

**The Corporation of the  
County of Dufferin  
Financial Information  
For the year ended December 31, 2020**

**The Corporation of the County of Dufferin  
Financial Information  
For the year ended December 31, 2020**

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## Independent Auditor's Report

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

### **Opinion**

We have audited the consolidated financial statements of the County of Dufferin (the municipality), which comprise the consolidated statement of financial position as at December 31, 2020 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, 2020 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  
May 13, 2021

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

| <b>December 31</b>                       | <b>2020</b>           | <b>2019</b>           |
|--|-----------------------|-----------------------|
| <b>Financial assets</b>                  |                       |                       |
| Cash and temporary investments (Note 1)  | \$35,815,415          | \$ 30,452,361         |
| Trade and other receivable               | 3,617,314             | 3,488,856             |
| Portfolio investments (Note 2)           | <u>21,389,280</u>     | <u>17,105,374</u>     |
|  | <u>60,822,009</u>     | <u>51,046,591</u>     |
| <b>Liabilities</b>                       |                       |                       |
| Accounts payable and accrued liabilities | 11,479,983            | 5,785,983             |
| Post-employment benefits (Note 4)        | 1,690,649             | 1,710,590             |
| Deferred revenue (Page 31)               | 10,448,156            | 10,638,620            |
| Long-term liabilities (Note 5)           | <u>12,909,723</u>     | <u>13,977,406</u>     |
|  | <u>36,528,511</u>     | <u>32,112,599</u>     |
| <b>Net financial assets</b>              | <b>24,293,498</b>     | <b>18,933,992</b>     |
| <b>Non financial assets</b>              |                       |                       |
| Inventory of supplies                    | 230,747               | 133,936               |
| Prepaid expenses                         | 447,252               | 281,444               |
| Tangible capital assets (Note 3)         | <u>146,913,538</u>    | <u>143,850,191</u>    |
|  | <u>147,591,537</u>    | <u>144,265,571</u>    |
| <b>Accumulated surplus (Note 7)</b>      | <b>\$ 171,885,035</b> | <b>\$ 163,199,563</b> |

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

| <b>For the year ended December 31</b>         | <b>2020</b>           | <b>2020</b>           | <b>2019</b>           |
|---|-----------------------|-----------------------|-----------------------|
|   | Budget<br>(Note 10)   | Actual                | Actual                |
| <b>Revenue</b>                                |                       |                       |                       |
| Taxation                                      | \$ 40,417,489         | \$39,923,676          | \$ 39,189,862         |
| Fees and user charges                         | 4,603,080             | 3,965,435             | 4,520,395             |
| Government contributions (Note 12)            | 33,126,226            | 41,949,787            | 38,016,141            |
| Other income (Note 9)                         | 7,587,602             | 8,139,074             | 9,738,563             |
|   | <u>85,734,397</u>     | <u>93,977,972</u>     | <u>91,464,961</u>     |
| <b>Expenses</b>                               |                       |                       |                       |
| General government                            | 7,146,582             | 7,290,267             | 6,778,283             |
| Protection services                           | 1,838,700             | 1,960,457             | 1,872,324             |
| Transportation services                       | 10,401,905            | 10,109,265            | 9,572,319             |
| Environmental services                        | 6,364,090             | 6,064,362             | 5,511,626             |
| Health services                               | 9,797,318             | 15,435,640            | 15,947,297            |
| Social and family services                    | 34,037,939            | 33,022,214            | 33,480,530            |
| Social Housing                                | 8,888,507             | 8,760,094             | 8,395,443             |
| Recreation and cultural services              | 1,295,815             | 1,433,287             | 1,220,674             |
| Planning and development                      | 1,283,050             | 1,216,914             | 1,062,886             |
|   | <u>81,053,906</u>     | <u>85,292,500</u>     | <u>83,841,382</u>     |
| <b>Annual surplus (Note 10)</b>               | 4,680,491             | 8,685,472             | 7,623,579             |
| <b>Accumulated surplus, beginning of year</b> | <u>163,199,563</u>    | <u>163,199,563</u>    | <u>155,575,984</u>    |
| <b>Accumulated surplus, end of year</b>       | <u>\$ 167,880,054</u> | <u>\$ 171,885,035</u> | <u>\$ 163,199,563</u> |

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

| <b>For the year ended December 31</b>              | <b>2020</b>          | <b>2020</b>          | <b>2019</b>          |
|--|----------------------|----------------------|----------------------|
|  | Budget<br>(Note 10)  | Actual               | Actual               |
| <b>Annual surplus (Page 6)</b>                     | \$ 4,680,491         | \$ 8,685,472         | \$ 7,623,579         |
| Acquisition of tangible capital assets             | (17,519,349)         | (12,415,049)         | (10,795,784)         |
| Amortization of tangible capital assets            | 8,595,273            | 9,199,971            | 8,847,777            |
| Loss (gain) on sale of tangible capital assets     | -                    | 122,645              | 1,015,446            |
| Proceeds on disposal of tangible capital assets    | -                    | 29,086               | 149,966              |
|  | <u>(8,924,076)</u>   | <u>(3,063,347)</u>   | <u>(782,595)</u>     |
| Change in prepaid expenses                         | -                    | (165,808)            | 85,084               |
| Change in inventory of supplies                    | -                    | (96,811)             | (39,936)             |
|  | <u>-</u>             | <u>(262,619)</u>     | <u>45,148</u>        |
| <b>Increase (decrease) in net financial assets</b> | (4,243,585)          | 5,359,506            | 6,886,132            |
| <b>Net financial assets, beginning of the year</b> | <u>18,933,992</u>    | <u>18,933,992</u>    | <u>12,047,860</u>    |
| <b>Net financial assets, end of the year</b>       | <u>\$ 14,690,407</u> | <u>\$ 24,293,498</u> | <u>\$ 18,933,992</u> |

