

**The Corporation of the
County of Dufferin
Financial Information
For the year ended December 31, 2017**

**The Corporation of the County of Dufferin
Financial Information
For the year ended December 31, 2017**

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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, 2017, and the consolidated statements of operations and accumulated surplus, changes in net financial assets 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, 2017 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 10, 2018

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

December 31	2017	2016
Financial assets		
Cash (Note 1)	\$ 20,695,793	\$ 22,271,619
Trade and other receivable	3,977,097	3,933,454
Portfolio investments (Note 2)	19,077,699	14,410,602
	<u>43,750,589</u>	<u>40,615,675</u>
Liabilities		
Temporary borrowings (Note 4)	1,000,000	-
Accounts payable and accrued liabilities	7,625,211	6,711,114
Post-employment benefits (Note 5)	1,731,211	1,716,604
Deferred revenue (Page 32)	11,014,293	10,794,566
Long-term liabilities (Note 6)	17,283,348	19,455,302
	<u>38,654,063</u>	<u>38,677,586</u>
Net financial assets	5,096,526	1,938,089
Non financial assets		
Inventory of supplies	61,056	-
Prepaid expenses	172,692	163,359
Tangible capital assets (Note 3)	138,578,412	133,138,470
	<u>138,812,160</u>	<u>133,301,829</u>
Accumulated surplus (Note 8)	\$ 143,908,686	\$ 135,239,918

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	2017	2017	2016
	Budget (Note 11)	Actual	Actual
Revenue			
Taxation	\$ 36,344,467	\$ 36,303,103	\$ 35,070,174
Fees and user charges	4,394,385	4,385,650	4,288,168
Government contributions (Note 13)	32,042,177	34,112,651	31,635,519
Other income (Note 10)	10,588,500	9,377,610	7,267,285
	<u>83,369,529</u>	<u>84,179,014</u>	<u>78,261,146</u>
Expenses			
General government	6,630,965	6,657,436	5,979,734
Protection services	1,208,300	1,326,256	1,323,376
Transportation services	9,573,880	9,142,873	9,061,365
Environmental services	6,050,010	5,283,921	4,466,451
Health services	13,551,171	14,070,812	13,196,071
Social and family services	29,212,144	29,914,770	28,500,196
Social Housing	8,042,402	7,376,349	7,929,169
Recreation and cultural services	1,068,660	1,097,612	1,167,517
Planning and development	725,665	640,217	722,479
	<u>76,063,197</u>	<u>75,510,246</u>	<u>72,346,358</u>
Annual surplus	7,306,332	8,668,768	5,914,788
Accumulated surplus, beginning of year	135,239,918	135,239,918	129,325,130
Accumulated surplus, end of year	<u>\$ 142,546,250</u>	<u>\$ 143,908,686</u>	<u>\$ 135,239,918</u>

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

For the year ended December 31	2017	2017	2016
	Budget (Note 11)	Actual	Actual
Annual surplus (Page 6)	\$ 7,306,332	\$ 8,668,768	\$ 5,914,788
Acquisition of tangible capital assets	(20,064,101)	(13,564,210)	(9,454,405)
Amortization of tangible capital assets	7,493,841	7,993,993	7,726,681
Loss (gain) on sale of tangible capital assets	-	88,451	(153,482)
Proceeds on disposal of tangible capital assets	-	41,824	348,596
	<u>(12,570,260)</u>	<u>(5,439,942)</u>	<u>(1,532,610)</u>
Change in prepaid expenses	-	(9,333)	10,091
Change in inventory of supplies	-	(61,056)	-
	<u>-</u>	<u>(70,389)</u>	<u>10,091</u>
Increase in net financial assets	(5,263,928)	3,158,437	4,392,269
Net financial assets (debt), beginning of the year	1,938,089	1,938,089	(2,454,180)
Net financial assets, end of the year	<u>\$ (3,325,839)</u>	<u>\$ 5,096,526</u>	<u>\$ 1,938,089</u>

