	16,768,248
Capital transactions		
Cash used to acquire tangible capital assets	(10,795,784)	(13,673,666)
Proceeds on sale of tangible capital assets	149,966	2,893,716
	(10,645,818)	(10,779,950)
Investing activities		
Acquisition of investments	(5,197,841)	(3,366,600)
Sale of investments	4,638,186	5,898,580
	(559,655)	2,531,980
Financing activities		
Proceeds of long-term liabilities	1,200,000	-
Repayment of long-term liabilities	(2,227,591)	(2,278,351)
Net change in temporary borrowings	(2,000,000)	1,000,000
	(3,027,591)	(1,278,351)
Net change in cash and cash equivalents	2,514,641	7,241,927
Cash and cash equivalents, beginning of year	27,937,720	20,695,793
Cash and cash equivalents, end of year	\$ 30,452,361	\$ 27,937,720

The Corporation of the County of Dufferin Summary of Significant Accounting Policies

December 31, 2019

Management Responsibility

The management of the Corporation of the County of Dufferin has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these consolidated financial statements. The Council reviews and approves the consolidated financial statements.

Basis of Accounting

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing.

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, revenues and expenses of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.

The following entities and organizations are controlled by Council and have been consolidated:

Dufferin Oaks Home for the Aged
Dufferin County Museum

A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The municipality's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

Wellington-Dufferin-Guelph Public Health Unit 21.4%

The Corporation of the County of Dufferin Summary of Significant Accounting Policies

December 31, 2019

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as accrued grant receivables, useful lives of tangible capital assets, accrued liabilities, and post-employment benefits. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition

Revenues are recognized as follows:

- a) Assessments and the related property taxes are subject to appeal. Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of allowance for anticipated uncollectable amounts.

As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized.

- b) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- c) Investment income earned on surplus funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is recorded directly to deferred revenue.
- d) Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for the specified purpose.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and short term highly liquid investments that are readily convertible into cash.

The Corporation of the County of Dufferin
Summary of Significant Accounting Policies

December 31, 2019

Temporary Investments Temporary investments are recorded at the lower of cost or market value.

Portfolio Investments Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market. Portfolio investments are comprised primarily of guaranteed investment certificates, bonds and equity funds.

Inventory of supplies Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost.

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization. Costs include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by Council. The following rates are used:

Buildings	10 - 50 years
Equipment	5 - 20 years
Roads	16 - 50 years
Bridges and Culverts	20 - 75 years
Vehicles	4.5 - 10 years
Other	5 - 30 years

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

Intangible Assets Intangible assets, art and historic treasures, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in these financial statements.

Post-Employment Benefits The municipality provides benefits under the Workplace Safety and Insurance Board (WSIB) Act and health, dental and life insurance benefits to eligible retired employees. The benefits earned by employees are determined using management's best estimate of expected benefit costs and are expensed as services are rendered.

The actuarial gain or loss is amortized over the expected average remaining life expectancy of the members of the employee group.

The Corporation of the County of Dufferin Summary of Significant Accounting Policies

December 31, 2019

The contributions to the Ontario Municipal Employers Retirement System ("OMERS"), a multi-employer defined benefit plan are expensed when contributions are due.

Government Transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as stipulation liabilities are settled.

Provincial Subsidies

Subsidies from the Province of Ontario are subject to review of year-end settlement forms and adjustments by the Province. Adjustments to funding, if any, are recorded in the year in which they occur.

Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attribute to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. Management is not aware of any contaminated sites for which a liability needs to be recognized.

Trust Funds

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

1. Cash and Temporary Investments

	2019	2018
Bank accounts	\$ 14,487,140	\$ 13,788,303
One Investments - High Interest Savings Account	9,965,221	8,149,417
Scotiabank - High Interest Savings Account	6,000,000	6,000,000
	\$ 30,452,361	\$ 27,937,720

Included in cash are externally restricted funds that are segregated and will be used only for specific purposes totaling \$2,738,260 (2018 - \$1,901,233).