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

| For the year ended December 31                      | 2020                 | 2019                 |
|---|----------------------|----------------------|
| <b>Cash provided by (used in)</b>                   |                      |                      |
| <b>Operating activities</b>                         |                      |                      |
| Annual surplus                                      | \$ 8,685,472         | \$ 7,623,579         |
| Items not involving cash                            |                      |                      |
| Change in post-employment benefits                  | (19,941)             | 3,975                |
| Amortization of tangible capital assets             | 9,199,971            | 8,847,777            |
| Deferred revenue recognized                         | (4,088,440)          | (3,544,120)          |
| (Gain) Loss on sale of tangible capital assets      | 122,645              | 1,015,446            |
|   | <b>13,899,707</b>    | <b>13,946,657</b>    |
| <b>Changes in non-cash working capital balances</b> |                      |                      |
| Trade and other receivable                          | (128,458)            | (997,651)            |
| Accounts payable and accrued liabilities            | 5,694,000            | (1,262,851)          |
| Deferred revenue received                           | 3,897,976            | 5,016,402            |
| Prepaid expenses                                    | (165,808)            | 85,084               |
| Inventory of supplies                               | (96,811)             | (39,936)             |
|   | <b>9,200,899</b>     | <b>2,801,048</b>     |
|   | <b>23,100,606</b>    | <b>16,747,705</b>    |
| <b>Capital transactions</b>                         |                      |                      |
| Cash used to acquire tangible capital assets        | (12,415,049)         | (10,795,784)         |
| Proceeds on sale of tangible capital assets         | 29,086               | 149,966              |
|   | <b>(12,385,963)</b>  | <b>(10,645,818)</b>  |
| <b>Investing activities</b>                         |                      |                      |
| Acquisition of investments                          | (12,889,788)         | (5,197,841)          |
| Sale of investments                                 | 8,605,882            | 4,638,186            |
|   | <b>(4,283,906)</b>   | <b>(559,655)</b>     |
| <b>Financing activities</b>                         |                      |                      |
| Proceeds of long-term liabilities                   | -                    | 1,200,000            |
| Repayment of long-term liabilities                  | (1,067,683)          | (2,227,591)          |
| Net change in temporary borrowings                  | -                    | (2,000,000)          |
|   | <b>(1,067,683)</b>   | <b>(3,027,591)</b>   |
| <b>Net change in cash and cash equivalents</b>      | <b>5,363,054</b>     | <b>2,514,641</b>     |
| <b>Cash and cash equivalents, beginning of year</b> | <b>30,452,361</b>    | <b>27,937,720</b>    |
| <b>Cash and cash equivalents, end of year</b>       | <b>\$ 35,815,415</b> | <b>\$ 30,452,361</b> |

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

December 31, 2020

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### **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  
Museum of Dufferin

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%

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

December 31, 2020

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### 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.

### 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.

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

December 31, 2020

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### **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 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.

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

**December 31, 2020**

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|   |   |
|---|---|
| <b>Provincial Subsidies</b>             | 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.  |
| <b>Liability for Contaminated Sites</b> | 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. |
| <b>Trust Funds</b>                      | 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.   |
| <b>Use of Estimates</b>                 | 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.   |

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

**December 31, 2020**

**1. Cash and Temporary Investments**

|   | 2020                 | 2019                 |
|---|----------------------|----------------------|
| Bank accounts                                   | \$ 21,230,330        | \$ 14,487,140        |
| One Investments - High Interest Savings Account | 8,585,110            | 9,965,221            |
| Scotiabank - High Interest Savings Account      | 5,999,975            | 6,000,000            |
|   | <b>\$ 35,815,415</b> | <b>\$ 30,452,361</b> |

Included in cash are externally restricted funds that are segregated and will be used only for specific purposes totaling \$2,495,937 (2019 - \$2,738,260).

**2. Portfolio Investments**

Portfolio investments include the following:

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| ONE Investment, Canadian equity portfolio  | \$ 4,788,135         | \$ 4,647,310         |
| ONE Investment, Canadian corporate bond portfolio  | 6,079,748            | -                    |
| RBC investment savings account mutual fund   | 20,000               | 20,000               |
| Meridian Credit Union shares   | 4                    | 25                   |
| Guaranteed Investment Certificates, 0.91% to 2.75%,<br>due February 2021 to October 2023 | 7,381,393            | 5,048,340            |
| Bank notes and step-up bonds, maturing March 2026  | 775,000              | 4,150,000            |
| Bank of Montreal Savings Account, 1.75%, due July 2021                                   | 450,000              | 1,255,372            |
| CIBC protected growth deposit note, due September 2024                                   | 500,000              | 500,000              |
| National Bank of Canada Flex GIC equity funds,<br>due November 2026 and May 2030         | 1,395,000            | -                    |
| Provincial and municipal bonds, 2.2% to 2.85%  | -                    | 1,484,327            |
|  | <b>\$ 21,389,280</b> | <b>\$ 17,105,374</b> |

The total investments of \$21,389,280 (2019 - \$17,105,374) reported on the balance sheet at cost have a market value of \$22,247,752 (2019 - \$17,709,984) 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 \$7,326,598 (2019 - \$8,317,980).

