

**The Corporation of the
County of Dufferin
Financial Information
For the year ended December 31, 2023**

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Financial Information
For the year ended December 31, 2023**

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For the year ended December 31, 2023**

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BDO Canada LLP
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Independent Auditor's Report

**To the Members of Council
of the Corporation of the County of Dufferin**

Opinion

We have audited the consolidated financial statements of the Corporation of the County of Dufferin (the municipality), which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net financial assets, consolidated statement of remeasurement gains 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 the Corporation of the County of Dufferin as at December 31, 2023 and its consolidated results of operations, its consolidated change in net financial assets, its consolidated remeasurement gains 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 Consolidated 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 Consolidated 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Orangeville, Ontario
June 28, 2024

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

December 31	2023	2022 (Restated) (Note 2)
Financial assets		
Cash (Note 3)	\$29,868,911	\$ 29,122,354
Trade and other receivables	5,292,407	5,850,627
Investments (Note 4)	45,882,662	40,090,178
	<u>81,043,980</u>	<u>75,063,159</u>
Liabilities		
Accounts payable and accrued liabilities	16,790,679	13,935,001
Asset retirement obligation (Note 7)	1,155,421	1,112,051
Post-employment and WSIB future benefits (Note 6)	1,755,516	1,741,639
Deferred revenue (Page 38)	10,364,309	10,324,579
Long-term liabilities (Note 8)	9,938,877	10,922,840
	<u>40,004,802</u>	<u>38,036,110</u>
Net financial assets	41,039,178	37,027,049
Non financial assets		
Inventory of supplies	270,000	182,000
Prepaid expenses	327,217	248,287
Tangible capital assets (Note 5)	155,742,752	154,586,193
	<u>156,339,969</u>	<u>155,016,480</u>
Accumulated surplus (Note 10)	\$ 197,379,147	\$ 192,043,529
Accumulated surplus is comprised of:		
Accumulated operating surplus (Page 6)	\$ 197,365,957	\$ 192,043,529
Accumulated rereasurement gains (Page 8)	13,190	-
	<u>\$ 197,379,147</u>	<u>\$ 192,043,529</u>

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

For the year ended December 31	2023	2023	2022
	Budget (Note 13)	Actual	Actual (Restated) (Note 2)
Revenue			
Taxation	\$ 45,254,518	\$45,407,975	\$ 42,986,081
Fees and user charges	4,143,000	4,365,381	3,966,512
Government contributions (Note 15)	46,213,777	51,415,452	49,964,780
Other income (Note 12)	10,353,868	10,377,438	10,457,413
	<u>105,965,163</u>	<u>111,566,246</u>	<u>107,374,786</u>
Expenses			
General government	12,102,881	11,231,877	10,710,341
Protection services	2,013,760	1,842,304	2,109,782
Transportation services	12,819,676	11,797,446	11,980,530
Environmental services	6,716,580	6,426,425	6,812,244
Health services	16,630,797	17,770,324	17,247,035
Social and family services	42,663,459	44,879,410	37,660,364
Social Housing	9,897,813	9,449,172	9,941,488
Recreation and cultural services	1,641,125	1,420,345	1,323,749
Planning and development	2,205,860	1,396,080	997,584
	<u>106,691,951</u>	<u>106,213,383</u>	<u>98,783,117</u>
Opening surplus adjustment (Note 14)	-	(30,435)	-
Annual surplus (deficit) (Note 13)	(726,788)	5,322,428	8,591,669
Accumulated surplus, beginning of year	192,043,529	192,043,529	184,447,931
Change in accounting policy (Note 2)	-	-	(996,071)
Accumulated surplus, end of year	<u>\$ 191,316,741</u>	<u>\$ 197,365,957</u>	<u>\$ 192,043,529</u>

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

<u>For the year ended December 31</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>
	Budget (Note 13)	Actual	Actual (Restated) (Note 2)
Annual surplus (deficit) (Page 6)	\$ (726,788)	\$ 5,322,428	\$ 8,591,669
Acquisition of tangible capital assets	(21,258,408)	(11,286,043)	(13,459,223)
Amortization of tangible capital assets	9,555,860	10,042,390	10,132,272
(Gain) loss on sale of tangible capital assets	-	7,692	(70,706)
Proceeds on disposal of tangible capital assets	-	79,402	73,656
	<u>(11,702,548)</u>	<u>(1,156,559)</u>	<u>(3,324,001)</u>
Change in prepaid expenses	-	(78,930)	210,487
Change in inventory of supplies	-	(88,000)	32,000
	<u>-</u>	<u>(166,930)</u>	<u>242,487</u>
(Increase) decrease in net financial assets excluding net remeasurement gains	(12,429,336)	3,998,939	5,510,155
Net remeasurement gains			
Portfolio investments (Page 7)	-	13,190	-
(Increase) decrease in net financial assets	<u>(12,429,336)</u>	<u>4,012,129</u>	<u>5,510,155</u>
Net financials assets, beginning of the year, as previously stated	37,027,049	37,027,049	32,587,203
Change in accounting policy (Note 2)	<u>-</u>	<u>-</u>	<u>(1,070,309)</u>
Net financial assets, beginning of the year, restated	<u>37,027,049</u>	<u>37,027,049</u>	<u>31,516,894</u>
Net financial assets, end of the year	<u>\$24,597,713</u>	<u>\$41,039,178</u>	<u>\$ 37,027,049</u>