2. Portfolio Investments

Portfolio investments include the following:

	2019	2018
ONE Investment, equity funds	\$ 4,647,310	\$ 4,069,395
RBC mutual funds	20,000	20,000
Meridian Credit Union shares	25	25
Guaranteed Investment Certificates, 2.25% to 3.1% (2018 - 1.6% to 3.1%), due January 2020 to December 2021 (2018 - February 2019 to July 2020)	5,598,340	4,616,600
Bank notes and bonds, step-up interest, maturing February 2020 to November 2026 (2018 - maturing February 2019 to November 2026)	4,150,000	4,550,000
Provincial and municipal bonds, 2.2% to 2.85%, due June 2025 to June 2026	1,484,327	1,484,327
Bank deposit notes, 10.8%, due November 2020 to September 2024 (2018 - due October 2019 to September 2024)	855,372	1,455,372
Toronto Dominion Bank note, 2% to 2.2%, maturing May 2024	350,000	350,000
	\$ 17,105,374	\$ 16,545,719

The total investments of \$17,105,374 (2018 - \$16,545,719) reported on the balance sheet at cost have a market value of \$17,709,984 (2018 - \$16,358,151) at the end of the year.

Included in portfolio investments are externally restricted funds that are segregated and will be used only for specific purposes totaling \$8,317,980 (2018 - \$7,262,622).

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

3. Tangible Capital Assets

	2019								
	Land	Buildings	Equipment	Roads	Bridges and Culverts	Vehicles	Other	Assets under Construction	Total
Cost, beginning of year	\$ 10,363,065	\$ 92,026,283	\$ 11,017,036	\$ 91,205,229	\$ 24,716,908	\$ 6,791,751	\$ 6,834,115	\$ 4,890,669	\$ 247,845,056
Additions		666,807	638,417	6,154,467	488,644	883,851	13,185	1,950,413	10,795,784
Disposals	-	-	(160,811)	(2,956,464)	(496,660)	(478,422)	-	(32,680)	(4,125,037)
Transfers	-	-	-	1,190,212	2,093,312	-	-	(3,283,524)	-
Cost, end of year	<u>10,363,065</u>	<u>92,693,090</u>	<u>11,494,642</u>	<u>95,593,444</u>	<u>26,802,204</u>	<u>7,197,180</u>	<u>6,847,300</u>	<u>3,524,878</u>	<u>254,515,803</u>
Accumulated amortization, beginning of year	-	41,193,970	6,316,421	42,766,280	7,591,017	2,683,767	4,226,005	-	104,777,460
Amortization	-	2,788,547	786,922	3,888,964	373,113	745,771	264,460	-	8,847,777
Disposals	-	-	(155,320)	(1,965,237)	(489,135)	(349,933)	-	-	(2,959,625)
Accumulated amortization, end of year	<u>-</u>	<u>43,982,517</u>	<u>6,948,023</u>	<u>44,690,007</u>	<u>7,474,995</u>	<u>3,079,605</u>	<u>4,490,465</u>	<u>-</u>	<u>110,665,612</u>
Net carrying amount, end of year	<u>\$ 10,363,065</u>	<u>\$ 48,710,573</u>	<u>\$ 4,546,619</u>	<u>\$ 50,903,437</u>	<u>\$ 19,327,209</u>	<u>\$ 4,117,575</u>	<u>\$ 2,356,835</u>	<u>\$ 3,524,878</u>	<u>\$ 143,850,191</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

3. Tangible Capital Assets - (continued)

									2018
	Land	Buildings	Equipment	Roads	Bridges and Culverts	Vehicles	Other	Assets under Construction	Total
Cost, beginning of year	\$ 10,438,003	\$ 85,578,596	\$ 10,442,992	\$ 88,427,076	\$ 24,590,433	\$ 6,723,060	\$ 6,724,341	\$ 6,111,041	\$ 239,035,542
Additions	47,993	3,263,169	687,121	4,852,882	126,475	1,231,142	305,542	3,159,342	13,673,666
Disposals	(122,931)	(1,163,863)	(113,077)	(2,106,062)	-	(1,162,451)	(195,768)	-	(4,864,152)
Transfers	-	4,348,381	-	31,333	-	-	-	(4,379,714)	-
Cost, end of year	10,363,065	92,026,283	11,017,036	91,205,229	24,716,908	6,791,751	6,834,115	4,890,669	247,845,056
Accumulated amortization, beginning of year	-	39,943,492	5,607,996	40,593,485	7,219,612	2,922,645	4,169,900	-	100,457,130
Amortization	-	2,414,341	812,024	3,677,262	371,405	712,396	251,556	-	8,238,984
Disposals	-	(1,163,863)	(103,599)	(1,504,467)	-	(951,274)	(195,451)	-	(3,918,654)
Accumulated amortization, end of year	-	41,193,970	6,316,421	42,766,280	7,591,017	2,683,767	4,226,005	-	104,777,460
Net carrying amount, end of year	\$ 10,363,065	\$ 50,832,313	\$ 4,700,615	\$ 48,438,949	\$ 17,125,891	\$ 4,107,984	\$ 2,608,110	\$ 4,890,669	\$ 143,067,596

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

3. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$3,524,878 (2018 - \$4,890,669).