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

**December 31, 2020**

**3. Tangible Capital Assets**

|   | <b>2020</b>          |                      |                     |                      |                                 |                     |                     |                                      |                       |
|---|----------------------|----------------------|---------------------|----------------------|---------------------------------|---------------------|---------------------|--------------------------------------|-----------------------|
|   | <b>Land</b>          | <b>Buildings</b>     | <b>Equipment</b>    | <b>Roads</b>         | <b>Bridges and<br/>Culverts</b> | <b>Vehicles</b>     | <b>Other</b>        | <b>Assets under<br/>Construction</b> | <b>Total</b>          |
| Cost, beginning of year                     | \$ 10,363,065        | \$ 92,693,090        | \$ 11,494,642       | \$ 95,593,444        | \$ 26,802,204                   | \$ 7,197,180        | \$ 6,847,300        | \$ 3,524,878                         | \$ 254,515,803        |
| Additions                                   |                      | 787,999              | 528,954             | 5,202,040            | 1,438,049                       | 217,456             | 160,392             | 4,080,159                            | 12,415,049            |
| Disposals                                   | -                    | (91,068)             | (148,874)           | (280,498)            | (290,002)                       | (59,555)            | (106,823)           | -                                    | (976,820)             |
| Transfers                                   | -                    | -                    | -                   | 14,239               | 2,607,181                       | 52,488              | 155,062             | (2,828,970)                          | -                     |
| Cost, end of year                           | <u>10,363,065</u>    | <u>93,390,021</u>    | <u>11,874,722</u>   | <u>100,529,225</u>   | <u>30,557,432</u>               | <u>7,407,569</u>    | <u>7,055,931</u>    | <u>4,776,067</u>                     | <u>265,954,032</u>    |
| Accumulated amortization, beginning of year | -                    | 43,982,517           | 6,948,023           | 44,690,007           | 7,474,995                       | 3,079,605           | 4,490,465           | -                                    | 110,665,612           |
| Amortization                                | -                    | 2,868,776            | 777,976             | 4,182,949            | 424,752                         | 677,046             | 268,472             | -                                    | 9,199,971             |
| Disposals                                   | -                    | (61,072)             | (136,907)           | (202,581)            | (290,002)                       | (35,600)            | (98,927)            | -                                    | (825,089)             |
| Accumulated amortization, end of year       | <u>-</u>             | <u>46,790,221</u>    | <u>7,589,092</u>    | <u>48,670,375</u>    | <u>7,609,745</u>                | <u>3,721,051</u>    | <u>4,660,010</u>    | <u>-</u>                             | <u>119,040,494</u>    |
| Net carrying amount, end of year            | <u>\$ 10,363,065</u> | <u>\$ 46,599,800</u> | <u>\$ 4,285,630</u> | <u>\$ 51,858,850</u> | <u>\$ 22,947,687</u>            | <u>\$ 3,686,518</u> | <u>\$ 2,395,921</u> | <u>\$ 4,776,067</u>                  | <u>\$ 146,913,538</u> |

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

**December 31, 2020**

**3. Tangible Capital Assets - (continued)**

|   |               |               |               |               |                         |              |              |                              | 2019           |
|---|---------------|---------------|---------------|---------------|-------------------------|--------------|--------------|------------------------------|----------------|
|   | Land          | Buildings     | Equipment     | Roads         | Bridges and<br>Culverts | Vehicles     | Other        | Assets under<br>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                           | 10,363,065    | 92,693,090    | 11,494,642    | 95,593,444    | 26,802,204              | 7,197,180    | 6,847,300    | 3,524,878                    | 254,515,803    |
| 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       | -             | 43,982,517    | 6,948,023     | 44,690,007    | 7,474,995               | 3,079,605    | 4,490,465    | -                            | 110,665,612    |
| Net carrying amount, end of year            | \$ 10,363,065 | \$ 48,710,573 | \$ 4,546,619  | \$ 50,903,437 | \$ 19,327,209           | \$ 4,117,575 | \$ 2,356,835 | \$ 3,524,878                 | \$ 143,850,191 |

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

**December 31, 2020**

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**3. Tangible Capital Assets - (continued)**

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$4,776,067 (2019 - \$3,524,878).

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.

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**4. 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>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| Retirement Benefits                              | \$ 942,033          | \$ 917,900          |
| Workplace Safety and Insurance Board Obligations | 396,617             | 491,400             |
| Wellington-Dufferin-Guelph Public Health Unit    | <u>351,999</u>      | <u>301,290</u>      |
|  | <u>\$ 1,690,649</u> | <u>\$ 1,710,590</u> |

The County has established a Workplace safety and insurance reserve fund in the amount of \$2,247,851 (2019 - \$2,215,642) 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, 2020.

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, 2020**

**4. Post-employment Benefit - continued**

The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 3.00% (2019 - 3.10%). For extended health care costs, a 3.75% (2019 - 4.00%) annual rate of decrease was assumed for 2020, decreasing to an ultimate rate of 3.75% per year up until 2030. For dental costs, a 3.75% annual rate was assumed.

|                                       | <b>2020</b> | <b>2019</b> |
|---------------------------------------|-------------|-------------|
| Current period benefit cost           | \$ 36,445   | \$ 66,000   |
| Amortization of actuarial gain/(loss) | 20,100      | 20,100      |
| Retirement benefit expense            | 56,545      | 86,100      |
| Interest costs                        | 35,735      | 35,600      |
| Total expense for the year            | \$ 92,280   | \$ 121,700  |

Total benefit payments paid by the County on behalf on retirees during the year were \$57,727 (2019 - \$42,126).

