

**The Corporation of the
County of Dufferin
Financial Information
For the year ended December 31, 2016**

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Financial Information
For the year ended December 31, 2016**

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Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of the Corporation of the County of Dufferin, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the County of Dufferin as at December 31, 2016 and the results of its operations, changes in net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario
May 11, 2017

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

December 31	2016	2015
Financial assets		
Cash (Note 1)	\$ 22,271,619	\$ 20,803,463
Trade and other receivable	3,933,454	2,268,991
Portfolio investments (Note 2)	14,410,602	13,944,661
	<u>40,615,675</u>	<u>37,017,115</u>
Liabilities		
Accounts payable and accrued liabilities	6,711,114	6,347,654
Post-employment benefits (Note 5)	1,716,604	1,676,441
Deferred revenue (Page 32)	10,794,566	9,776,125
Long-term liabilities (Note 4)	19,455,302	21,671,075
	<u>38,677,586</u>	<u>39,471,295</u>
Net financial assets (debt)	1,938,089	(2,454,180)
Non financial assets		
Prepaid expenses	163,359	173,450
Tangible capital assets (Note 3)	133,138,470	131,605,860
	<u>133,301,829</u>	<u>131,779,310</u>
Accumulated surplus (Note 7)	\$ 135,239,918	\$ 129,325,130

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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

For the year ended December 31	2016	2016	2015
	Budget (Note 10)	Actual	Actual
Revenue			
Taxation	\$ 34,998,600	\$ 35,070,174	\$ 33,262,980
Fees and user charges	4,223,330	4,288,168	4,184,300
Government contributions (Note 12)	28,257,521	29,806,519	28,938,800
Other income (Note 9)	6,085,052	6,612,043	6,376,327
Obligatory reserve fund revenue recognized	2,542,615	2,484,242	3,414,443
	<u>76,107,118</u>	<u>78,261,146</u>	<u>76,176,850</u>
Expenses			
General government	6,130,638	5,979,734	5,823,996
Protection services	1,351,100	1,323,376	1,322,694
Transportation services	9,105,320	9,061,365	8,500,280
Environmental services	5,452,620	4,466,451	5,238,678
Health services	13,102,539	13,196,071	12,561,451
Social and family services	27,943,716	28,500,196	27,108,871
Social Housing	7,651,015	7,929,169	7,337,290
Recreation and cultural services	1,126,320	1,167,517	1,109,745
Planning and development	690,000	722,479	565,877
	<u>72,553,268</u>	<u>72,346,358</u>	<u>69,568,882</u>
Annual surplus (Note 10)	3,553,850	5,914,788	6,607,968
Accumulated surplus, beginning of year	<u>129,325,130</u>	<u>129,325,130</u>	<u>122,717,162</u>
Accumulated surplus, end of year	<u>\$ 132,878,980</u>	<u>\$ 135,239,918</u>	<u>\$ 129,325,130</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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

For the year ended December 31	2016	2016	2015
	Budget (Note 10)	Actual	Actual
Annual surplus (Page 6)	\$ 3,553,850	\$ 5,914,788	\$ 6,607,968
Acquisition of tangible capital assets	(10,624,800)	(9,454,405)	(10,349,823)
Amortization of tangible capital assets	7,055,503	7,726,681	7,406,908
Loss (gain) on sale of tangible capital assets	-	(153,482)	269,455
Proceeds on disposal of tangible capital assets	50,000	348,596	287,431
	(3,519,297)	(1,532,610)	(2,386,029)
Change in prepaid expenses	-	10,091	18,429
Change in inventory of supplies	-	-	70,000
	-	10,091	88,429
Increase in net financial assets	34,553	4,392,269	4,310,368
Net financial (debt), beginning of the year	(2,454,180)	(2,454,180)	(6,764,548)
Net financial assets (debt), end of the year	\$ (2,419,627)	\$ 1,938,089	\$ (2,454,180)