The municipality holds various works of art and historical treasures including buildings, artifacts, paintings and sculptures located at County sites and public displays. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

Included in other assets are land improvements, leasehold improvements and sewer infrastructure.

4. Temporary Borrowings

Ontario Infrastructure and Lands Corporation (OILC), Interim construction financing for social housing project. Interest is calculated at OILC's cost of funds plus OILC's prevailing spread with interest payable monthly, with no pre-determined date of repayment. The County of Dufferin has been approved for financing up to \$3,000,000. Repayment terms of principal and interest will be determined upon completion of the social housing project.

	<u>2019</u>	<u>2018</u>
	-	\$ 2,000,000

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

5. Post-employment Benefit

The municipality provides certain benefits, including retirement benefits and other post-employment benefits, to its employees. The post-employment benefit at December 31 includes the following components:

	<u>2019</u>	<u>2018</u>
Retirement Benefits	\$ 917,900	\$ 825,100
Workplace Safety and Insurance Board Obligations	491,400	585,900
Wellington-Dufferin-Guelph Public Health Unit	<u>301,290</u>	<u>295,615</u>
	<u>\$ 1,710,590</u>	<u>\$ 1,706,615</u>

The County has established a Workplace safety and insurance reserve fund in the amount of \$2,215,642 (2018 - \$2,172,853) to mitigate the future impact of these obligations.

Actuarial valuations for accounting purposes are performed using the projected benefit method, pro-rated on services. The most recent actuarial report was prepared as at December 31, 2017.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, medical inflation rates, wage increases, employee turnover and mortality rates.

Retirement Benefits

The County sponsors a defined benefit plan for retirement benefits other than pensions for all non-union employees. The plan provides extended health and dental benefits to qualified employees.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

5. Post-employment Benefit - continued

The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 3.10% (2018 - 3.10%). For extended health care costs, a 4% (2018 - 4%) annual rate of decrease was assumed for 2019, decreasing to an ultimate rate of 4.0% per year up until 2020. For dental costs, a 4.0% annual rate was assumed.

	2019	2018
Current period benefit cost	\$ 66,000	\$ 64,000
Amortization of actuarial gain/(loss)	20,100	20,100
Retirement benefit expense	86,100	84,100
Interest costs	35,600	33,400
Total expense for the year	\$ 121,700	\$ 117,500

Total benefit payments paid by the County on behalf on retirees during the year were \$42,126 (2018 - \$32,387).

WSIB

The County is a schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for financing its workplace safety insurance costs. The accrued obligation represents the actuarial valuation of claims to be insured based on the history of claims with County employees.

The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 3.10% (2018 - 3.10%). For compensation costs, which include loss of earnings benefits, health care cost and non-economic loss awards, a 2.25% to 6.0% annual rate of increase was assumed for 2019, depending on the benefit type.

	2019	2018
Current period benefit cost	\$ 31,800	\$ 30,800
Amortization of actuarial loss	(85,600)	(85,600)
Retirement benefit expense	(53,800)	(54,800)
Interest costs	4,000	4,300
Total expense for the year	\$ (49,800)	\$ (50,500)

Total benefit payments paid by the County for WSIB during the year were \$47,103 (2018 - \$60,661).

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

6. Long-Term Liabilities

The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2019	2018
Amortizing debenture, 2.37%, repayable in semi-annual principal of \$60,000 plus interest payments, due July 2029	\$ 1,200,000	\$ -
Amortizing debenture, 6.375%, repayable in semi-annual variable principal plus interest payments, due December 2022	12,000	1,319,000
Amortizing debenture, 4.46%, repayable in blended semi-annual principal and interest payments of \$142,674, due January 2031	2,545,473	2,711,710
Amortizing debenture, 3.75%, repayable in blended semi-annual principal and interest payments of \$72,506, due January 2021	209,608	342,996
Amortizing debenture, 4.40%, repayable in semi-annual principal of \$162,500 plus interest payments, due March 2033	4,387,500	4,712,500
Amortizing debenture, 3.10%, repayable in blended semi-annual principal and interest payments of \$106,934, due June 2035	2,616,368	2,746,103
Bank loan, 4.10%, repayable in blended monthly principal and interest payments of \$19,866, due October 2024	2,646,114	2,773,179
Capital lease, 3.10%, repayable in blended semi-annual principal and interest payments of \$50,000, due January 2027	360,343	399,509
	\$ 13,977,406	\$ 15,004,997

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

6. Long-Term Liabilities - (continued)

The gross interest paid relating to the above long-term liabilities was \$537,440 (2018 - \$658,372).