**The Corporation of the County of Dufferin
Consolidated Statement of Remeasurement Gains**

<u>For the year ended December 31</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>
	Budget	Actual	Actual
Accumulated remeasurement gains, beginning of the year	\$ -	\$ -	-
Adjustment to beginning accumulated remeasurement gains (Note 2)	-	17,099	-
Unrealized gains (losses) attributable to: Portfolio investments	-	(3,909)	-
Accumulated remeasurement gains, end of the year	\$ -	\$ 13,190	-

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

For the year ended December 31	2023	2022
		(Restated) (Note 2)
Cash provided by (used in)		
Operating activities		
Annual surplus	5,322,428	8,591,669
Items not involving cash		
Asset retirement obligation accretion	43,370	41,742
Change in post-employment and WSIB future benefits	13,877	33,405
Amortization of tangible capital assets	10,042,390	10,132,272
Deferred revenue recognized	(3,914,723)	(6,358,264)
(Gain) loss on sale of tangible capital assets	7,692	(70,706)
	11,515,034	12,370,118
Changes in non-cash working capital balances		
Trade and other receivables	558,220	(179,805)
Accounts payable and accrued liabilities	2,855,678	1,843,339
Deferred revenue received	3,954,453	4,780,946
Prepaid expenses	(78,930)	210,487
Inventory of supplies	(88,000)	32,000
	7,201,421	6,686,967
	18,716,455	19,057,085
Capital transactions		
Cash used to acquire tangible capital assets	(11,286,043)	(13,459,223)
Proceeds on sale of tangible capital assets	79,402	73,656
	(11,206,641)	(13,385,567)
Investing activities		
Change in investments	(5,779,294)	(6,337,696)
	(5,779,294)	(6,337,696)
Financing activities		
Repayment of long-term liabilities	(983,963)	(967,612)
Net change in cash and cash equivalents	746,557	(1,633,790)
Cash, beginning of year	29,122,354	30,756,144
Cash, end of year	\$ 29,868,911	\$ 29,122,354

The Corporation of the County of Dufferin

Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies

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 consolidated 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 21.56%
(2022 - 21.7%)

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies - (continued)

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) Government transfers are recognized as revenue in the consolidated 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.
- c) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- d) 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.
- e) 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.
- f) Fines and donations are recognized when collected.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies - (continued)

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

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

Financial Instruments Cash is measured at fair value. The County has also elected to measure principal protected notes at fair value. All other financial instruments, guaranteed investment certificates, step-up bonds, trade and other receivables, accounts payable and accrued liabilities, and long-term debt are measured at cost or amortized cost.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies - (continued)

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. Construction in progress is not amortized until the capital asset is substantially complete and ready for use.

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 consolidated financial statements.

Post-Employment Benefits

The municipality provides 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.

WSIB Future Benefits

The County is an employer included under Schedule 2 of the Workplace Safety and Insurance Act. It self-ensures the entire risk of its own WSIB claims and is individually liable for reimbursing the WSIB for all costs relating to its workers' WSIB claims. The cost of the claims are determined using management's best estimates and are expensed as incidents occur.

The Corporation of the County of Dufferin

Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies - (continued)

Asset Retirement Obligations	A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.
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 County 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. 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 consolidated 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, 2023

1. Summary of Significant Accounting Policies - (continued)

Use of Estimates

The preparation of consolidated 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 consolidated 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, asset retirement obligations, accrued liabilities, and post-employment and WSIB future 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, 2023

2. Change in Accounting Policy

Effective January 1, 2023, the County adopted new Public Sector Accounting Handbook Standard 3280: Asset Retirement Obligations. The standard requires that the County evaluate their assets for any potential asset retirement obligations. This change in accounting policy has been made in accordance with the modified retrospective approach of the standard. Under this method, the asset retirement obligation liability, adjusted for accumulated accretion to date, was measured as of January 1, 2022 with a corresponding adjustment to capital assets, accumulated amortization and net assets. The impact of adoption of this standard at January 1, 2022 was as follows:

Increase in capital assets	\$ 74,238
Increase in asset retirement obligation	\$ 1,070,309
Decrease in accumulated surplus	\$ 996,071

The impact of adoption of this standard at December 31, 2022 was as follows:

Increase in amortization	\$ 3,262
Increase in accretion expense	\$ 41,742
Decrease in annual surplus	\$ 45,004
Decrease in accumulated surplus	\$ 1,041,075
Increase in asset retirement obligation	\$ 1,112,051
Increase in capital assets	\$ 70,976

On January 1, 2023 the County adopted PS 3450 Financial instruments which establishes standards for recognizing and measuring financial assets, financial liabilities and derivatives. This standard is required to be adopted prospectively, therefore comparative figures have not been restated. Unrealized gains and losses on portfolio investments are shown on a new statement, the statement of remeasurement gains and losses. There is a transitional adjustment for the adoption of this new standard in the amount of \$17,099 which represents the unrealized gain on the portfolio investments as at January 1, 2023.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

3. Cash

	2023	2022
Bank accounts	29,848,995	23,103,446
ONE Investment - High Interest Savings Account	19,916	18,922
Scotiabank - High Interest Savings Account	-	5,999,986
	\$ 29,868,911	\$ 29,122,354

Included in cash are externally restricted funds that are segregated and will be used only for specific purposes totaling \$6,110,186 (2022 - \$3,756,767).