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

For the year ended December 31	2016	2015
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 5,914,788	\$ 6,607,968
Items not involving cash		
Change in post-employment benefits	40,163	26,948
Amortization of tangible capital assets	7,726,681	7,406,908
Deferred revenue recognized	(2,848,780)	(3,617,338)
Loss (gain) on sale of tangible capital assets	(153,482)	269,455
	10,679,370	10,693,941
Changes in non-cash working capital balances		
Trade and other receivable	(1,664,463)	416,583
Accounts payable and accrued liabilities	363,460	(74,418)
Inventory of supplies	-	70,000
Deferred revenue received	3,867,221	4,136,940
Prepaid expenses	10,091	18,429
	2,576,309	4,567,534
	13,255,679	15,261,475
Capital transactions		
Cash used to acquire tangible capital assets	(9,454,405)	(10,349,823)
Proceeds on sale of tangible capital assets	348,596	287,431
	(9,105,809)	(10,062,392)
Investing activities		
Acquisition of investments	(465,941)	(5,980,386)
Financing activities		
Additions to long-term liabilities	-	3,170,000
Repayment of long-term liabilities	(2,215,773)	(2,201,074)
Net change in temporary borrowings	-	(2,500,000)
	(2,215,773)	(1,531,074)
Net change in cash and cash equivalents	1,468,156	(2,312,377)
Cash and cash equivalents, beginning of year	20,803,463	23,115,840
Cash and cash equivalents, end of year	\$ 22,271,619	\$ 20,803,463

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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

December 31, 2016

Management Responsibility

The consolidated financial statements of the Corporation of the County of Dufferin are the representations of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants as prescribed by the Ministry of Municipal Affairs and Housing.

Basis of Accounting

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

Basis of Consolidation

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

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

Dufferin Oaks Home for the Aged
Dufferin County Museum

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

Wellington-Dufferin-Guelph Public Health Unit 21.4%

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

December 31, 2016

Use of Estimates

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

Revenue Recognition

Revenues are recognized as follows:

- a) Tax levies are recognized as revenue when the amounts are levied on the municipality's ratepayers.

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.

- 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 each fund balance.
- d) Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for the specified purpose.

Cash and Cash Equivalents

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

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

December 31, 2016

Investments 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 bonds and equity funds.

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

Non-Financial Assets Tangible capital and other non-financial assets are accounted for as assets by the municipality because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the municipality unless they are sold.

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.

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.

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

December 31, 2016

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.

Trust Funds

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

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

1. Cash

The municipality has externally restricted funds that are segregated and will be used only for specific purposes totaling \$2,347,602 (2015 - \$2,757,567).

The municipality's bank accounts are held at three financial institutions.

2. Portfolio Investments

Portfolio investments include the following:

	<u>2016</u>	<u>2015</u>
ONE Funds, the public sector group of funds, equity funds	\$ 2,946,514	\$ 4,189,175
RBC investment savings fund	-	20,000
Meridian Credit Union shares	25	25
CIBC Bond, 10.8%, maturing November 2020	355,372	355,372
Province of Alberta, 2.2%, maturing June 2026	467,087	-
Province of British Columbia bond, 2.85%, maturing June 2025	515,890	515,890
York Region bond, 2.5%, maturing June 2026	501,350	-
Bank of Nova Scotia GIC, 1.75%, maturing January 2016	-	1,000,000
Canadian Western Bank GIC, 1.87%, maturing March 2018	45,000	45,000
Home Trust Company GIC, 1.48% (2015 - 1.71%), maturing December 2017 (2015 - December 2016)	24,400	24,000
HSBC GIC, 1.55%, maturing February 2017	1,250,000	1,250,000
Meridian GICs, 1.5% - 2% (2015 - 1.65% to 2.15%), maturing April to October 2017 (2015 - February to June 2016)	3,554,964	4,020,199
BMO notes, step-up interest, due August to November 2017 (2015 - May 2016 to August 2025)	1,050,000	1,050,000
CIBC notes, step-up interest, maturing October 2017 (2015 - October 2016)	450,000	450,000
National Bank note, maturing August 2025	375,000	375,000
National Bank, Step-up interest, due March 2026	775,000	-
National Bank, Canadian banks deposit notes, maturing October 2019	600,000	-
Toronto Dominion Bank note, 1.8% - 2.2% (2015 - 1.7% - 1.75%), maturing January to April 2017 (2015 - February to April 2016)	1,500,000	650,000
	<u>\$ 14,410,602</u>	<u>\$ 13,944,661</u>

Included in portfolio investments are externally restricted funds that are segregated and will be used only for specific purposes totaling \$7,038,721 (2015- \$6,021,089).