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

For the year ended December 31	2017	2016
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 8,668,768	\$ 5,914,788
Items not involving cash		
Change in post-employment benefits	14,607	40,163
Amortization of tangible capital assets	7,993,993	7,726,681
Deferred revenue recognized	(3,041,126)	(2,848,780)
Loss (gain) on sale of tangible capital assets	88,451	(153,482)
	13,724,693	10,679,370
Changes in non-cash working capital balances		
Trade and other receivable	(43,643)	(1,664,463)
Accounts payable and accrued liabilities	914,097	363,460
Deferred revenue received	3,260,853	3,867,221
Prepaid expenses	(9,333)	10,091
Inventory of supplies	(61,056)	-
	4,060,918	2,576,309
	17,785,611	13,255,679
Capital transactions		
Cash used to acquire tangible capital assets	(13,564,210)	(9,454,405)
Proceeds on sale of tangible capital assets	41,824	348,596
	(13,522,386)	(9,105,809)
Investing activities		
Acquisition of investments	(11,420,000)	(465,941)
Sale of investments	6,752,903	-
	(4,667,097)	(465,941)
Financing activities		
Repayment of long-term liabilities	(2,171,954)	(2,215,773)
Net change in temporary borrowings	1,000,000	-
	(1,171,954)	(2,215,773)
Net change in cash and cash equivalents	(1,575,826)	1,468,156
Cash and cash equivalents, beginning of year	22,271,619	20,803,463
Cash and cash equivalents, end of year	\$ 20,695,793	\$ 22,271,619

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, 2017

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%

Use of Estimates

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

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

December 31, 2017

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.
- 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.

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 of supplies

Inventory of supplies 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.

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

December 31, 2017

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.

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.

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

December 31, 2017

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, 2017

1. Cash

Included in cash are externally restricted funds that are segregated and will be used only for specific purposes totaling \$3,804,163 (2016 - \$2,347,602).

2. Portfolio Investments

Portfolio investments include the following:

	<u>2017</u>	<u>2016</u>
ONE Funds, the public sector group of funds, equity funds	\$ 8,172,975	\$ 2,946,514
RBC mutual funds	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	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	501,350
Toronto Dominion Bank note, 2 to 2.2%, maturing May 2024	350,000	-
Canadian Western Bank GIC, 1.87%, maturing March 2018	45,000	45,000
Home Trust Company GIC, 1.48%, maturing December 2017	-	24,400
HSBC GIC, 1.55%, maturing February 2017	-	1,250,000
Meridian GICs, 2% to 2.26% (2016 - 1.5% to 2%), maturing July to November 2018 (2016 - April to October 2017)	2,150,000	3,554,964
BMO notes, step-up interest, due May 2018 to August 2023 (2016 - August to November 2017)	1,050,000	1,050,000
CIBC note, step-up interest, maturing October 2018 (2016 - October 2017)	450,000	450,000
National Bank note, maturing August 2025	375,000	375,000
National Bank, step-up interest, due May 2026	775,000	775,000
National Bank, Canadian banks deposit notes, maturing October 2019	600,000	600,000
Toronto Dominion Bank note, 1.9% to 2.2% (2016 - 1.8% to 2.2%), maturing February to July 2018 (2016 - January to April 2017)	1,500,000	1,500,000
Bank of Montreal GIC, 1.6%, maturing February 2019	850,000	-
Canadian Western Bank GIC, 1.6%, maturing February 2019	400,000	-
CIBC Note, step-up interest, maturing September 2024	500,000	-
	<u>\$ 19,077,699</u>	<u>\$ 14,410,602</u>

Included in portfolio investments are externally restricted funds that are segregated and will be used only for specific purposes totaling \$6,982,977 (2016 - \$7,038,721).

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

3. Tangible Capital Assets

	2017								
	Land	Buildings	Equipment	Roads	Bridges and Culverts	Vehicles	Other	Assets under Construction	Total
Cost, beginning of year	\$ 9,853,047	\$ 85,138,227	\$ 9,669,182	\$ 85,172,573	\$ 24,685,695	\$ 6,408,307	\$ 6,592,959	\$ 219,244	\$ 227,739,234
Additions	549,679	359,769	944,183	4,838,106	67,612	650,805	131,382	6,022,674	13,564,210
Disposals	-	-	(170,373)	(1,598,603)	(162,874)	(336,052)	-	-	(2,267,902)
Transfers	35,277	80,600	-	15,000	-	-	-	(130,877)	-
Cost, end of year	10,438,003	85,578,596	10,442,992	88,427,076	24,590,433	6,723,060	6,724,341	6,111,041	239,035,542
Accumulated amortization, beginning of year	-	37,530,339	4,956,764	38,705,771	6,998,239	2,577,355	3,832,296	-	94,600,764
Amortization	-	2,413,153	800,868	3,438,728	375,446	628,194	337,604	-	7,993,993
Disposals	-	-	(149,636)	(1,551,014)	(154,073)	(282,904)	-	-	(2,137,627)
Accumulated amortization, end of year	-	39,943,492	5,607,996	40,593,485	7,219,612	2,922,645	4,169,900	-	100,457,130
Net carrying amount, end of year	\$ 10,438,003	\$ 45,635,104	\$ 4,834,996	\$ 47,833,591	\$ 17,370,821	\$ 3,800,415	\$ 2,554,441	\$ 6,111,041	\$ 138,578,412