4. Investments

Investments include the following:

	2023	2022
At cost or amortized cost		
ONE Investment, Canadian equity fund	\$ 7,352,179	\$ 7,028,116
ONE Investment, Canadian corporate bond fund	6,468,160	6,318,332
Cash and Credit Union shares	1,140	1,140
Guaranteed Investment Certificates, 1.5% to 6.46%, due March 2024 to November 2026	25,055,193	21,392,790
Bank notes and step-up bonds, 1.6% to 1.85%, maturing January 2024 to March 2026	3,225,000	3,225,000
	42,101,672	37,965,378
At fair value		
Principal protected notes, due September 2024 to May 2030	3,780,990	2,124,800
	\$ 45,882,662	\$ 40,090,178

Included in investments are externally restricted funds that are segregated and will be used only for specific purposes totaling \$6,241,306 (2022 - \$6,950,473).

The principal protected notes were previously held at book value and as a result of the PS 3450 Financial Instruments, they are now held at fair value.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

5. Tangible Capital Assets

	2023								
	Land	Buildings	Equipment	Roads	Bridges and Culverts	Vehicles	Other	Assets under Construction	Total
Cost, beginning of year	\$ 10,366,130	\$ 96,364,565	\$ 14,009,809	\$ 107,747,082	\$ 32,770,758	\$ 8,970,828	\$ 7,606,024	\$ 13,577,102	\$ 291,412,298
Additions		1,366,573	712,001	318,223	44,181	973,412	52,664	7,818,989	11,286,043
Disposals	(1,430)	(1,788,117)	(957,885)	-	(184,437)	(923,377)	(111,615)	-	(3,966,861)
Transfers	-	1,187,586	-	6,914,134	1,395,907	485,309	-	(9,982,936)	-
Cost, end of year	<u>10,364,700</u>	<u>97,130,607</u>	<u>13,763,925</u>	<u>114,979,439</u>	<u>34,026,409</u>	<u>9,506,172</u>	<u>7,547,073</u>	<u>11,413,155</u>	<u>298,731,480</u>
Accumulated amortization, beginning of year	-	51,603,918	9,048,141	57,720,515	8,642,504	4,674,367	5,136,660	-	136,826,105
Amortization	-	2,828,854	982,932	4,714,254	521,387	787,510	207,453	-	10,042,390
Disposals	-	(1,762,922)	(953,923)	-	(184,447)	(871,402)	(107,073)	-	(3,879,767)
Accumulated amortization, end of year	<u>-</u>	<u>52,669,850</u>	<u>9,077,150</u>	<u>62,434,769</u>	<u>8,979,444</u>	<u>4,590,475</u>	<u>5,237,040</u>	<u>-</u>	<u>142,988,728</u>
Net carrying amount, end of year	<u>\$ 10,364,700</u>	<u>\$ 44,460,757</u>	<u>\$ 4,686,775</u>	<u>\$ 52,544,670</u>	<u>\$ 25,046,965</u>	<u>\$ 4,915,697</u>	<u>\$ 2,310,033</u>	<u>\$ 11,413,155</u>	<u>\$ 155,742,752</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

5. Tangible Capital Assets - (continued)

									2022
									<i>(Restated - Note 2)</i>
	Land	Buildings	Equipment	Roads	Bridges and Culverts	Vehicles	Other	Assets under Construction	Total
Cost, beginning of year	\$ 10,366,130	\$ 95,056,995	\$ 13,452,860	\$ 107,661,203	\$ 32,770,758	\$ 8,773,377	\$ 7,149,898	\$ 4,241,759	\$ 279,472,980
Additions	-	2,346,064	807,319	85,879	-	428,492	456,126	9,335,343	13,459,223
Disposals	-	(1,038,494)	(250,370)	-	-	(231,041)	-	-	(1,519,905)
Transfers	-	-	-	-	-	-	-	-	-
Cost, end of year	10,366,130	96,364,565	14,009,809	107,747,082	32,770,758	8,970,828	7,606,024	13,577,102	291,412,298
Accumulated amortization, beginning of year	-	49,664,079	8,400,020	52,986,232	8,121,117	4,138,365	4,900,975	-	128,210,788
Amortization	-	2,975,383	898,491	4,734,283	521,387	767,043	235,685	-	10,132,272
Disposals	-	(1,035,544)	(250,370)	-	-	(231,041)	-	-	(1,516,955)
Accumulated amortization, end of year	-	51,603,918	9,048,141	57,720,515	8,642,504	4,674,367	5,136,660	-	136,826,105
Net carrying amount, end of year	\$ 10,366,130	\$ 44,760,647	\$ 4,961,668	\$ 50,026,567	\$ 24,128,254	\$ 4,296,461	\$ 2,469,364	\$ 13,577,102	\$ 154,586,193

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

5. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$11,413,155 (2022 - \$13,577,102).

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 consolidated 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.