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

3. Tangible Capital Assets

	2016								
	Land	Buildings	Equipment	Roads	Bridges and Culverts	Vehicles	Other	Assets under Construction	Total
Cost, beginning of year	\$ 9,827,008	\$ 84,609,735	\$ 8,717,192	\$ 81,245,931	\$ 22,374,348	\$ 6,159,419	\$ 6,666,192	\$ 2,387,703	\$ 221,987,528
Additions	36,488	385,860	705,575	5,308,695	1,762,925	909,986	161,314	183,562	9,454,405
Disposals	(10,449)	(468,366)	(206,794)	(1,921,553)	(279,163)	(806,900)	(9,474)	-	(3,702,699)
Transfers	-	780,378	-	539,500	827,585	145,802	58,756	(2,352,021)	-
Cost, end of year	<u>9,853,047</u>	<u>85,307,607</u>	<u>9,215,973</u>	<u>85,172,573</u>	<u>24,685,695</u>	<u>6,408,307</u>	<u>6,876,788</u>	<u>219,244</u>	<u>227,739,234</u>
Accumulated amortization, beginning of year	-	35,641,103	4,204,958	37,227,266	6,936,361	2,703,034	3,668,946	-	90,381,668
Amortization	-	2,422,389	695,201	3,297,986	341,041	626,572	343,492	-	7,726,681
Disposals	-	(468,365)	(185,063)	(1,819,481)	(279,163)	(746,081)	(9,432)	-	(3,507,585)
Accumulated amortization, end of year	-	<u>37,595,127</u>	<u>4,715,096</u>	<u>38,705,771</u>	<u>6,998,239</u>	<u>2,583,525</u>	<u>4,003,006</u>	-	<u>94,600,764</u>
Net carrying amount, end of year	<u>\$ 9,853,047</u>	<u>\$ 47,712,480</u>	<u>\$ 4,500,877</u>	<u>\$ 46,466,802</u>	<u>\$ 17,687,456</u>	<u>\$ 3,824,782</u>	<u>\$ 2,873,782</u>	<u>\$ 219,244</u>	<u>\$ 133,138,470</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

3. Tangible Capital Assets - (continued)

									2015
	Land	Buildings	Equipment	Roads	Bridges and Culverts	Vehicles	Other	Assets under Construction	Total
Cost, beginning of year	\$ 9,481,095	\$ 84,246,146	\$ 8,155,242	\$ 76,646,137	\$ 20,711,056	\$ 6,041,777	\$ 6,643,756	\$ 3,381,143	\$ 215,306,352
Additions	335,464	365,960	1,115,093	4,779,055	219,079	670,734	29,877	2,834,561	10,349,823
Disposals	-	(205,225)	(574,819)	(1,891,196)	(187,017)	(810,390)	-	-	(3,668,647)
Transfers	10,449	202,854	21,676	1,711,935	1,631,230	257,298	(7,441)	(3,828,001)	-
Cost, end of year	<u>9,827,008</u>	<u>84,609,735</u>	<u>8,717,192</u>	<u>81,245,931</u>	<u>22,374,348</u>	<u>6,159,419</u>	<u>6,666,192</u>	<u>2,387,703</u>	<u>221,987,528</u>
Accumulated amortization, beginning of year	-	33,248,370	4,137,238	35,768,958	6,813,330	2,780,553	3,338,072	-	86,086,521
Amortization	-	2,437,006	633,797	3,067,064	310,048	628,119	330,874	-	7,406,908
Disposals	-	(44,273)	(566,077)	(1,608,756)	(187,017)	(705,638)	-	-	(3,111,761)
Accumulated amortization, end of year	<u>-</u>	<u>35,641,103</u>	<u>4,204,958</u>	<u>37,227,266</u>	<u>6,936,361</u>	<u>2,703,034</u>	<u>3,668,946</u>	<u>-</u>	<u>90,381,668</u>
Net carrying amount, end of year	<u>\$ 9,827,008</u>	<u>\$ 48,968,632</u>	<u>\$ 4,512,234</u>	<u>\$ 44,018,665</u>	<u>\$ 15,437,987</u>	<u>\$ 3,456,385</u>	<u>\$ 2,997,246</u>	<u>\$ 2,387,703</u>	<u>\$ 131,605,860</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

3. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$219,244 (2015 - \$2,387,703).