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

3. Tangible Capital Assets - (continued)

									2016
	Land	Buildings	Equipment	Roads	Bridges and Culverts	Vehicles	Other	Assets under Construction	Total
Cost, beginning of year	\$ 9,827,008	\$ 84,471,002	\$ 9,149,218	\$ 81,245,931	\$ 22,374,348	\$ 6,159,419	\$ 6,372,899	\$ 2,387,703	\$ 221,987,528
Additions	36,488	355,213	736,232	5,308,695	1,762,925	909,986	161,304	183,562	9,454,405
Disposals	(10,449)	(468,366)	(216,268)	(1,921,553)	(279,163)	(806,900)	-	-	(3,702,699)
Transfers	-	780,378	-	539,500	827,585	145,802	58,756	(2,352,021)	-
Cost, end of year	9,853,047	85,138,227	9,669,182	85,172,573	24,685,695	6,408,307	6,592,959	219,244	227,739,234
Accumulated amortization, beginning of year	-	35,590,632	4,376,604	37,227,266	6,936,361	2,696,864	3,553,941	-	90,381,668
Amortization	-	2,408,072	774,655	3,297,986	341,041	626,572	278,355	-	7,726,681
Disposals	-	(468,365)	(194,495)	(1,819,481)	(279,163)	(746,081)	-	-	(3,507,585)
Accumulated amortization, end of year	-	37,530,339	4,956,764	38,705,771	6,998,239	2,577,355	3,832,296	-	94,600,764
Net carrying amount, end of year	\$ 9,853,047	\$ 47,607,888	\$ 4,712,418	\$ 46,466,802	\$ 17,687,456	\$ 3,830,952	\$ 2,760,663	\$ 219,244	\$ 133,138,470

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

3. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$6,111,041 (2016 - \$219,244).

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, 2017

4. Temporary Borrowings

	2017	2016
<p>Ontario Infrastructure and Lands Corporation (OILC), Interim construction financing for social housing project. Interest is calculated at OILC's cost of funds plus OILC's prevailing spread with interest payable monthly, with no pre-determined date of repayment. The County of Dufferin has been approved for financing up to \$3,000,000. Repayment terms of principal and interest will be determined upon completion of the social housing project.</p>	\$ 1,000,000	\$ -

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:

	2017	2016
Retirement Benefits	\$ 734,900	\$ 671,808
Workplace Safety and Insurance Board Obligations	679,800	723,422
Wellington-Dufferin-Guelph Public Health Unit	316,511	321,374
	\$ 1,731,211	\$ 1,716,604

The County has established a Workplace safety and insurance reserve fund in the amount of \$2,148,107 (2016 - \$1,917,124) to mitigate the future impact of these obligations.

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

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

Retirement Benefits

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

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

5. Post-employment Benefit - continued

The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 3.10% (2016 - 4.75%). For extended health care costs, a 4% (2016 - 6.7%) annual rate of decrease was assumed for 2017, decreasing to an ultimate rate of 4.0% per year up until 2020. For dental costs, a 4.0% annual rate was assumed.

	2017	2016
Current period benefit cost	\$ 47,400	\$ 30,114
Amortization of actuarial gain/(loss)	8,091	(483)
Retirement benefit expense	55,491	29,631
Interest costs	39,100	29,883
Total expense for the year	\$ 94,591	\$ 59,514

Total benefit payments paid by the County on behalf on retirees during the year were \$32,751 (2016 - \$25,661).

WSIB

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

The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 3.10% (2016 - 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 2017, depending on the benefit type.