6. Post-employment and WSIB Future Benefits

The post-employment and WSIB future benefits at December 31 includes the following components:

	<u>2023</u>	<u>2022</u>
Retirement Benefits	\$ 980,503	\$ 960,575
Wellington-Dufferin-Guelph Public Health Unit	<u>292,894</u>	<u>328,058</u>
	1,273,397	1,288,633
Workplace Safety and Insurance Board Obligations	<u>482,119</u>	<u>453,006</u>
	<u>\$ 1,755,516</u>	<u>\$ 1,741,639</u>

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, discount rates, medical inflation rates, wage increases, employee turnover, remaining service life and mortality rates.

The County has established a Workplace safety and insurance reserve fund in the amount of \$2,850,047 (2022 - \$2,786,160) to mitigate the future impact of these obligations.

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 County recognizes post-employment costs in the period in which the employees render the services.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

6. Post-employment and WSIB Future Benefits - continued

The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 3.00% (2022 - 3.00%). For extended health care costs, a 3.75% (2022 - 3.75%) 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.

	2023	2022
Current period benefit cost	\$ 42,371	\$ 40,330
Amortization of actuarial gain/(loss)	8,289	8,289
Retirement benefit expense	50,660	48,619
Interest costs	30,002	29,785
Total expense for the year	\$ 80,662	\$ 78,404

Total benefit payments paid by the County on behalf of retirees during the year were \$65,920 (2022 - \$70,829).

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% (2022 - 2.75%). 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.

	2023	2022
Current period benefit cost	\$ 103,846	\$ 100,857
Amortization of actuarial loss	(14,826)	(14,826)
Retirement benefit expense	89,020	86,031
Interest costs	18,761	17,588
Total expense for the year	\$ 107,781	\$ 103,619

Total benefit payments paid by the County for WSIB during the year were \$103,880 (2022 - \$97,616).

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

7. Asset Retirement Obligation

The County adopted the new Section PS 3280 on January 1, 2023 using the modified retroactive method with restatement. Asset retirement obligations were recognized related to remediation required for three underground storage tanks and asbestos present in ten buildings. The related asset retirement costs are being amortized on a straight line basis. As at year end, an obligation of \$1,155,421 has been accrued on the consolidated statement of financial position. This amount was determined based on total undiscounted expenditures of \$1,895,711 using a net present value technique with a discount rate of 3.90%. The expenditures are expected to be incurred and liability settled over the next 9 to 65 years.

Payment to settle the asset retirement obligations will occur at the end of their life in full.

Balance, January 1, 2022	\$ 1,070,309
Accretion expense	41,742
Balance, December 31, 2022	1,112,051
Accretion expense	<u>43,370</u>
Balance, December 31, 2023	<u>\$ 1,155,421</u>

The modified retroactive transitional approach requires a full restatement using assumptions and discount rates that are current as of January 1, 2023 to calculate the adjustments. As a result of this application, The County recorded an adjustment to opening accumulated surplus of \$996,071 at January 1, 2022.

Significant estimates and assumptions are made in determining the asset retirement costs as there are numerous factors that will affect the amount ultimately payable. Those uncertainties may result in future actual expenditures that are different than the amounts currently recorded. At each reporting date, as more information and experience is obtained as it relates to these asset retirement obligations, the estimates of the timing, the undiscounted cash flows and the discount rates may change. Adjustments to these factors are accounted for as an adjustment to the asset retirement obligation and the related tangible capital asset in the current period on a prospective basis.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

8. Long-Term Liabilities

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

	2023	2022
Amortizing debenture, 2.37%, repayable in semi-annual principal of \$60,000 plus interest payments, due July 2029	\$ 720,003	\$ 840,003
Amortizing debenture, 4.46%, repayable in blended semi-annual principal and interest payments of \$142,674, due January 2031	1,802,094	2,000,414
Amortizing debenture, 4.40%, repayable in semi-annual principal of \$162,500 plus interest payments, due March 2033	3,087,506	3,412,506
Amortizing debenture, 3.10%, repayable in blended semi-annual principal and interest payments of \$106,934, due June 2035	2,055,612	2,202,335
Bank loan, 4.10%, repayable in blended monthly principal and interest payments of \$19,866, due October 2024	2,082,503	2,232,171
Capital lease, 3.10%, repayable in blended semi-annual principal and interest payments of \$50,000, due January 2027	191,159	235,411
	\$ 9,938,877	\$ 10,922,840

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

8. Long-Term Liabilities - (continued)

The gross interest paid relating to the above long-term liabilities was \$369,738 (2022 - \$403,250).

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

2024	\$ 2,931,693
2025	864,678
2026	880,779
2027	897,518
2028	863,371
Thereafter	<u>3,500,838</u>
	<u>\$ 9,938,877</u>

9. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 412 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 2023 by the County of Dufferin was \$2,246,693 (2022 - \$1,763,187). The contribution rate for 2023 was 9.0% to 15.8% depending on age and income level (2022 - 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, 2023. At that time the plan reported a \$4.20 billion actuarial deficit (2022 - \$6.68 billion actuarial deficit), based on actuarial liabilities of \$134.57 billion (2022 - \$128.79 billion) and actuarial assets of \$130.37 billion (2022 - \$122.11 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, 2023