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.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

4. Long-Term Liabilities

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

	2016	2015
Amortizing debenture, 4.40%, repayable in blended semi-annual principal and interest payments of \$149,624, due January 2016	\$ -	\$ 146,403
Amortizing debenture, 6.375%, repayable in semi-annual variable principal plus interest payments, due December 2022	3,994,000	5,207,000
Amortizing debenture, 4.46%, repayable in blended semi-annual principal and interest payments of \$142,674, due January 2031	3,022,975	3,168,608
Amortizing debenture, 3.75%, repayable in blended semi-annual principal and interest payments of \$72,506, due January 2021	595,356	714,675
Amortizing debenture, 4.40%, repayable in semi-annual principal of \$162,500 plus interest payments, due March 2033	5,362,500	5,687,500
Amortizing debenture, 3.10%, repayable in blended semi-annual principal and interest payments of \$106,934, due June 2035	2,993,903	3,112,201
Bank loan, 4.10%, repayable in blended monthly principal and interest payments of \$19,866, due October 2024	3,012,226	3,124,609
Capital lease, 3.10%, repayable in blended semi-annual principal and interest payments of \$50,000, due January 2027	474,342	510,079
	\$ 19,455,302	\$ 21,671,075

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

4. Long-Term Liabilities - (continued)

The gross interest paid relating to the above long-term liabilities was \$886,377 (2015 - \$950,134).

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

2017	\$ 2,171,981
2018	2,278,378
2019	2,227,621
2020	947,744
2021	899,276
Thereafter	\$ 10,930,302

5. Post-employment Benefit

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

	<u>2016</u>	<u>2015</u>
Retirement Benefits	\$ 671,808	\$ 637,238
Workplace Safety and Insurance Board Obligations	723,422	758,705
Wellington-Dufferin-Guelph Public Health Unit	321,374	280,498
	<u>\$ 1,716,604</u>	<u>\$ 1,676,441</u>

The County has established a Workplace safety and insurance reserve fund in the amount of \$1,917,124 (2015 - \$1,895,840) 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, 2014.

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 employees.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

5. Post-employment Benefit - continued

The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 4.75%. For extended health care costs, a 6.7% annual rate of increase was assumed for 2014, decreasing to an ultimate rate of 4.0% per year for 2020. For dental costs, a 4.0% annual rate of increase was assumed.

	2016	2015
Current period benefit cost	\$ 30,114	\$ 28,185
Amortization of actuarial loss	(483)	(483)
Retirement benefit expense	29,631	27,702
Interest costs	29,883	28,262
Total expense for the year	\$ 59,514	\$ 55,964

Total benefit payments paid by the County on behalf on retirees during the year were \$25,661 (2015 - \$16,929).

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 4.50%. 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 2014, depending on the benefit type.

	2016	2015
Current period benefit cost	\$ 60,717	\$ 58,339
Amortization of actuarial loss	(50,887)	(50,887)
Retirement benefit expense	9,830	7,452
Interest costs	20,495	19,829
Total expense for the year	\$ 30,325	\$ 27,281

Total benefit payments paid by the County for WSIB during the year were \$48,077 (2015 - \$52,926).

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

6. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 268 members of its staff, plus the County's share of 182 Health Unit staff. This plan is a defined benefit plan which specifies the amount of the retirement to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS for 2016 by the County of Dufferin was \$1,447,548 (2015 - \$1,397,657). The contribution rate for 2016 was 9.0% to 15.8% depending on age and income level (2015 - 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, 2016. At that time the plan reported a \$5.7 billion actuarial deficit (2015 - \$7.0 billion actuarial deficit), based on actuarial liabilities of \$87.0 billion (2015 - \$81.9 billion) and actuarial assets of \$81.2 billion (2015 - \$74.9 billion). Ongoing adequacy of the current contribution rates will need to be monitored as the severe decline in the financial markets may lead to increased future funding requirements.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

7. Accumulated Surplus

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

	2016	2015
Invested in tangible capital assets		
County's tangible capital assets at cost less amortization	\$ 127,588,138	\$ 125,929,845
WDGPH's tangible capital assets at cost less amortization	5,550,332	5,676,015
Unexpended capital financing	481,292	800,747
County's capital assets financed by long-term liabilities and to be funded in future years	(19,455,302)	(21,671,075)
Total invested in capital assets	114,164,460	110,735,532
Unfunded post-employment benefits	(1,395,230)	(1,395,943)
General surplus (Note 10)	670,673	2,161,629
Wellington-Dufferin-Guelph Public Health	12,856	18,509
	113,452,759	111,519,727
Reserves and reserve funds (Note 8)	21,787,159	17,805,403
Accumulated surplus	\$ 135,239,918	\$ 129,325,130