	2017	2016
Current period benefit cost	\$ 29,900	\$ 60,717
Amortization of actuarial loss	(50,922)	(50,887)
Retirement benefit expense	(21,022)	9,830
Interest costs	21,700	20,495
Total expense for the year	\$ 678	\$ 30,325

Total benefit payments paid by the County for WSIB during the year were \$66,389 (2016 - \$48,077).

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

6. Long-Term Liabilities

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

	2017	2016
Amortizing debenture, 6.375%, repayable in semi-annual variable principal plus interest payments, due December 2022	2,699,000	3,994,000
Amortizing debenture, 4.46%, repayable in blended semi-annual principal and interest payments of \$142,674, due January 2031	2,870,775	3,022,975
Amortizing debenture, 3.75%, repayable in blended semi-annual principal and interest payments of \$72,506, due January 2021	471,520	595,356
Amortizing debenture, 4.40%, repayable in semi-annual principal of \$162,500 plus interest payments, due March 2033	5,037,500	5,362,500
Amortizing debenture, 3.10%, repayable in blended semi-annual principal and interest payments of \$106,934, due June 2035	2,871,909	2,993,903
Bank loan, 4.10%, repayable in blended monthly principal and interest payments of \$19,866, due October 2024	2,895,148	3,012,226
Capital lease, 3.10%, repayable in blended semi-annual principal and interest payments of \$50,000, due January 2027	437,496	474,342
	\$ 17,283,348	\$ 19,455,302

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

6. Long-Term Liabilities - (continued)

The gross interest paid relating to the above long-term liabilities was \$772,469 (2016 - \$886,377).

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

2018	\$ 2,278,378
2019	2,227,621
2020	947,744
2021	899,276
2022	847,656
Thereafter	<u>10,082,673</u>
	<u>\$ 17,283,348</u>

7. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 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 2017 by the County of Dufferin was \$1,483,822 (2016 - \$1,447,548). The contribution rate for 2017 was 9.0% to 15.8% depending on age and income level (2016 - 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, 2017. At that time the plan reported a \$5.4 billion actuarial deficit (2016 - \$5.7 billion actuarial deficit), based on actuarial liabilities of \$93.6 billion (2016 - \$87.0 billion) and actuarial assets of \$88.2 billion (2016 - \$81.2 billion). Ongoing adequacy of the current contribution rates will need to be monitored as any 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, 2017

8. Accumulated Surplus

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

	<u>2017</u>	<u>2016</u>
Invested in tangible capital assets		
County's tangible capital assets at cost less amortization	\$ 133,338,741	\$ 127,588,138
WDGPH's tangible capital assets at cost less amortization	5,239,671	5,550,332
Unexpended (unfinanced) capital financing	(2,118,712)	481,292
County's capital assets financed by long-term liabilities and to be funded in future years	<u>(17,283,348)</u>	<u>(19,455,302)</u>
Total invested in capital assets	119,176,352	114,164,460
County's unfunded post-employment benefits	(1,414,700)	(1,395,230)
General surplus (Note 11)	2,049,054	670,673
Wellington-Dufferin-Guelph Public Health	<u>(23,856)</u>	<u>12,856</u>
	119,786,850	113,452,759
Reserves and reserve funds (Note 9)	<u>24,121,836</u>	<u>21,787,159</u>
Accumulated surplus	<u>\$ 143,908,686</u>	<u>\$ 135,239,918</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

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

	<u>2017</u>	<u>2016</u>
Reserves		
Rate stabilization	\$ 2,087,370	\$ 618,743
Contingencies	391,960	406,434
Insurance	75,979	40,000
Winter control	349,902	349,902
Wellington-Dufferin-Guelph Public Health	1,021,353	1,208,520
Other current purposes	1,279,105	2,341,643
Asset management	8,246,505	6,060,463
Broadband	2,000,000	-
Other capital purposes	3,973,762	6,378,611
	<u>19,425,936</u>	<u>17,404,316</u>
Reserve funds		
WSIB	2,148,107	1,917,124
Children's services	572,968	641,726
Other current purposes	1,366,548	1,051,205
Other capital purposes	608,277	772,788
	<u>4,695,900</u>	<u>4,382,843</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$ 24,121,836</u>	<u>\$ 21,787,159</u>