Principal payments for the next 5 fiscal years and thereafter are as follows:

2020	\$ 1,067,744
2021	1,019,276
2022	967,656
2023	983,993
2024	2,931,566
Thereafter	<u>7,007,171</u>
	<u>\$ 13,977,406</u>

7. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 159 members of its staff, plus the County's share of 141 Health Unit staff. This plan is a defined benefit plan which specifies the amount of the retirement to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS for 2019 by the County of Dufferin was \$1,657,247 (2018 - \$1,547,410). The contribution rate for 2019 was 9.0% to 15.8% depending on age and income level (2018 - 9.0% to 15.8%).

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2019. At that time the plan reported a \$3.40 billion actuarial deficit (2018 - \$4.19 billion actuarial deficit), based on actuarial liabilities of \$106.44 billion (2018 - \$99.06 billion) and actuarial assets of \$103.04 billion (2018 - \$94.87 billion). Ongoing adequacy of the current contribution rates will need to be monitored as declines in the financial markets may lead to increased future funding requirements.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

8. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2019	2018
Invested in tangible capital assets		
County's tangible capital assets at cost less amortization	\$ 139,064,216	\$ 138,145,028
WDGPH's tangible capital assets at cost less amortization	4,785,975	4,922,568
Unexpended capital financing	2,108,978	585,839
County's capital assets financed by long-term liabilities and to be funded in future years	<u>(13,977,406)</u>	<u>(15,004,997)</u>
Total invested in capital assets	131,981,763	128,648,438
County's unfunded post-employment benefits	(1,409,300)	(1,411,000)
General surplus (Note 11)	1,445,622	1,494,787
Wellington-Dufferin-Guelph Public Health	<u>(28,576)</u>	<u>(15,149)</u>
	131,989,509	128,717,076
Reserves and reserve funds (Note 9)	<u>31,210,054</u>	<u>26,858,908</u>
Accumulated surplus	<u>\$ 163,199,563</u>	<u>\$ 155,575,984</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

9. Reserves and Reserve Funds Set Aside for Specific Purpose by Council

	<u>2019</u>	<u>2018</u>
Reserves		
Rate stabilization	\$ 2,810,779	\$ 2,288,766
Contingencies	364,451	360,261
Insurance	37,436	86,179
Winter control	349,902	349,902
Wellington-Dufferin-Guelph Public Health	242,726	1,211,077
Other current purposes	1,887,661	1,778,855
Asset management	13,728,025	10,292,943
Broadband	2,000,000	2,000,000
Other capital purposes	3,489,766	3,638,628
	<u>24,910,746</u>	<u>22,006,611</u>
Reserve funds		
WSIB	2,215,642	2,172,853
Children's services	272,393	556,664
Bank loan retirement	1,556,014	-
Other current purposes	1,613,670	1,499,514
Other capital purposes	641,589	623,266
	<u>6,299,308</u>	<u>4,852,297</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$ 31,210,054</u>	<u>\$ 26,858,908</u>

10. Other Income

	<u>2019</u>	<u>2019</u>	<u>2018</u>
	Budget	Actual	Actual
Development charges and contributions	\$ 1,703,126	\$ 1,405,986	\$ 2,989,824
Investment income	500,407	1,021,110	678,115
Licenses, permits and rents	4,176,635	4,235,104	4,025,270
Health Unit sundry	-	1,091,400	-
Donations	45,000	51,097	66,575
Recycling rebate	750,000	489,610	691,528
Sale of publications, equipment, etc.	93,750	45,802	99,854
Gain (loss) on disposal of capital assets	-	(1,015,446)	1,948,218
Other contributions	1,402,930	2,413,900	756,625
	<u>\$ 8,671,848</u>	<u>\$ 9,738,563</u>	<u>\$ 11,256,009</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

11. Budgets

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. Management prepares a reconciliation of the budget approved by Council on a cash basis to the budget under Public Sector Accounting Standards. The following is a reconciliation of the budget approved by Council.