**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 2.75% (2019 - 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 2020, depending on the benefit type.

|                                | <b>2020</b> | <b>2019</b> |
|--------------------------------|-------------|-------------|
| Current period benefit cost    | \$ 32,800   | \$ 31,800   |
| Amortization of actuarial loss | (85,383)    | (85,600)    |
| Retirement benefit expense     | (52,583)    | (53,800)    |
| Interest costs                 | 3,800       | 4,000       |
| Total expense for the year     | \$ (48,783) | \$ (49,800) |

Total benefit payments paid by the County for WSIB during the year were \$78,128 (2019 - \$47,103).

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

**December 31, 2020**

**5. Long-Term Liabilities**

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

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| Amortizing debenture, 2.37%, repayable in semi-annual principal of \$60,000 plus interest payments, due July 2029            | \$ 1,080,000         | \$ 1,200,000         |
| Amortizing debenture, 6.375%, repayable in semi-annual variable principal plus interest payments, due December 2022          | 8,000                | 12,000               |
| Amortizing debenture, 4.46%, repayable in blended semi-annual principal and interest payments of \$142,674, due January 2031 | 2,371,738            | 2,545,473            |
| Amortizing debenture, 3.75%, repayable in blended semi-annual principal and interest payments of \$72,506, due January 2021  | 71,201               | 209,608              |
| Amortizing debenture, 4.40%, repayable in semi-annual principal of \$162,500 plus interest payments, due March 2033          | 4,062,500            | 4,387,500            |
| Amortizing debenture, 3.10%, repayable in blended semi-annual principal and interest payments of \$106,934, due June 2035    | 2,482,579            | 2,616,368            |
| Bank loan, 4.10%, repayable in blended monthly principal and interest payments of \$19,866, due October 2024                 | 2,513,741            | 2,646,114            |
| Capital lease, 3.10%, repayable in blended semi-annual principal and interest payments of \$50,000, due January 2027         | 319,964              | 360,343              |
|  | <b>\$ 12,909,723</b> | <b>\$ 13,977,406</b> |

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

**December 31, 2020**

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**5. Long-Term Liabilities - (continued)**

The gross interest paid relating to the above long-term liabilities was \$472,702 (2019 - \$537,440).

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

|            |                      |
|------------|----------------------|
| 2021       | \$ 1,019,306         |
| 2022       | 967,656              |
| 2023       | 983,993              |
| 2024       | 2,931,595            |
| 2025       | 864,678              |
| Thereafter | <u>6,142,495</u>     |
|            | <u>\$ 12,909,723</u> |

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**6. Pension Agreements**

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 291 members of its 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 2020 by the County of Dufferin was \$1,648,560 (2019 - \$1,657,247). The contribution rate for 2020 was 9.0% to 15.8% depending on age and income level (2019 - 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, 2020. At that time the plan reported a \$3.20 billion actuarial deficit (2019 - \$3.4 billion actuarial deficit), based on actuarial liabilities of \$111.8 billion (2019 - \$106.4 billion) and actuarial assets of \$108.6 billion (2019 - \$103 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.

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

**December 31, 2020**

**7. Accumulated Surplus**

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

|   | <b>2020</b>                  | <b>2019</b>                  |
|---|------------------------------|------------------------------|
| Invested in tangible capital assets   |                              |                              |
| County's tangible capital assets at cost less amortization                                    | \$ 142,311,581               | \$ 139,064,216               |
| WDGPH's tangible capital assets at cost less amortization                                     | 4,601,957                    | 4,785,975                    |
| Unexpended capital financing  | -                            | 2,108,978                    |
| County's capital assets financed by long-term liabilities<br>and to be funded in future years | <u>(12,909,723)</u>          | <u>(13,977,406)</u>          |
| Total invested in capital assets  | <b>134,003,815</b>           | <b>131,981,763</b>           |
| County's unfunded post-employment benefits  | <b>(1,338,650)</b>           | <b>(1,409,300)</b>           |
| General surplus (Note 10)   | <b>2,396,672</b>             | <b>1,445,622</b>             |
| Wellington-Dufferin-Guelph Public Health  | <u><b>(30,739)</b></u>       | <u><b>(28,576)</b></u>       |
|   | <b>135,031,098</b>           | <b>131,989,509</b>           |
| Reserves and reserve funds (Note 8)   | <u><b>36,853,937</b></u>     | <u><b>31,210,054</b></u>     |
| Accumulated surplus   | <u><b>\$ 171,885,035</b></u> | <u><b>\$ 163,199,563</b></u> |