10. Other Income

	<u>2017</u>	<u>2017</u>	<u>2016</u>
	Budget	Actual	Actual
Development charges and contributions	\$ 1,236,524	\$ 1,056,458	\$ 655,242
Investment income	\$ 354,276	\$ 811,522	\$ 479,659
Licenses, permits and rents	3,895,060	3,987,071	4,464,585
Transfer to obligatory reserve funds	-	-	(484,265)
Donations	120,500	77,751	110,452
Contributed assets	-	475,000	-
Recycling rebate	800,000	998,541	800,380
Sale of publications, equipment, etc.	104,000	134,047	214,560
Gain (loss) on disposal of capital assets	2,600,000	(88,451)	153,482
Other contributions	1,478,140	1,925,671	873,190
	<u>\$ 10,588,500</u>	<u>\$ 9,377,610</u>	<u>\$ 7,267,285</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

11. Budgets

Under Canadian public sector accounting principles, budget amounts are to be reported on the consolidated statement of operations and accumulated surplus and changes in net debt 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.

	2017 Budget	2017 Actual	2016 Actual
Annual surplus (Page 6)	\$ 7,306,332	\$ 8,668,768	\$ 5,914,788
Amortization of tangible capital assets	7,493,841	7,993,993	7,726,681
Change in unfunded liabilities	-	19,470	(713)
Change in other surpluses	-	36,712	5,653
	14,800,173	16,718,943	13,646,409
Net transfers (to) from reserves	4,412,508	(148,635)	(3,981,756)
Capital acquisitions, disposals and write-down	(20,064,101)	(13,433,935)	(9,259,291)
Prior year capital projects (funded) expended	-	413,962	319,455
Proceeds from long-term debt	2,860,000	-	-
Debt principal repayments	(2,008,580)	(2,171,954)	(2,215,773)
	-	1,378,381	(1,490,956)
Prior year general surplus	-	670,673	2,161,629
General surplus (Note 8)	\$ -	\$ 2,049,054	\$ 670,673

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

12. Government Partnerships

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

Wellington-Dufferin-Guelph Public Health

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

	<u>2017</u>	<u>2016</u>
Financial assets	\$ 7,624,987	\$ 8,416,598
Liabilities	\$ 15,555,034	\$ 18,262,418
Net debt	(7,930,047)	(9,845,820)
Non-financial assets	<u>24,577,512</u>	<u>26,021,910</u>
Accumulated surplus	<u>\$ 16,647,465</u>	<u>\$ 16,176,090</u>
Revenues	\$ 26,234,478	\$ 26,051,572
Expenses	<u>26,031,377</u>	<u>25,480,345</u>
Annual surplus	<u>\$ 203,101</u>	<u>\$ 571,227</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

13. Government Contributions

	Budget	2017	2016
Operating			
Province of Ontario			
Social and family services	\$ 19,284,279	\$ 20,147,685	\$ 18,676,753
Social housing	1,327,993	1,164,408	888,523
Other	6,363,247	7,136,257	7,106,329
	<u>26,975,519</u>	<u>28,448,350</u>	<u>26,671,605</u>
Government of Canada			
Social and family services	\$ 1,490	\$ 2,206	\$ 1,514
Social housing	1,461,200	1,924,241	1,198,189
Other	1,400	2,582	1,513
	<u>1,464,090</u>	<u>1,929,029</u>	<u>1,201,216</u>
Other Municipalities			
Transportation	\$ 42,350	\$ 52,287	\$ 64,546
Other	1,376,518	1,538,576	1,517,906
	<u>1,418,868</u>	<u>1,590,863</u>	<u>1,582,452</u>
Total operating government contributions	<u>29,858,477</u>	<u>31,968,242</u>	<u>29,455,273</u>
Tangible Capital Asset			
Province of Ontario			
Social housing	-	25,000	-
Transportation	172,000	171,920	88,313
Other	152,700	171,012	120,433
	<u>324,700</u>	<u>367,932</u>	<u>208,746</u>
Government of Canada			
Social housing	130,000	130,000	142,500
Transportation	1,729,000	1,646,477	1,829,000
	<u>1,859,000</u>	<u>1,776,477</u>	<u>1,971,500</u>
Total tangible capital asset government contributions	<u>2,183,700</u>	<u>2,144,409</u>	<u>2,180,246</u>
Total government contributions	<u>\$ 32,042,177</u>	<u>\$ 34,112,651</u>	<u>\$ 31,635,519</u>

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

14. Social Housing Obligation

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

Information received from the OHC as at December 31, 2017 indicates the following.