	2019 Budget	2019 Actual	2018 Actual
Annual surplus (Page 6)	\$ 5,909,255	\$ 7,623,579	\$ 11,667,298
Amortization of tangible capital assets	7,871,816	8,847,777	8,238,984
Change in unfunded liabilities	-	(1,700)	(3,700)
Change in other surpluses	-	13,427	(8,707)
	13,781,071	16,483,083	19,893,875
Net transfers (to) from reserves	2,827,966	578,723	(690,634)
Capital acquisitions, disposals and write-down	(14,420,602)	(9,630,372)	(12,728,168)
Prior year capital projects (funded) expended	-	(4,958,221)	(4,750,989)
Proceeds from long-term debt	-	1,200,000	-
Debt principal repayments	(2,188,435)	(2,227,591)	(2,278,351)
	-	1,445,622	(554,267)
Prior year general surplus	-	1,494,787	2,049,054
Surplus before transfers to reserves	-	2,940,409	1,494,787
Transfer prior year surplus to reserve per resolution	-	(1,494,787)	-
General surplus (Note 8)	\$ -	\$ 1,445,622	\$ 1,494,787

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

12. Government Partnerships

The following summarizes the financial position and operations of the government partnerships which have been reported in these financial statements using the proportionate consolidation method:

Wellington-Dufferin-Guelph Public Health

Wellington-Dufferin-Guelph Public Health is a joint board under the shared control of the Corporation of the County of Dufferin, the Corporation of the County of Wellington and the Corporation of the City of Guelph. The consolidated financial statements include the municipality's 21.4% proportionate interest of the following:

	<u>2019</u>	<u>2018</u>
Financial assets	\$ 3,651,530	\$ 7,976,783
Liabilities	<u>\$ 8,311,312</u>	<u>\$ 14,124,423</u>
Net debt	(4,659,782)	(6,147,640)
Non-financial assets	<u>22,437,800</u>	<u>23,120,690</u>
Accumulated surplus	<u>\$ 17,778,018</u>	<u>\$ 16,973,050</u>
Revenues	\$ 27,597,697	\$ 27,085,026
Expenses	<u>26,792,729</u>	<u>26,759,440</u>
Annual surplus	<u>\$ 804,968</u>	<u>\$ 325,586</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

13. Government Contributions

	Budget	2019	2018
Operating			
Province of Ontario			
Social and family services	\$ 23,379,463	\$ 23,288,753	\$ 23,405,719
Social housing	1,027,442	1,199,762	1,293,536
Other	7,017,771	8,559,653	7,469,401
	<u>31,424,676</u>	<u>33,048,168</u>	<u>32,168,656</u>
Government of Canada			
Social and family services	\$ 1,490	\$ 3,920	\$ 3,360
Social housing	896,353	882,530	1,826,229
Transportation	-	3,920	-
Other	1,400	3,920	-
	<u>899,243</u>	<u>894,290</u>	<u>1,829,589</u>
Other Municipalities			
Transportation	\$ 42,350	\$ 51,001	\$ 50,109
Other	1,427,478	1,586,749	1,552,845
	<u>1,469,828</u>	<u>1,637,750</u>	<u>1,602,954</u>
Total operating government contributions	<u>33,793,747</u>	<u>35,580,208</u>	<u>35,601,199</u>
Tangible Capital Asset			
Province of Ontario			
Transportation	385,930	385,933	244,682
Other	134,152	-	138,839
	<u>520,082</u>	<u>385,933</u>	<u>383,521</u>
Government of Canada			
Social housing	110,000	110,000	115,000
Transportation	1,940,000	1,940,000	1,961,700
Other	-	-	147,361
	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,224,061</u>
Total tangible capital asset government contributions	<u>2,570,082</u>	<u>2,435,933</u>	<u>2,607,582</u>
Total government contributions	<u>\$ 36,363,829</u>	<u>\$ 38,016,141</u>	<u>\$ 38,208,781</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

14. Social Housing Obligation

As part of the Provincial Local Services Realignment Program, the Ontario Housing Corporation (OHC) is still responsible for the servicing of the debentures used to finance the public housing projects transferred to the County of Dufferin under authority of the Social Housing Reform Act, 2000.

Information received from the OHC as at December 31, 2019 indicates the following.

	<u>2019</u>
Principal payments	\$ 195,754
Interest payments	<u>67,776</u>
Total	<u>\$ 263,530</u>
Debentures outstanding at year end	<u>\$ 891,435</u>

The principal and interest repayments are recovered at source from Federal Social Housing funding provided to the Province and the balance is flowed to or recovered from the Consolidated Municipal Service Manager (County of Dufferin). The County of Dufferin is showing the revenues from the Federal Social Housing funding at gross and recording a transfer to the Province for the recovered amount.