10. Accumulated Surplus

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

	2023	2022
Invested in tangible capital assets		
County's tangible capital assets at cost less amortization	\$ 151,614,443	\$ 150,231,706
WDGPH's tangible capital assets at cost less amortization	4,128,309	4,354,487
County's capital assets financed by long-term liabilities and to be funded in future years	(9,938,877)	(10,922,840)
Total invested in capital assets	145,803,875	143,663,353
County's unfunded post-employment and WSIB benefits	(1,462,622)	(1,413,581)
General surplus (Note 13)	2,697,692	2,211,543
Unfinanced asset retirement obligation	(1,155,421)	(1,112,051)
	145,883,524	143,349,264
Reserves and reserve funds (Note 11)	51,482,433	48,694,265
	197,365,957	192,043,529
Remeasurement gains	13,190	-
Accumulated surplus	\$ 197,379,147	\$ 192,043,529

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

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

	<u>2023</u>	<u>2022</u>
Reserves		
Rate stabilization	\$ 9,380,694	\$ 8,042,625
Contingencies	550,415	614,629
Insurance	237,436	237,436
Winter control	349,902	349,902
Wellington-Dufferin-Guelph Public Health	986,555	827,658
Other current purposes	6,823,313	7,377,154
Asset management	19,062,846	17,986,384
Broadband	717,704	717,704
Other capital purposes	3,673,195	3,783,916
	<u>41,782,060</u>	<u>39,937,408</u>
Reserve funds		
WSIB	2,850,047	2,786,160
Children's services	1,071,143	994,962
Bank loan retirement	1,723,540	1,650,338
Other current purposes	3,598,767	2,836,381
Other capital purposes	456,876	489,016
	<u>9,700,373</u>	<u>8,756,857</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$ 51,482,433</u>	<u>\$ 48,694,265</u>

12. Other Income

	<u>2023</u>	<u>2023</u>	<u>2022</u>
	Budget	Actual	Actual
Development charges and contributions	\$ 2,147,495	\$ 1,868,565	\$ 1,344,251
Investment income	781,417	2,545,728	1,261,116
Licenses, permits and rents	5,148,613	4,426,715	5,348,826
Donations	46,750	44,286	87,481
Recycling rebate	450,000	394,157	1,132,169
Sale of publications, equipment, etc.	107,500	244,794	140,408
Gain (loss) on disposal of capital assets	-	(7,692)	70,706
Other contributions	1,672,093	860,885	1,072,456
	<u>\$ 10,353,868</u>	<u>\$ 10,377,438</u>	<u>\$ 10,457,413</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

13. 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.

	2023 Budget	2023 Actual	2022 Actual
Annual surplus (deficit) (Page 6)	\$ (726,788)	\$ 5,322,428	\$ 8,591,669
Amortization of tangible capital assets	9,555,860	10,042,390	10,132,272
Change in unfunded liabilities	-	92,411	80,745
Change in other surpluses	-	-	(16,638)
	8,829,072	15,457,229	18,788,048
Net transfers (to) from reserves	13,369,056	(560,136)	(3,794,636)
Capital acquisitions, disposals and write-down	(21,258,408)	(11,198,949)	(13,456,273)
Prior year capital projects (funded) expended	-	-	1,642,737
Debt principal repayments	(939,720)	(983,963)	(967,612)
	-	2,714,181	2,212,264
Prior year general surplus	-	2,211,543	2,180,531
Surplus before transfers to reserves	-	4,925,724	4,392,795
Transfer prior year surplus to reserve per resolution	-	(2,228,032)	(2,181,252)
General surplus (Note 10)	\$ -	\$ 2,697,692	\$ 2,211,543

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

14. Government Partnerships

The following summarizes the financial position and operations of the government partnerships which have been reported in these consolidated 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 21.56% (2022 - 21.7%) proportionate interest of the following:

	<u>2023</u>	<u>2022</u>
Financial assets	\$ 7,329,231	\$ 9,850,359
Liabilities	<u>3,718,997</u>	<u>8,235,262</u>
Net debt	3,610,234	1,615,097
Non-financial assets	<u>19,198,050</u>	<u>20,124,144</u>
Accumulated surplus	<u>\$ 22,808,284</u>	<u>\$ 21,739,241</u>
Revenues	\$ 30,347,801	\$ 33,834,294
Expenses	<u>29,278,758</u>	<u>32,037,915</u>
Annual surplus	<u>\$ 1,069,043</u>	<u>\$ 1,796,379</u>

In the current year, the County's percentage share of operations of Wellington-Dufferin-Guelph Public Health decreased to 21.56% (2022 - 21.7%). As a result of the decrease in percentage, there has been a change in opening accumulated surplus. Opening accumulated surplus decreased by \$30,435.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