During the year, a change in the contract terms with a vendor resulted in cost savings of \$985,806, which has been transferred into a reserve. This cost savings may result in a decrease in the operating grant. This decrease will be recorded as a decrease in grant revenue when the amount can be reasonably estimated.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

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

	<u>2016</u>	<u>2015</u>
Reserves		
Rate stabilization	\$ 618,743	\$ 629,149
Contingencies	406,434	415,979
Insurance	40,000	20,000
Winter control	349,902	349,902
Wellington-Dufferin-Guelph Public Health	1,208,520	1,032,547
Other current purposes	1,647,748	561,942
Asset management	6,060,463	5,628,637
Other capital purposes	7,072,506	5,140,117
	<u>17,404,316</u>	<u>13,778,273</u>
 Reserve funds		
WSIB	1,917,124	1,895,840
Children's services	641,726	783,056
Other current purposes	1,051,205	599,578
Other capital purposes	772,788	748,656
	<u>4,382,843</u>	<u>4,027,130</u>
 Reserves and reserve funds set aside for specific purpose by Council	 \$ 21,787,159	 \$ 17,805,403

9. Other Income

	<u>2016</u>	<u>2016</u>	<u>2015</u>
	Budget	Actual	Actual
Investment income	\$ 350,462	\$ 479,659	\$ 540,766
Licenses, permits and rents	4,086,360	4,464,585	4,633,679
Transfer to obligatory reserve funds	-	(484,265)	(827,188)
Donations	183,000	110,452	79,828
Recycling rebate	800,000	800,380	773,637
Sale of publications, equipment, etc.	103,700	214,560	99,991
Gain (loss) on disposal of capital assets	50,000	153,482	(269,455)
Other contributions	511,530	873,190	1,345,069
	<u>\$ 6,085,052</u>	<u>\$ 6,612,043</u>	<u>\$ 6,376,327</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

10. Budgets

The budget adopted by Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The following is a reconciliation of the budget approved by Council.

	2016 Budget	2016 Actual	2015 Actual
Annual surplus (Page 6)	\$ 3,553,850	\$ 5,914,788	\$ 6,607,968
Amortization of tangible capital assets	7,055,503	7,726,681	7,406,908
Change in unfunded liabilities	-	(713)	(1,921)
Change in other surpluses	-	5,653	(19,660)
	10,609,353	13,646,409	13,993,295
Net transfers (to) from reserves	1,627,157	(3,922,628)	(327,731)
Capital acquisitions, disposals and write-down	(10,574,800)	(9,259,291)	(9,792,937)
Prior year capital projects (funded) expended	400,000	319,455	(2,679,925)
Proceeds from long-term debt	-	-	3,170,000
Debt principal repayments	(2,061,710)	(2,215,773)	(2,201,073)
	-	(1,431,828)	2,161,629
Prior year general surplus	-	2,161,629	-
General surplus (Note 7)	\$ -	\$ 729,801	\$ 2,161,629

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

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:

	<u>2016</u>	<u>2015</u>
Financial assets	\$ 8,416,598	\$ 7,670,585
Liabilities	<u>\$ 18,262,418</u>	<u>\$ 18,780,990</u>
Net debt	(9,845,820)	(11,110,405)
Non-financial assets	<u>26,021,910</u>	<u>26,715,268</u>
Accumulated surplus	<u>\$ 16,176,090</u>	<u>\$ 15,604,863</u>
Revenues	\$ 26,051,572	\$ 26,390,003
Expenses	<u>25,480,345</u>	<u>25,310,333</u>
Annual surplus	<u>\$ 571,227</u>	<u>\$ 1,079,670</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