15. Trust Funds

The trust funds administered by the municipality amounting to \$664,451 (2018 - \$957,138) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2019, the trust fund balances are as follows:

	<u>2019</u>	<u>2018</u>
Entrance Permit Deposits Trust	\$ 49,989	\$ 49,989
Dufferin Oaks and Residents' Trust	169,562	180,631
Other	8,284	8,284
Museum Trust	<u>436,616</u>	<u>718,234</u>
	<u>\$ 664,451</u>	<u>\$ 957,138</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

16. Commitments

- i) The County has various operating contracts for services to be provided over multiple years. The payments for the following four years are as follows:

2020	\$	2,500,715
2021		214,095
2022		34,029
2023		5,861

- ii) The County has committed to spend approximately \$1,271,217 on capital projects in 2020 and beyond on various roads projects.
-

17. Contingencies

The County has been served with various claims as a result of motor vehicle accidents and other incidents. The County is not aware of any possible settlements in excess of its liability insurance coverage. The outcomes of these claims are not determinable at this time. Should any liability be determined and not covered by insurance, it will be recognized in the period when determined.

18. Subsequent Events

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the County, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the County's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the County is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The County's ability to continue delivering non-essential services and employ related staff will depend on the legislative mandates from the various levels of government. The County will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

The Corporation of the County of Dufferin Notes to Financial Statements

December 31, 2019

19. Segmented Information

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation and payments-in-lieu

Allocated to those segments that are funded by these amounts based on the budget for the year

The County of Dufferin is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This item related to the revenues and expenses that relate to the governance and operations of the municipality itself and cannot be directly attributed to a specific segment.

Protection Services

Protection is comprised of building and septic permits, property information and the emergency management program. The building department provides a number of services including maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

Transportation Services

Transportation is responsible for construction and maintenance of the municipality's roadways, bridges, parking areas and streetlighting.

Environmental Services

Environmental services consists of providing waste collection, disposal and recycling to its citizens. Programs include the compost program, household hazardous waste and electronic goods recycling, the Take It Back product stewardship program and other initiatives that divert waste from landfills.

Health Services

Health services include the land ambulance services.

Social and Family Services

Community services administrate and deliver community services for the County, including the Ontario Works program, and various children's services.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

19. Segmented Information - continued

Social Housing

Housing services administrate and deliver housing services for the County, including maintaining the centralized waiting list for subsidized housing, managing and operating the County owned properties, administering the Rent Supplement Program, administering homelessness prevention programs, and funding and administering the non-profit, co-operative, municipal and federal housing programs in the County.

Recreational and Cultural Services

This service area provides services meant to improve the health and development of the municipality's citizens. The municipality operates and maintains a museum.

Planning and Development

This department is responsible for planning and zoning including the Official plan. This service relates to the operations of the county forest and support of economic development activities carried out by external agencies.

Wellington-Guelph-Dufferin Public Health

This segment is responsible for the operations of the Wellington-Guelph-Dufferin Public Health (WGDPH). WGDPH provides programs and services that prevent disease, protect health and promote the well-being of individuals.

Dufferin Oaks

This segment is responsible for the operations of Dufferin Oaks, which includes a long term care facility located in Shelburne, Ontario, Dufferin County Community Support Services, and McKelvie-Burnside Village.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2019