15. Government Contributions

	Budget	2023	2022
Operating			
Province of Ontario			
Social and family services	\$ 29,085,878	\$ 33,628,203	\$ 28,272,101
Social housing	1,282,471	1,727,965	2,570,287
Other	8,999,108	9,527,744	10,445,580
	<u>39,367,457</u>	<u>44,883,912</u>	<u>41,287,968</u>
Government of Canada			
Social and family services	2,000	-	2,625
Social housing	1,581,252	1,577,476	1,451,836
Transportation	-	-	2,625
Other	-	-	112,668
	<u>1,583,252</u>	<u>1,577,476</u>	<u>1,569,754</u>
Other Municipalities			
Transportation	50,000	112,974	57,462
Other	1,683,005	1,969,216	1,727,644
	<u>1,733,005</u>	<u>2,082,190</u>	<u>1,785,106</u>
Total operating government contributions	\$ 42,683,714	\$48,543,578	\$ 44,642,828
Tangible Capital Asset			
Province of Ontario			
Social and family services	\$ 220,000	\$ -	\$ -
Transportation	855,000	774,598	1,336,634
Other	12,000	54,213	-
	<u>1,087,000</u>	<u>828,811</u>	<u>1,336,634</u>
Government of Canada			
Federal Gas Tax	2,443,063	2,043,063	3,985,318
Total tangible capital asset government contributions	3,530,063	2,871,874	5,321,952
Total government contributions	\$ 46,213,777	\$ 51,415,452	\$ 49,964,780

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

16. 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, 2023 indicates the following.

	<u>2023</u>
Principal payments	\$ 229,776
Interest payments	<u>17,360</u>
Total	<u>\$ 247,136</u>
Debentures outstanding at year end	<u>\$ 49,828</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.

17. Trust Funds

The trust funds administered by the municipality amounting to \$1,370,877 (2022 - \$1,233,680) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations. At December 31, 2023, the trust fund balances are as follows:

	<u>2023</u>	<u>2022</u>
Entrance Permit Deposits Trust	\$ 54,189	\$ 54,189
Dufferin Oaks and Residents' Trust	393,942	313,931
Other	9,187	8,614
Museum Trust	<u>913,559</u>	<u>856,946</u>
	<u>\$ 1,370,877</u>	<u>\$ 1,233,680</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

18. Financial Instruments

Financial Instrument Fair Value Measurement

The following table provides an analysis of financial instruments that are measured at fair value, using a fair value hierarchy of levels 1, 2 and 3. The levels reflect the significance of the inputs used in making the fair value measurements, as described below:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3** - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	2023			
	Level 1	Level 2	Level 3	Total
Cash	\$29,868,911	\$ -	\$ -	\$29,868,911
Principal protected notes	-	4,137,990	-	4,137,990
	\$29,868,911	\$ 4,137,990	\$ -	\$34,006,901

Financial Instrument Risk Management

The County is exposed to credit risk, liquidity risk, interest rate risk and other price risk from its financial instruments. This note describes the County’s objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these consolidated financial statements.

Credit Risk

The County is exposed to credit risk through its cash, investments, and trade and other receivables. There is the possibility of non-collection of trade and other receivables. The majority of the County's receivables are from ratepayers and government entities. For receivables, the County measures impairment of each receivable type based on how long the amounts have been outstanding, noting that some government ministries can take multiple years to complete funding reconciliations. The amounts outstanding at year end, which is the County's maximum exposure to credit risk related to receivables, were as follows:

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

18. Financial Instruments (continued)

	0 - 30 days	31 - 90 days	91 - 365 days	1 to 2 years	3 to 10 years
Cash	\$ 29,868,911	\$ -	\$ -	\$ -	\$ -
Investments	-	-	22,212,523	23,670,139	-
Accounts receivables	-	-	5,292,407	-	-
Total	\$ 29,868,911	\$ -	\$ 27,504,930	\$ 23,670,139	\$ -

Liquidity Risk

Liquidity risk is the risk that the County encounters difficulty in meeting its obligations as they fall due. The County has a planning and budgeting process in place to help determine the funds required to support the County's normal operating requirements on an ongoing basis. The County is exposed to liquidity risk through its accounts payable and accrued liabilities, and long-term liabilities. The County ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. Further, the County seeks to maintain an available line of credit balance as approved by the appropriate borrowing by-law to meet, at a minimum, expected requirements for a period of at least 90 days. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Within 6 months	6 months to 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 12,799,754	\$ 3,490,925	\$ 500,000	\$ -
Long-term debt	-	2,931,693	3,506,346	3,500,838
Total financial liabilities	\$ 12,799,754	\$ 6,422,618	\$ 4,006,346	\$ 3,500,838

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The County is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of temporary borrowings.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

18. Financial Instruments (continued)

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The County is exposed to other price risk through its investments in principal protected notes and pooled investments that are indexed to equity instruments, which causes fluctuation in the reported fair value of the County's investments from one period to the next.

The County manages its other price risk by diversifying its portfolio holdings to a variety of indices and primarily invests in assets that offer a principal protection guarantee in order to reduce the potential for financial losses. The County measures its exposure to other price risk based on investments valued less than the guaranteed amount. The County monitors the market values regularly to ensure that notes with a value below the principal are not cashed out before maturity.

A 1% increase or decrease in the market value of equities would increase or decrease the County's remeasurement gains by \$37,810. This sensitivity analysis was prepared on the basis that the principal amount of the investments has not changed compared to prior year.

19. Commitments

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

2024	\$	6,390,673
2025		5,267,347
2026		4,949,523
2027		4,917,523
2028		4,880,986

- ii) The County has committed to spend approximately \$2,564,599 on capital projects in 2024 and beyond on various roads projects and capital asset purchases.

20. 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.

The Corporation of the County of Dufferin Notes to Financial Statements

December 31, 2023

21. 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 Corporation of 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 911 contract. 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 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 programs.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2023

21. 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, and co-operative 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.