12. Government Contributions

	Budget	2016	2015
Operating			
Province of Ontario			
Social and family services	\$ 17,702,293	\$ 18,676,753	\$ 17,623,280
Social housing	802,643	888,523	1,067,205
Other	6,948,223	7,106,329	6,830,288
	<u>25,453,159</u>	<u>26,671,605</u>	<u>25,520,773</u>
Government of Canada			
Social and family services	\$ 1,490	\$ 1,514	\$ 1,496
Social housing	889,131	1,198,189	1,409,134
Other	1,400	1,513	-
	<u>892,021</u>	<u>1,201,216</u>	<u>1,410,630</u>
Other Municipalities			
Transportation	\$ 42,350	\$ 64,546	\$ 59,634
Other	1,479,191	1,517,906	1,492,473
	<u>1,521,541</u>	<u>1,582,452</u>	<u>1,552,107</u>
Total operating government contributions	<u>27,866,721</u>	<u>29,455,273</u>	<u>28,483,510</u>
Tangible Capital Asset			
Province of Ontario			
Social and family services	\$ -	\$ -	\$ 75,000
Transportation	88,300	88,313	88,313
Other	160,000	120,433	134,477
	<u>248,300</u>	<u>208,746</u>	<u>297,790</u>
Government of Canada			
Social housing	142,500	142,500	157,500
Total tangible capital asset government contributions	<u>390,800</u>	<u>351,246</u>	<u>455,290</u>
Total government contributions	<u>\$ 28,257,521</u>	<u>\$ 29,806,519</u>	<u>\$ 28,938,800</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

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, 2016 indicates the following.

	2016
Principal payments	\$ 177,938
Interest payments	102,329
Total	\$ 280,267
Debentures outstanding at year end	\$ 1,451,653

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.

14. Trust Funds

The trust funds administered by the municipality amounting to \$1,148,139 (2015 - \$1,060,440) 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, 2016, the trusts fund balances are as follows:

	2016	2015
Entrance Permit Deposits Trust	\$ 18,539	\$ 43,839
Dufferin Oaks and Residents' Trust	147,231	143,609
Other	9,184	11,927
Museum Trust	973,185	861,065
	\$ 1,148,139	\$ 1,060,440

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

15. Commitments

- i) The County received a grant totaling \$2,710,000 by way of a forgivable loan for the purchase and construction of a building which will create supportive housing units. The grant is in the form of an interest free loan to be forgiven in accordance with certain terms. The forgivable loan is to be fully funded from the Investment in Affordable Housing for Ontario Program. If the terms of the agreement are met, the loan will be forgiven the day after the 20 year anniversary of the agreement. Otherwise, the loan will have to be repaid.
- ii) The County has various operating contracts for services to be provided over multiple years. The payments for the following five years are as follows:
- | | | |
|------|----|-----------|
| 2017 | \$ | 6,055,026 |
| 2018 | | 4,607,657 |
| 2019 | | 4,295,790 |
| 2020 | | 1,787,161 |
| 2021 | | 15,507 |
- iii) The County has committed to spend approximately \$5,830,713 on capital projects in 2017 and beyond on various roads projects.

16. Contingencies

- (a) 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.

17. Comparative Amounts

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

The Corporation of the County of Dufferin Notes to Financial Statements

December 31, 2016

18. Segmented Information

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

General Government

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

Protection Services

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

Transportation Services

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

Environmental Services

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

Health Services

Health services include the land ambulance services.

Social and Family Services

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

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.

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

18. Segmented Information - continued

Recreational and Cultural Services

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

Planning and Development

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

Wellington-Guelph-Dufferin Public Health

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

Dufferin Oaks

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

The 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
Notes to Financial Statements