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreation and Cultural Services	Planning and Development	Wellington- Dufferin- Guelph Public Health	Dufferin Oaks	2019 Total
Revenue												
Taxation	\$ 5,700,632	\$ 312,900	\$ 10,826,415	\$ 4,373,315	\$ 5,778,750	\$ 2,399,550	\$ 4,147,900	\$ 1,077,000	\$ 739,800	\$ -	\$ 3,833,600	\$ 39,189,862
Fees and user charges	-	166,077	5,950	78,289	-	312,703	19,521	28,019	1,900	-	3,907,936	4,520,395
Specific grants	797,703	98,113	2,380,854	-	3,687,222	13,204,298	2,192,292	65,005	24,710	5,477,569	10,088,375	38,016,141
Other revenue	1,700,014	1,322,225	280,175	917,810	1,298,757	162,985	2,378,342	518,534	124,943	33,831	1,000,947	9,738,563
	<u>8,198,349</u>	<u>1,899,315</u>	<u>13,493,394</u>	<u>5,369,414</u>	<u>10,764,729</u>	<u>16,079,536</u>	<u>8,738,055</u>	<u>1,688,558</u>	<u>891,353</u>	<u>5,511,400</u>	<u>18,830,858</u>	<u>91,464,961</u>
Expenses												
Salaries and benefits	4,158,621	1,008,316	2,281,196	506,607	-	3,323,261	1,368,166	763,588	432,814	4,261,837	12,284,745	30,389,151
Interest on debt	69,333	-	-	-	111,330	92,336	203,241	-	-	-	61,200	537,440
Materials and supplies	375,832	384,726	1,646,450	216,695	566,254	526,345	2,038,729	290,437	78,662	2,042,963	2,343,842	10,510,935
Contracted services	1,427,880	128,187	713,282	4,779,881	6,474,895	260,419	215,020	25,670	211,451	-	1,573,003	15,809,688
Other transfers	-	334,015	-	-	1,774,732	11,612,738	3,493,202	37,715	338,045	-	-	17,590,447
Rents and financial expenses	(915)	6,363	1,891	378	-	64,143	-	1,234	-	-	82,850	155,944
Amortization	747,532	10,717	4,929,500	8,065	390,310	304,059	1,077,085	102,030	1,914	324,974	951,591	8,847,777
	<u>6,778,283</u>	<u>1,872,324</u>	<u>9,572,319</u>	<u>5,511,626</u>	<u>9,317,521</u>	<u>16,183,301</u>	<u>8,395,443</u>	<u>1,220,674</u>	<u>1,062,886</u>	<u>6,629,774</u>	<u>17,297,231</u>	<u>83,841,382</u>
Annual surplus (deficit)	\$ 1,420,066	\$ 26,991	\$ 3,921,075	\$ (142,212)	\$ 1,447,208	\$ (103,765)	\$ 342,612	\$ 467,884	\$ (171,533)	\$ (1,118,374)	\$ 1,533,627	\$ 7,623,579

**The Corporation of the County of Dufferin
Notes to Financial Statements**

December 31, 2019

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreation and Cultural Services	Planning and Development	Wellington- Dufferin- Guelph Public Health	Dufferin Oaks	2018 Total
Revenue												
Taxation	\$ 5,701,615	\$ 305,270	\$ 10,737,475	\$ 4,053,540	\$ 5,344,075	\$ 2,328,680	\$ 3,981,385	\$ 1,085,080	\$ 669,280	\$ -	\$ 3,859,168	\$ 38,065,568
Fees and user charges	-	182,550	3,700	72,449	-	323,667	18,504	21,912	24,892	-	3,828,074	4,475,748
Specific grants	-	97,292	2,256,491	-	3,567,821	13,356,888	3,234,766	204,967	-	5,378,134	10,112,422	38,208,781
Other revenue	1,312,281	1,127,064	852,287	1,088,190	265,601	153,899	5,668,879	132,013	72,720	29,657	553,418	11,256,009
	<u>7,013,896</u>	<u>1,712,176</u>	<u>13,849,953</u>	<u>5,214,179</u>	<u>9,177,497</u>	<u>16,163,134</u>	<u>12,903,534</u>	<u>1,443,972</u>	<u>766,892</u>	<u>5,407,791</u>	<u>18,353,082</u>	<u>92,006,106</u>
Expenses												
Salaries and benefits	3,927,036	930,320	2,185,551	436,116	-	3,211,267	1,261,574	796,355	294,657	4,034,503	12,000,253	29,077,632
Interest on debt	78,241	-	-	-	116,426	98,815	214,344	-	-	-	150,546	658,372
Materials and supplies	643,991	253,836	1,445,182	342,808	515,181	746,136	1,967,248	285,766	72,079	1,077,421	2,349,231	9,698,879
Contracted services	1,464,102	84,169	952,684	4,556,388	6,129,353	274,883	1,083,911	20,314	129,826	-	1,513,741	16,209,371
Other transfers	-	290,711	-	-	1,618,994	11,327,451	2,663,859	33,679	366,351	-	-	16,301,045
Rents and financial expenses	(617)	5,365	1,789	-	-	65,321	-	1,789	-	-	80,877	154,524
Amortization	705,229	14,580	4,689,604	8,012	366,893	304,783	718,141	62,075	2,111	414,538	953,019	8,238,985
	<u>6,817,982</u>	<u>1,578,981</u>	<u>9,274,810</u>	<u>5,343,324</u>	<u>8,746,847</u>	<u>16,028,656</u>	<u>7,909,077</u>	<u>1,199,978</u>	<u>865,024</u>	<u>5,526,462</u>	<u>17,047,667</u>	<u>80,338,808</u>
Annual surplus (deficit)	\$ 195,914	\$ 133,195	\$ 4,575,143	\$ (129,145)	\$ 430,650	\$ 134,478	\$ 4,994,457	\$ 243,994	\$ (98,132)	\$ (118,671)	\$ 1,305,415	\$ 11,667,298