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

**December 31, 2020**

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

|   | <u>2020</u>          | <u>2019</u>          |
|---|----------------------|----------------------|
| <b>Reserves</b>   |                      |                      |
| Rate stabilization  | \$ 3,787,250         | \$ 2,810,779         |
| Contingencies   | 614,131              | 364,451              |
| Insurance   | 37,436               | 37,436               |
| Winter control  | 349,902              | 349,902              |
| Wellington-Dufferin-Guelph Public Health  | 104,578              | 242,726              |
| Other current purposes  | 4,014,296            | 1,887,661            |
| Asset management  | 16,890,825           | 13,728,025           |
| Broadband   | 2,000,000            | 2,000,000            |
| Other capital purposes  | 2,655,854            | 3,489,766            |
|   | <u>30,454,272</u>    | <u>24,910,746</u>    |
| <b>Reserve funds</b>  |                      |                      |
| WSIB  | 2,247,851            | 2,215,642            |
| Children's services   | 276,987              | 272,393              |
| Bank loan retirement  | 1,594,259            | 1,556,014            |
| Other current purposes  | 1,683,944            | 1,613,670            |
| Other capital purposes  | 596,624              | 641,589              |
|   | <u>6,399,665</u>     | <u>6,299,308</u>     |
| <b>Reserves and reserve funds<br/>set aside for specific purpose by Council</b> | <u>\$ 36,853,937</u> | <u>\$ 31,210,054</u> |

**9. Other Income**

|   | <u>2020</u>         | <u>2020</u>         | <u>2019</u>         |
|---|---------------------|---------------------|---------------------|
|   | Budget              | Actual              | Actual              |
| Development charges and contributions     | \$ 1,833,685        | \$ 1,277,717        | \$ 1,405,986        |
| Investment income                         | 480,000             | 675,120             | 1,021,110           |
| Licenses, permits and rents               | 4,255,197           | 4,693,245           | 4,235,104           |
| Health Unit sundry                        | -                   | -                   | 1,091,400           |
| Donations                                 | 40,000              | 15,486              | 51,097              |
| Recycling rebate                          | 600,000             | 537,883             | 489,610             |
| Sale of publications, equipment, etc.     | 93,750              | 46,534              | 45,802              |
| Gain (loss) on disposal of capital assets | -                   | (122,645)           | (1,015,446)         |
| Other contributions                       | 284,970             | 1,015,734           | 2,413,900           |
|   | <u>\$ 7,587,602</u> | <u>\$ 8,139,074</u> | <u>\$ 9,738,563</u> |

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

**December 31, 2020**

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**10. 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.

|  | 2020<br>Budget | 2020<br>Actual | 2019<br>Actual |
|--|----------------|----------------|----------------|
| Annual surplus (Page 6)                                  | \$ 4,680,491   | \$ 8,685,472   | \$ 7,623,579   |
| Amortization of tangible capital assets                  | 8,595,273      | 9,199,971      | 8,847,777      |
| Change in unfunded liabilities                           | -              | (70,650)       | (1,700)        |
| Change in other surpluses                                | -              | 2,163          | 13,427         |
|  | 13,275,764     | 17,816,956     | 16,483,083     |
| Net transfers (to) from reserves                         | 5,270,925      | (1,074,754)    | 578,723        |
| Capital acquisitions, disposals<br>and write-down        | (17,519,349)   | (12,263,318)   | (9,630,372)    |
| Prior year capital projects (funded)<br>expended         | -              | (1,053,822)    | (4,958,221)    |
| Proceeds from long-term debt                             | -              | -              | 1,200,000      |
| Debt principal repayments                                | (1,027,340)    | (1,067,683)    | (2,227,591)    |
|  | -              | 2,357,379      | 1,445,622      |
| Prior year general surplus                               | -              | 1,445,622      | 1,494,787      |
| Surplus before transfers to reserves                     | -              | 3,803,001      | 2,940,409      |
| Transfer prior year surplus to reserve<br>per resolution | -              | (1,406,329)    | (1,494,787)    |
| General surplus (Note 7)                                 | \$ -           | \$ 2,396,672   | \$ 1,445,622   |

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

**December 31, 2020**

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**11. 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:

|                      | <b>2020</b>          | <b>2019</b>   |
|----------------------|----------------------|---------------|
| Financial assets     | <b>\$ 5,567,985</b>  | \$ 3,651,530  |
| Liabilities          | <b>\$ 8,461,004</b>  | \$ 8,311,312  |
| Net debt             | <b>(2,893,019)</b>   | (4,659,782)   |
| Non-financial assets | <b>21,557,543</b>    | 22,437,800    |
| Accumulated surplus  | <b>\$ 18,664,524</b> | \$ 17,778,018 |
| <br>                 |                      |               |
| Revenues             | <b>\$ 31,015,019</b> | \$ 27,597,697 |
| Expenses             | <b>30,128,513</b>    | 26,792,729    |
| Annual surplus       | <b>\$ 886,506</b>    | \$ 804,968    |