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

December 31, 2023

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	2023 Total
Revenue												
Taxation	\$ 6,333,083	\$ 31,500	\$ 11,757,363	\$ 5,541,890	\$ 6,508,819	\$ 1,903,217	\$ 4,254,582	\$ 1,435,155	\$ 1,180,160	\$ -	\$ 6,462,206	\$ 45,407,975
Fees and user charges	-	9,850	2,250	96,283	-	-	15,673	37,823	33,000	-	4,170,502	4,365,381
Specific grants	284,895	97,223	2,925,635	416	5,014,179	20,019,515	3,305,441	53,948	65,471	6,040,040	13,608,689	51,415,452
Other revenue	2,980,369	1,629,831	615,401	700,856	215,330	262,311	2,837,686	128,489	288,132	93,222	625,811	10,377,438
	<u>9,598,347</u>	<u>1,768,404</u>	<u>15,300,649</u>	<u>6,339,445</u>	<u>11,738,328</u>	<u>22,185,043</u>	<u>10,413,382</u>	<u>1,655,415</u>	<u>1,566,763</u>	<u>6,133,262</u>	<u>24,867,208</u>	<u>111,566,246</u>
Expenses												
Salaries and benefits	6,265,358	1,177,882	3,049,709	840,124	-	2,724,263	1,797,716	849,355	755,279	4,900,228	17,205,039	39,564,953
Interest on debt	107,637	-	-	-	88,727	-	173,374	-	-	-	-	369,738
Materials and supplies	1,697,042	362,486	1,674,094	457,962	1,191,388	391,498	2,276,717	354,613	439,799	952,362	3,174,748	12,972,709
Contracted services	2,204,394	238,657	1,018,774	5,122,328	7,904,083	123,092	290,044	88,198	158,869	-	1,571,063	18,719,502
Other transfers	-	36,574	-	-	2,071,070	18,397,788	3,750,099	15,262	40,000	-	-	24,310,793
Rents and financial expenses	7,576	13,681	1,764	514	-	60,857	1,248	9,963	470	-	93,193	189,266
Amortization	949,870	12,364	6,053,105	5,497	365,325	259,873	1,159,974	102,954	1,663	297,141	877,996	10,085,762
Transfers to obligatory reserve	-	660	-	-	-	-	-	-	-	-	-	660
	<u>11,231,877</u>	<u>1,842,304</u>	<u>11,797,446</u>	<u>6,426,425</u>	<u>11,620,593</u>	<u>21,957,371</u>	<u>9,449,172</u>	<u>1,420,345</u>	<u>1,396,080</u>	<u>6,149,731</u>	<u>22,922,039</u>	<u>106,213,383</u>
Opening surplus adjustment	-	-	-	-	-	-	-	-	-	(30,435)	-	(30,435)
Annual surplus (deficit)	<u>\$(1,633,530)</u>	<u>\$(73,900)</u>	<u>\$ 3,503,203</u>	<u>\$(86,980)</u>	<u>\$ 117,735</u>	<u>\$ 227,672</u>	<u>\$ 964,210</u>	<u>\$ 235,070</u>	<u>\$ 170,683</u>	<u>\$(46,904)</u>	<u>\$ 1,945,169</u>	<u>\$ 5,322,428</u>

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

December 31, 2023

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	2022 Total
Revenue												
Taxation	\$ 7,519,562	\$ 31,500	\$ 10,741,265	\$ 5,547,040	\$ 6,016,317	\$ 2,113,590	\$ 4,274,567	\$ 1,279,575	\$ 773,989	\$ -	\$ 4,688,676	\$ 42,986,081
Fees and user charges	-	12,650	2,100	91,572	-	-	16,049	14,857	-	-	3,829,284	3,966,512
Specific grants	318,851	95,881	5,412,190	7,875	4,789,559	14,528,945	4,022,124	153,948	2,167	6,887,459	13,745,781	49,964,780
Other revenue	2,214,361	1,907,645	643,336	1,746,412	234,068	8,645	2,729,698	114,000	187,942	28,353	642,953	10,457,413
	<u>10,052,774</u>	<u>2,047,676</u>	<u>16,798,891</u>	<u>7,392,899</u>	<u>11,039,944</u>	<u>16,651,180</u>	<u>11,042,438</u>	<u>1,562,380</u>	<u>964,098</u>	<u>6,915,812</u>	<u>22,906,694</u>	<u>107,374,786</u>
Expenses												
Salaries and benefits	5,256,315	1,071,262	2,857,293	775,632	-	2,572,085	1,495,792	764,831	600,322	5,416,928	15,846,775	36,657,235
Interest on debt	119,100	-	-	-	94,730	-	189,230	-	-	-	190	403,250
Materials and supplies	2,354,819	337,969	2,007,361	323,672	1,022,303	610,835	2,178,530	333,824	111,665	1,063,895	3,021,262	13,366,135
Contracted services	2,005,964	176,900	1,083,539	5,707,179	7,143,216	120,617	211,991	112,718	243,395	-	1,680,634	18,486,153
Other transfers	-	44,883	-	-	1,820,945	12,390,502	4,763,483	(8,000)	40,000	-	-	19,051,813
Rents and financial expenses	13,303	17,978	2,478	428	-	62,732	45	10,829	-	-	88,360	196,153
Amortization	960,840	12,427	6,029,859	5,333	382,392	242,695	1,102,417	109,546	2,202	302,626	1,023,677	10,174,014
Transfers to obligatory reserve	-	448,363	-	-	-	-	-	-	-	-	-	448,363
	<u>10,710,341</u>	<u>2,109,782</u>	<u>11,980,530</u>	<u>6,812,244</u>	<u>10,463,586</u>	<u>15,999,466</u>	<u>9,941,488</u>	<u>1,323,748</u>	<u>997,584</u>	<u>6,783,449</u>	<u>21,660,898</u>	<u>98,783,116</u>
Annual surplus (deficit)	<u>\$ (657,567)</u>	<u>\$ (62,106)</u>	<u>\$ 4,818,361</u>	<u>\$ 580,655</u>	<u>\$ 576,358</u>	<u>\$ 651,714</u>	<u>\$ 1,100,950</u>	<u>\$ 238,632</u>	<u>\$ (33,486)</u>	<u>\$ 132,363</u>	<u>\$ 1,245,796</u>	<u>\$ 8,591,670</u>