The Corporation of the County of Dufferin
Schedule of Deferred Revenue

For the year ended December 31, 2019

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 4,986,246	\$ 1,016,738	\$ 123,905	\$ (879,241)	\$5,247,648
Federal Gas Tax	139,601	3,718,264	23,792	(1,940,000)	1,941,657
Building department	3,732,917	-	112,910	(526,745)	3,319,082
	8,858,764	4,735,002	260,607	(3,345,986)	10,508,387
Other					
Long-term easement access	175,000	-	-	(150,000)	25,000
Other	132,574	20,793	-	(48,134)	105,233
	\$ 9,166,338	\$ 4,755,795	\$ 260,607	\$ (3,544,120)	\$10,638,620

**The Corporation of the
County of Dufferin
Trust Funds
Financial Information
For the year ended December 31, 2019**

**The Corporation of the County of Dufferin
Trust Funds
Financial Information
For the year ended December 31, 2019**

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of County of Dufferin

Opinion

We have audited the accompanying financial information of the Corporation of the County of Dufferin Trust Funds, (the 'Trusts') which comprise the balance sheet as at December 31, 2019, and the statement of continuity for the year then ended, and notes to the financial information including a summary of significant accounting policies.

In our opinion, the accompanying financial information present fairly, in all material respects, the financial position of the Corporation of the County of Dufferin Trust Funds as at December 31, 2019, and the continuity for the year then ended in accordance with Canadian Public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Information* section of our report. We are independent of the trusts in accordance with the ethical requirements that are relevant to our audit of the financial information 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 Information

Management is responsible for the preparation and fair presentation of the financial information in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the Trusts' 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 Trusts or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibility for the Audit of the Financial Information

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

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 information, 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 Trusts' 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 trusts's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario
June 11, 2020

**The Corporation of the County of Dufferin
Trust Funds
Balance Sheet**

December 31, 2019

	Entrance Permit Deposits	Museum Trust	Residents' Trust	Dufferin Oaks	OACCTA Trust	Total 2019	Total 2018
Assets							
Cash	\$ 49,989	\$ 436,616	\$ 61,809	\$ 107,753	\$ 8,284	\$ 664,451	\$ 753,834
Investments, at cost	-	528,736	-	12,136	-	540,872	540,873
Interest receivable	-	4,154	-	27	-	4,181	3,384
Due from the County	-	-	-	-	-	-	29,905
	49,989	969,506	61,809	119,916	8,284	1,209,504	1,327,996
Liabilities							
Accounts payable and accrued liabilities	-	251,272	1,094	-	-	252,366	627
Fund balance	\$ 49,989	\$ 718,234	\$ 60,715	\$ 119,916	\$ 8,284	\$ 957,138	\$ 1,327,369

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

The Corporation of the County of Dufferin
Trust Funds
Statement of Continuity

For the year ended December 31, 2019

	Entrance Permit Deposits	Museum Trust	Residents' Trust	Dufferin Oaks	OACCTA Trust	Total 2019	Total 2018
Balance, beginning of year	\$ 33,989	\$ 1,110,587	\$ 60,970	\$ 114,631	\$ 7,192	\$ 1,327,369	\$ 1,287,898
Receipts							
Interest earned	-	27,006	-	2,695	259	29,960	27,850
Donations	-	-	-	10,807	-	10,807	11,790
Other receipts	20,000	44,886	105,561	-	10,375	180,822	156,636
	20,000	71,892	105,561	13,502	10,634	221,589	196,276
Expenses	4,000	464,245	105,816	8,217	9,542	591,820	145,015
Balance, end of year	\$ 49,989	\$ 718,234	\$ 60,715	\$ 119,916	\$ 8,284	\$ 957,138	\$ 1,339,159

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

The Corporation of the County of Dufferin
Trust Funds
Notes to Financial Information

December 31, 2019

1. Summary of Significant Accounting Policies

Management Responsibility	The management of the Corporation of the County of Dufferin Trust Funds has prepared and is responsible for the integrity, objectivity and accuracy of the financial information. The Council reviews and approves the financial information.
Basis of Accounting	<p>The financial information have been prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing.</p> <p>Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.</p>
Use of Estimates	The preparation of financial information in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial information, and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Basis of Consolidation	These trust funds have not been consolidated with the financial statements of the municipality.

2. Investments

The total investments of \$540,872 (2018 - \$540,873) reported on the balance sheet at cost have a market value of \$485,506 (2018 - \$525,265) at the end of the year.