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

**December 31, 2020**

**12. Government Contributions**

|  | Budget               | 2020                 | 2019                 |
|--|----------------------|----------------------|----------------------|
| <b>Operating</b>   |                      |                      |                      |
| Province of Ontario  |                      |                      |                      |
| Social and family services                                   | \$ 23,358,861        | \$ 23,718,822        | \$ 23,288,753        |
| Social housing   | 1,084,675            | 1,821,194            | 1,199,762            |
| Other  | 3,935,030            | 10,117,000           | 8,559,653            |
|  | <u>28,378,566</u>    | <u>35,657,016</u>    | <u>33,048,168</u>    |
| Government of Canada   |                      |                      |                      |
| Social and family services                                   | \$ 1,490             | \$ 3,920             | \$ 3,920             |
| Social housing   | 1,175,313            | 1,125,241            | 882,530              |
| Transportation   | -                    | -                    | 3,920                |
| Other  | 1,400                | 3,920                | 3,920                |
|  | <u>1,178,203</u>     | <u>1,133,081</u>     | <u>894,290</u>       |
| Other Municipalities   |                      |                      |                      |
| Transportation   | \$ 42,350            | \$ 52,789            | \$ 51,001            |
| Other  | -                    | 1,653,586            | 1,586,749            |
|  | <u>42,350</u>        | <u>1,706,375</u>     | <u>1,637,750</u>     |
| <b>Total operating government contributions</b>              | <u>29,599,119</u>    | <u>38,496,472</u>    | <u>35,580,208</u>    |
| <b>Tangible Capital Asset</b>                                |                      |                      |                      |
| Province of Ontario  |                      |                      |                      |
| Transportation   | 425,000              | 425,342              | 385,933              |
| Other  | -                    | 7,325                | -                    |
|  | <u>445,000</u>       | <u>432,667</u>       | <u>385,933</u>       |
| Government of Canada   |                      |                      |                      |
| Social housing   | -                    | -                    | 110,000              |
| Transportation   | 2,975,307            | 2,772,806            | 1,940,000            |
|  | <u>2,975,307</u>     | <u>2,772,806</u>     | <u>2,050,000</u>     |
| Other Municipalities   |                      |                      |                      |
| Transportation   | 106,800              | 247,842              | -                    |
| <b>Total tangible capital asset government contributions</b> | <u>3,527,107</u>     | <u>3,453,315</u>     | <u>2,435,933</u>     |
| <b>Total government contributions</b>                        | <u>\$ 33,126,226</u> | <u>\$ 41,949,787</u> | <u>\$ 38,016,141</u> |

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

**December 31, 2020**

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**13. 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, 2020 indicates the following.

|                                    | <b>2020</b> |
|------------------------------------|-------------|
| Principal payments                 | \$ 191,790  |
| Interest payments                  | 55,346      |
| Total                              | \$ 247,136  |
| Debentures outstanding at year end | \$ 699,645  |

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.

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**14. Trust Funds**

The trust funds administered by the municipality amounting to \$1,031,358 (2019 - \$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, 2020, the trust fund balances are as follows:

|                                    | <b>2020</b>  | <b>2019</b> |
|------------------------------------|--------------|-------------|
| Entrance Permit Deposits Trust     | \$ 46,689    | \$ 49,989   |
| Dufferin Oaks and Residents' Trust | 196,493      | 180,631     |
| Other                              | 8,428        | 8,284       |
| Museum Trust                       | 779,748      | 718,234     |
|                                    | \$ 1,031,358 | \$ 957,138  |

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

**December 31, 2020**

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**15. Commitments**

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

|      |    |           |
|------|----|-----------|
| 2021 | \$ | 5,565,658 |
| 2022 |    | 2,855,682 |
| 2023 |    | 373,015   |

- ii) The County has committed to spend approximately \$209,695 on capital projects in 2021 and beyond on various roads projects.
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**16. 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.

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**17. Uncertainty due to COVID-19**

The impact of COVID-19 in Canada and on the global economy continues to be a threat. As the effects 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. Given the dynamic nature of these circumstances and the duration of disruption, 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.

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

**December 31, 2020**

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**18. 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. This segment also includes climate change and energy programs.

**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.

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

**December 31, 2020**

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**18. 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 and planning activities.