The Corporation of the County of Dufferin
Schedule of Deferred Revenue

For the year ended December 31, 2023

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 5,613,043	\$ 745,058	\$ 219,532	\$(1,182,293)	\$ 5,395,340
Canada Community- Building Fund	409,591	2,043,063	83,935	(2,043,063)	493,526
Building department	4,088,254	660	108,854	(665,894)	3,531,874
	10,110,888	2,788,781	412,321	(3,891,250)	9,420,740
Other					
Long-term easement access	25,000	-	-	-	25,000
Other	153,177	29,241	-	(3,095)	179,323
Temporary intersection	-	724,110	-	-	724,110
Wellington-Dufferin- Guelph Public Health	35,514	-	-	(20,378)	15,136
	\$10,324,579	\$ 3,542,132	\$ 412,321	\$(3,914,723)	\$10,364,309

**The Corporation of the
County of Dufferin
Trust Funds
Financial Information
For the year ended December 31, 2023**

**The Corporation of the County of Dufferin
Trust Funds
Financial Information
For the year ended December 31, 2023**

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Independent Auditor's Report

**To the Members of
the Corporation of the 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, 2023, 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 presents fairly, in all material respects, the financial position of the Corporation of the County of Dufferin Trust Funds as at December 31, 2023, 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario
June 28, 2024

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

December 31, 2023

	Entrance Permit Deposits	Museum Trust	Residents' Trust	Dufferin Oaks	OACCTA Trust	Total 2023	Total 2022
Assets							
Cash	\$ 54,189	\$ 56,420	\$ 75,269	\$ 309,222	\$ 9,187	\$ 504,287	\$ 506,250
Investments, at cost	-	800,000	-	-	-	800,000	700,000
Interest receivable	-	32,659	-	-	-	32,659	11,288
Due from the County	-	24,480	-	4,355	-	28,835	31,482
	<u>54,189</u>	<u>913,559</u>	<u>75,269</u>	<u>313,577</u>	<u>9,187</u>	<u>1,365,781</u>	<u>1,249,020</u>
Liabilities							
Accounts payable and accrued liabilities	-	-	(5,096)	-	-	(5,096)	15,340
Fund balance	<u>\$ 54,189</u>	<u>\$ 913,559</u>	<u>\$ 80,365</u>	<u>\$ 313,577</u>	<u>\$ 9,187</u>	<u>\$ 1,370,877</u>	<u>\$ 1,233,680</u>

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, 2023

	Entrance Permit Deposits	Museum Trust	Residents' Trust	Dufferin Oaks	OACCTA Trust	Total 2023	Total 2022
Balance, beginning of year	\$ 54,189	\$ 856,946	\$ 78,443	\$ 235,488	\$ 8,614	\$ 1,233,680	\$ 1,097,284
Receipts							
Interest earned	-	41,085	-	18,597	573	60,255	21,498
Donations	-	-	-	71,120	-	71,120	137,250
Other receipts	7,500	23,528	105,925	-	-	136,953	123,925
	7,500	64,613	105,925	89,717	573	268,328	282,673
Expenses	7,500	8,000	104,003	11,628	-	131,131	146,277
Balance, end of year	\$ 54,189	\$ 913,559	\$ 80,365	\$ 313,577	\$ 9,187	\$ 1,370,877	\$ 1,233,680

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, 2023

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 consolidated financial statements of the municipality.
Financial Instrument	Cash is measured at fair value. All other financial instruments are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the balance sheet. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of continuity. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.

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

December 31, 2023

2. Financial Instruments

The Trust is exposed to risks that arise from its use of financial instruments. The trust's financial instruments consist of cash, investments, interest receivable, due from the County and accounts payable and accrued liabilities. It is management's opinion that the Trust is not exposed to significant currency risk arising from these financial instruments. The Trust is exposed to interest rate risk arising from its bank accounts and investments. The investments consist of a guaranteed investment certificate with interest at 5.56% due April 6, 2024. The trust is exposed to credit risk relating to its cash, investments and interest receivable. The cash and investments are held in Canadian Chartered banks and an Ontario Credit Union. Accounts payable and accrued liabilities are due within 30 days and is a liquidity risk to the Trust.