December 31, 2016

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	2016 Total
Revenue												
Taxation	\$ 4,653,480	\$ 337,200	\$ 10,252,650	\$ 4,127,520	\$ 3,287,846	\$ 2,691,420	\$ 3,537,754	\$ 983,680	\$ 537,700	\$ 1,546,654	\$ 3,114,270	\$ 35,070,174
Fees and user charges	-	132,155	34,800	65,802	-	324,079	18,807	31,058	-	-	3,681,467	4,288,168
Specific grants	18,174	77,380	152,859	-	3,345,325	9,124,864	2,229,212	53,644	-	5,250,145	9,554,916	29,806,519
Other revenue	1,236,657	860,879	320,845	1,259,030	132,756	645,637	1,806,332	130,794	185,645	16,589	16,879	6,612,043
Transfers from obligatory reserve	2,557	-	2,012,320	100,000	131,825	-	237,540	-	-	-	-	2,484,242
	<u>5,910,868</u>	<u>1,407,614</u>	<u>12,773,474</u>	<u>5,552,352</u>	<u>6,897,752</u>	<u>12,786,000</u>	<u>7,829,645</u>	<u>1,199,176</u>	<u>723,345</u>	<u>6,813,388</u>	<u>16,367,532</u>	<u>78,261,146</u>
Expenses												
Salaries and benefits	3,446,994	831,245	2,137,471	422,673	-	3,213,559	1,228,229	700,154	124,731	3,963,372	11,536,393	27,604,821
Interest on debt	96,123	-	3,224	-	126,013	112,690	235,283	-	-	-	313,044	886,377
Materials and supplies	549,200	124,299	1,585,161	211,839	554,094	417,121	2,112,490	284,756	17,442	706,062	2,430,648	8,993,112
Contracted services	1,174,237	194,079	1,157,269	3,828,659	5,508,282	147,708	875,784	29,212	172,160	-	1,328,459	14,415,849
Other transfers	-	159,920	-	-	1,558,578	7,523,797	2,789,406	94,617	405,725	-	-	12,532,043
Rents and financial expenses	836	3,535	1,178	-	-	102,918	-	1,859	-	-	77,150	187,476
Amortization	712,344	10,298	4,177,062	3,281	779,669	306,157	687,977	56,919	2,421	-	990,552	7,726,680
	<u>5,979,734</u>	<u>1,323,376</u>	<u>9,061,365</u>	<u>4,466,452</u>	<u>8,526,636</u>	<u>11,823,950</u>	<u>7,929,169</u>	<u>1,167,517</u>	<u>722,479</u>	<u>4,669,434</u>	<u>16,676,246</u>	<u>72,346,358</u>
Annual surplus (deficit)	\$ (68,866)	\$ 84,238	\$ 3,712,109	\$ 1,085,900	\$ (1,628,884)	\$ 962,050	\$ (99,524)	\$ 31,659	\$ 866	\$ 2,143,954	\$ (308,714)	\$ 5,914,788

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2016

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	2015 Total
Revenue												
Taxation	\$ 4,846,691	\$ 249,175	\$ 10,234,760	\$ 3,110,855	\$ 2,930,445	\$ 2,311,319	\$ 3,308,246	\$ 1,040,865	\$ 278,200	\$ 1,527,026	\$ 3,425,398	\$ 33,262,980
Fees and user charges	-	172,408	3,800	57,747	-	319,287	19,095	34,821	-	-	3,577,142	4,184,300
Specific grants	2,016	52,267	149,291	-	3,079,699	8,219,779	2,633,838	55,404	-	5,266,508	9,479,998	28,938,800
Other revenue	1,104,093	805,336	435,914	1,252,615	226,929	624,416	1,748,763	123,434	66,776	13,750	(25,699)	6,376,327
Transfers from obligatory reserve	900	-	3,034,387	-	178,006	-	174,150	-	-	-	27,000	3,414,443
	<u>5,953,700</u>	<u>1,279,186</u>	<u>13,858,152</u>	<u>4,421,217</u>	<u>6,415,079</u>	<u>11,474,801</u>	<u>7,884,092</u>	<u>1,254,524</u>	<u>344,976</u>	<u>6,807,284</u>	<u>16,483,839</u>	<u>76,176,850</u>
Expenses												
Salaries and benefits	3,336,224	785,932	2,005,049	384,848	-	3,146,408	1,040,962	737,144	116,589	4,056,112	11,028,295	26,637,563
Interest on debt	103,869	-	15,830	-	130,520	118,251	195,135	-	-	-	386,529	950,134
Materials and supplies	482,228	98,811	1,605,949	223,274	381,581	337,110	1,975,570	292,006	15,423	540,356	2,309,254	8,261,562
Contracted services	1,142,893	222,331	948,635	4,627,146	5,247,167	227,914	838,987	30,096	50,536	-	1,258,734	14,594,439
Other transfers	-	200,028	-	-	1,542,592	6,815,835	2,622,741	(13,964)	382,008	-	-	11,549,240
Rents and financial expenses	590	3,835	1,132	-	-	102,540	-	1,734	-	-	74,900	184,731
Amortization	758,192	11,757	3,923,685	3,410	663,123	296,357	663,895	62,728	1,321	-	1,006,745	7,391,213
	<u>5,823,996</u>	<u>1,322,694</u>	<u>8,500,280</u>	<u>5,238,678</u>	<u>7,964,983</u>	<u>11,044,415</u>	<u>7,337,290</u>	<u>1,109,744</u>	<u>565,877</u>	<u>4,596,468</u>	<u>16,064,457</u>	<u>69,568,882</u>
Annual surplus (deficit)	\$ 129,704	\$ (43,508)	\$ 5,357,872	\$ (817,461)	\$(1,549,904)	\$ 430,386	\$ 546,802	\$ 144,780	\$ (220,901)	\$ 2,210,816	\$ 419,382	\$ 6,607,968