**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.

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

**December 31, 2020**

| For the year ended<br>December 31 | General<br>Government | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health<br>Services | Social and<br>Family<br>Services | Social<br>Housing   | Recreation<br>and<br>Cultural<br>Services | Planning and<br>Development | Wellington-<br>Dufferin-<br>Guelph<br>Public<br>Health | Dufferin<br>Oaks  | 2020<br>Total       |
|-----------------------------------|-----------------------|------------------------|----------------------------|---------------------------|--------------------|----------------------------------|---------------------|---|-----------------------------|--|-------------------|---------------------|
| <b>Revenue</b>                    |                       |                        |                            |                           |                    |                                  |                     |   |                             |  |                   |                     |
| Taxation                          | \$ 5,387,905          | \$ 279,210             | \$ 10,951,772              | \$ 5,052,690              | \$ 6,111,643       | \$ 2,216,310                     | \$ 4,441,919        | \$ 1,079,405                              | \$ 745,860                  | \$ -   | \$ 3,656,962      | \$ 39,923,676       |
| Fees and user charges             | -                     | 39,652                 | 2,550                      | 65,133                    | -                  | 72,808                           | 17,177              | 3,418                                     | 6,000                       | -  | 3,758,697         | 3,965,435           |
| Specific grants                   | 1,677,693             | 95,076                 | 3,498,780                  | -                         | 3,708,390          | 11,926,986                       | 2,946,435           | 53,948                                    | 20,595                      | 6,226,129  | 11,795,755        | 41,949,787          |
| Other revenue                     | 1,377,734             | 1,308,025              | 408,430                    | 1,204,968                 | 111,240            | 184,550                          | 2,667,663           | 56,696                                    | 209,844                     | 8,688  | 601,236           | 8,139,074           |
|                                   | <u>8,443,332</u>      | <u>1,721,963</u>       | <u>14,861,532</u>          | <u>6,322,791</u>          | <u>9,931,273</u>   | <u>14,400,654</u>                | <u>10,073,194</u>   | <u>1,193,467</u>                          | <u>982,299</u>              | <u>6,234,817</u>                                       | <u>19,812,650</u> | <u>93,977,972</u>   |
| <b>Expenses</b>                   |                       |                        |                            |                           |                    |                                  |                     |   |                             |  |                   |                     |
| Salaries and benefits             | 4,028,559             | 1,127,620              | 2,416,447                  | 567,645                   | -                  | 2,806,696                        | 1,425,644           | 703,661                                   | 518,900                     | 5,025,600  | 14,169,485        | 32,790,257          |
| Interest on debt                  | 60,384                | -                      | -                          | -                         | 106,022            | 86,095                           | 219,500             | -   | -                           | -  | 701               | 472,702             |
| Materials and supplies            | 925,278               | 353,031                | 1,602,090                  | 219,898                   | 667,790            | 1,298,090                        | 2,530,595           | 208,240                                   | 93,917                      | 968,515  | 2,678,567         | 11,546,011          |
| Contracted services               | 1,517,180             | 175,892                | 858,972                    | 5,270,733                 | 6,178,242          | 248,584                          | 263,692             | 53,517                                    | 453,140                     | -  | 1,251,333         | 16,271,285          |
| Other transfers                   | -                     | 281,870                | -                          | -                         | 1,772,660          | 9,057,663                        | 3,221,205           | 357,907                                   | 148,640                     | -  | -                 | 14,839,945          |
| Rents and financial<br>expenses   | 3,210                 | 12,952                 | 1,769                      | 354                       | -                  | 65,306                           | -                   | 3,498                                     | -                           | -  | 85,240            | 172,329             |
| Amortization                      | 755,656               | 9,092                  | 5,229,987                  | 5,732                     | 388,032            | 289,628                          | 1,099,458           | 106,464                                   | 2,317                       | 328,779  | 984,826           | 9,199,971           |
|                                   | <u>7,290,267</u>      | <u>1,960,457</u>       | <u>10,109,265</u>          | <u>6,064,362</u>          | <u>9,112,746</u>   | <u>13,852,062</u>                | <u>8,760,094</u>    | <u>1,433,287</u>                          | <u>1,216,914</u>            | <u>6,322,894</u>                                       | <u>19,170,152</u> | <u>85,292,500</u>   |
| <b>Annual surplus (deficit)</b>   | <b>\$ 1,153,065</b>   | <b>\$ (238,494)</b>    | <b>\$ 4,752,267</b>        | <b>\$ 258,429</b>         | <b>\$ 818,527</b>  | <b>\$ 548,592</b>                | <b>\$ 1,313,100</b> | <b>\$ (239,820)</b>                       | <b>\$ (234,615)</b>         | <b>\$ (88,077)</b>                                     | <b>\$ 642,498</b> | <b>\$ 8,685,472</b> |

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

**December 31, 2020**

| For the year ended<br>December 31 | General<br>Government | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health<br>Services  | Social and<br>Family<br>Services | Social<br>Housing | Recreation<br>and Cultural<br>Services | Planning and<br>Development | Wellington-<br>Dufferin-<br>Guelph<br>Public<br>Health | Dufferin<br>Oaks    | 2019<br>Total       |
|-----------------------------------|-----------------------|------------------------|----------------------------|---------------------------|---------------------|----------------------------------|-------------------|--|-----------------------------|--|---------------------|---------------------|
| <b>Revenue</b>                    |                       |                        |                            |                           |                     |                                  |                   |  |                             |  |                     |                     |
| 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>   |
| <b>Expenses</b>                   |                       |                        |                            |                           |                     |                                  |                   |  |                             |  |                     |                     |
| Salaries and benefits             | 4,158,621             | 1,008,316              | 2,281,196                  | 506,607                   | -                   | 3,323,261                        | 1,368,166         | 763,588                                | 432,814                     | 4,261,838  | 12,284,745          | 30,389,152          |
| 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                 | 6,474,896           | 260,418                          | 215,020           | 25,670                                 | 211,451                     | -  | 1,573,002           | 15,809,687          |
| Other transfers                   | -                     | 334,015                | -                          | -                         | 1,774,732           | 11,612,738                       | 3,493,202         | 37,715                                 | 338,045                     | -  | -                   | 17,590,447          |
| Rents and financial<br>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>9,317,522</u>    | <u>16,183,300</u>                | <u>8,395,443</u>  | <u>1,220,674</u>                       | <u>1,062,886</u>            | <u>6,629,775</u>                                       | <u>17,297,230</u>   | <u>83,841,382</u>   |
| <i>Annual surplus (deficit)</i>   | <u>\$ 1,420,066</u>   | <u>\$ 26,991</u>       | <u>\$ 3,921,075</u>        | <u>\$ (142,212)</u>       | <u>\$ 1,447,207</u> | <u>\$ (103,764)</u>              | <u>\$ 342,612</u> | <u>\$ 467,884</u>                      | <u>\$ (171,533)</u>         | <u>\$ (1,118,375)</u>                                  | <u>\$ 1,533,628</u> | <u>\$ 7,623,579</u> |