The Corporation of the County of Dufferin
Schedule of Deferred Revenue

For the year ended December 31, 2016

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 5,172,972	\$ 1,283,699	\$ 75,387	\$ (655,242)	\$5,876,816
Federal Gas Tax	259,853	1,729,364	6,473	(1,829,000)	166,690
Building department	3,479,007	484,265	96,440	-	4,059,712
	8,911,832	3,497,328	178,300	(2,484,242)	10,103,218
Other					
Long-term easement access	600,000	-	-	(125,000)	475,000
Other	264,293	191,593	-	(239,538)	216,348
	\$ 9,776,125	\$ 3,688,921	\$ 178,300	\$ (2,848,780)	\$10,794,566

**The Corporation of the
County of Dufferin
Trust Funds
Financial Information
For the year ended December 31, 2016**

**The Corporation of the County of Dufferin
Trust Funds
Financial Information
For the year ended December 31, 2016**

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The Corporation of the County of Dufferin Trust Funds

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Independent Auditor's Report

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

We have audited the accompanying financial information for the trust funds of the Corporation of the County of Dufferin, which comprise the balance sheet as at December 31, 2016, the statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of this 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial information based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information presents fairly, in all material respects, the balance sheet for the trust funds of the Corporation of the County of Dufferin as at December 31, 2016 and the statement of continuity for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario
May 11, 2017

The Corporation of the County of Dufferin
Trust Funds
Balance Sheet

December 31, 2016

	Entrance Permit Deposits	Museum Trust	Residents' Trust	Dufferin Oaks	OACCTA Trust	Project SAFE-T Trust	Total 2016	Total 2015
Assets								
Cash	\$ 18,539	\$ 334,375	\$ 54,632	\$ 81,633	\$ 7,184	\$ 2,000	\$ 498,363	\$ 470,768
Investments, at cost	-	548,737	-	12,136	-	-	560,873	540,873
Interest receivable	-	2,414	-	26	-	-	2,440	2,406
Due from the County	-	87,659	-	-	-	-	87,659	51,408
	18,539	973,185	54,632	93,795	7,184	\$ 2,000	\$1,149,335	\$1,065,455
Liabilities and Fund Balance								
Liabilities								
Accounts payable and accrued liabilities	-	-	1,196	-	-	-	1,196	5,015
Fund balance	18,539	973,185	53,436	93,795	7,184	2,000	1,148,139	1,060,440
	\$ 18,539	\$ 973,185	\$ 54,632	\$ 93,795	\$ 7,184	\$ 2,000	\$1,149,335	\$1,065,455

The accompanying summary of significant accounting policies and 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, 2016

	Entrance Permit Deposits	Museum Trust	Residents' Trust	Dufferin Oaks	OACCTA Trust	Project SAFE-T Trust	Total 2016	Total 2015
Balance, beginning of year	\$ 43,839	\$ 861,065	\$ 56,702	\$ 86,907	\$ 8,752	3,175	1,060,440	1,008,773
Receipts								
Interest earned	-	17,502	-	874	123	-	18,499	11,254
Donations	-	-	-	15,524	-	2,000	17,524	25,810
Other receipts	14,000	117,711	92,422	-	9,825	-	233,958	295,431
	14,000	135,213	92,422	16,398	9,948	2,000	269,981	332,495
Expenses	39,300	23,093	95,688	9,510	11,516	3,175	182,282	280,828
Balance, end of year	\$ 18,539	\$ 973,185	\$ 53,436	\$ 93,795	\$ 7,184	2,000	1,148,139	1,060,440

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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

December 31, 2016

1. Summary of Significant Accounting Policies

Management Responsibility	The financial information of the Corporation of the County of Dufferin Trust Funds are the representation of management. They have been prepared in accordance with accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ontario Ministry of Municipal Affairs and Housing.
Basis of Accounting	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.
Use of Estimates	The preparation of financial information in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial information, and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Basis of Consolidation	These trust funds have not been consolidated with the financial statements of the municipality.

2. Investments

The total investments of \$560,873 (2015 - \$540,873) reported on the balance sheet at cost have a market value of \$551,266 (2015 - \$537,218) at the end of the year.