**The Corporation of the County of Dufferin**  
**Schedule of Deferred Revenue**

**For the year ended December 31, 2020**

|                                 | Opening             | Contributions<br>Received | Investment<br>Income | Revenue<br>Recognized | Ending              |
|---------------------------------|---------------------|---------------------------|----------------------|-----------------------|---------------------|
| <b>Obligatory Reserve Funds</b> |                     |                           |                      |                       |                     |
| Development charges             | \$ 5,247,648        | \$ 813,783                | \$ 131,816           | \$(1,062,950)         | <b>\$5,130,297</b>  |
| Federal Gas Tax                 | 1,941,657           | 1,872,807                 | 19,530               | (2,772,806)           | <b>1,061,188</b>    |
| Building department             | 3,319,082           | -                         | 110,439              | (214,767)             | <b>3,214,754</b>    |
|                                 | 10,508,387          | 2,686,590                 | 261,785              | (4,050,523)           | <b>9,406,239</b>    |
| <b>Other</b>                    |                     |                           |                      |                       |                     |
| Long-term easement<br>access    | 25,000              | -                         | -                    | -                     | <b>25,000</b>       |
| Other                           | 105,233             | 949,601                   | -                    | (37,917)              | <b>1,016,917</b>    |
|                                 | <b>\$10,638,620</b> | <b>\$ 3,636,191</b>       | <b>\$ 261,785</b>    | <b>\$(4,088,440)</b>  | <b>\$10,448,156</b> |

**The Corporation of the  
County of Dufferin  
Trust Funds  
Financial Information  
For the year ended December 31, 2020**

**The Corporation of the County of Dufferin  
Trust Funds  
Financial Information  
For the year ended December 31, 2020**

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

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## Independent Auditor's Report

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### 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, 2020, 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, 2020, 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  
May 13, 2021

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

**December 31, 2020**

|   | Entrance<br>Permit<br>Deposits | Museum<br>Trust   | Residents'<br>Trust | Dufferin<br>Oaks  | OACCTA<br>Trust | Total<br>2020       | Total<br>2019     |
|---|--------------------------------|-------------------|---------------------|-------------------|-----------------|---------------------|-------------------|
| <b>Assets</b>                               |                                |                   |                     |                   |                 |                     |                   |
| Cash  | \$ 46,689                      | \$ 706,137        | \$ 66,043           | \$ 120,020        | \$ 8,428        | \$ 947,317          | \$ 664,451        |
| Investments, at cost                        | -                              | 28,736            | -                   | 12,136            | -               | 40,872              | 540,872           |
| Interest receivable                         | -                              | 2,384             | -                   | 27                | -               | 2,411               | 4,181             |
| Due from the County                         | -                              | 42,491            | -                   | -                 | -               | 42,491              | -                 |
|   | <u>46,689</u>                  | <u>779,748</u>    | <u>66,043</u>       | <u>132,183</u>    | <u>8,428</u>    | <u>1,033,091</u>    | <u>1,209,504</u>  |
| <b>Liabilities</b>                          |                                |                   |                     |                   |                 |                     |                   |
| Accounts payable and<br>accrued liabilities | -                              | -                 | 1,733               | -                 | -               | 1,733               | 1,094             |
| Due to the County                           | -                              | -                 | -                   | -                 | -               | -                   | 251,272           |
|   | <u>-</u>                       | <u>-</u>          | <u>1,733</u>        | <u>-</u>          | <u>-</u>        | <u>1,733</u>        | <u>252,366</u>    |
| <b>Fund balance</b>                         | <b>\$ 46,689</b>               | <b>\$ 779,748</b> | <b>\$ 64,310</b>    | <b>\$ 132,183</b> | <b>\$ 8,428</b> | <b>\$ 1,031,358</b> | <b>\$ 957,138</b> |

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, 2020

|                                   | Entrance<br>Permit<br>Deposits | Museum<br>Trust | Residents'<br>Trust | Dufferin<br>Oaks | OACCTA<br>Trust | Total<br>2020 | Total<br>2019 |
|-----------------------------------|--------------------------------|-----------------|---------------------|------------------|-----------------|---------------|---------------|
| <b>Balance, beginning of year</b> | \$ 49,989                      | \$ 718,234      | \$ 60,715           | \$ 119,916       | \$ 8,284        | \$ 957,138    | \$ 1,327,369  |
| <b>Receipts</b>                   |                                |                 |                     |                  |                 |               |               |
| Interest earned                   | -                              | 14,514          | -                   | 1,849            | 144             | 16,507        | 29,960        |
| Donations                         | -                              | -               | -                   | 18,207           | -               | 18,207        | 10,807        |
| Other receipts                    | 10,700                         | 55,000          | 87,672              | -                | -               | 153,372       | 180,822       |
|                                   | 10,700                         | 69,514          | 87,672              | 20,056           | 144             | 188,086       | 221,589       |
| <b>Expenses</b>                   | 14,000                         | 8,000           | 84,077              | 7,789            | -               | 113,866       | 591,820       |
| <b>Balance, end of year</b>       | \$ 46,689                      | \$ 779,748      | \$ 64,310           | \$ 132,183       | \$ 8,428        | \$ 1,031,358  | \$ 957,138    |

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

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

**December 31, 2020**

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**1. Summary of Significant Accounting Policies**

|                                  |   |
|----------------------------------|---|
| <b>Management Responsibility</b> | 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.   |
| <b>Basis of Accounting</b>       | <p>The financial information have been prepared in accordance with Canadian public section 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> |
| <b>Use of Estimates</b>          | 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.   |
| <b>Basis of Consolidation</b>    | These trust funds have not been consolidated with the financial statements of the municipality.   |

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**2. Investments**

The total investments of \$40,872 (2019 - \$540,873) reported on the balance sheet at cost have a market value of \$43,283 (2019 - \$485,506) at the end of the year.

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