	2017
Principal payments	\$ 180,395
Interest payments	90,976
Total	\$ 271,371
Debentures outstanding at year end	\$ 1,271,258

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

15. Trust Funds

The trust funds administered by the municipality amounting to \$1,287,898 (2016 - \$1,148,140) 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, 2017, the trusts fund balances are as follows:

	2017	2016
Entrance Permit Deposits Trust	\$ 32,839	\$ 18,539
Dufferin Oaks and Residents' Trust	164,269	147,231
Other	8,895	9,184
Museum Trust	1,081,895	973,186
	\$ 1,287,898	\$ 1,148,140

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

16. 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:
- | | | |
|------|----|-----------|
| 2018 | \$ | 7,910,056 |
| 2019 | | 4,642,036 |
| 2020 | | 1,823,359 |
| 2021 | | 37,814 |
| 2022 | | 22,307 |
- iii) The County has committed to spend approximately \$8,011,746 on capital projects in 2018 and beyond on various roads projects.

17. 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.

18. 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, 2017

19. Segmented Information

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

Taxation and payments-in-lieu	Allocated to those segments that are funded by these amounts based on the budget for the year
--------------------------------------	---

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

General Government

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

Protection Services

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

Transportation Services

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

Environmental Services

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

Health Services

Health services include the land ambulance services.

Social and Family Services

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

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

19. Segmented Information - continued

Social Housing

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

Recreational and Cultural Services

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

Planning and Development

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

Wellington-Guelph-Dufferin Public Health

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

Dufferin Oaks

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

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

December 31, 2017

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	2017 Total
Revenue												
Taxation	\$ 4,701,000	\$ 304,855	\$ 10,322,300	\$ 4,352,260	\$ 5,132,935	\$ 2,401,493	\$ 3,777,430	\$ 969,880	\$ 605,520	\$ -	\$ 3,735,430	\$ 36,303,103
Fees and user charges	-	190,322	5,700	69,067	-	335,586	18,373	30,949	-	-	3,735,653	4,385,650
Specific grants	16,124	97,136	1,870,683	-	3,453,646	10,356,621	3,243,649	58,244	-	5,223,277	9,793,270	34,112,650
Other revenue	1,417,099	978,507	1,325,685	1,496,645	644,135	647,169	2,115,868	613,996	92,978	16,123	29,406	9,377,611
	<u>6,134,223</u>	<u>1,570,820</u>	<u>13,524,368</u>	<u>5,917,972</u>	<u>9,230,716</u>	<u>13,740,869</u>	<u>9,155,320</u>	<u>1,673,069</u>	<u>698,498</u>	<u>5,239,400</u>	<u>17,293,759</u>	<u>84,179,014</u>
Expenses												
Salaries and benefits	3,719,042	849,431	2,162,023	412,174	-	3,109,849	1,094,456	715,318	138,510	3,969,908	11,648,240	27,818,951
Interest on debt	86,808	-	-	-	121,317	105,012	225,019	-	-	-	234,313	772,469
Materials and supplies	746,737	194,890	1,539,369	361,704	493,406	765,199	1,858,847	274,979	22,180	1,308,961	2,240,520	9,806,792
Contracted services	1,416,238	72,192	1,060,506	4,505,846	5,739,649	194,338	966,590	20,601	127,407	-	1,534,985	15,638,352
Other transfers	-	193,180	-	-	1,575,503	8,644,074	2,536,030	26,177	349,799	-	-	13,324,763
Rents and financial expenses	644	3,723	1,241	-	-	67,701	-	2,149	-	-	79,470	154,928
Amortization	687,967	12,840	4,379,734	4,197	366,998	304,547	695,407	58,388	2,321	495,070	986,522	7,993,991
	<u>6,657,436</u>	<u>1,326,256</u>	<u>9,142,873</u>	<u>5,283,921</u>	<u>8,296,873</u>	<u>13,190,720</u>	<u>7,376,349</u>	<u>1,097,612</u>	<u>640,217</u>	<u>5,773,939</u>	<u>16,724,050</u>	<u>75,510,246</u>
Annual surplus (deficit)	\$ (523,213)	\$ 244,564	\$ 4,381,495	\$ 634,051	\$ 933,843	\$ 550,149	\$ 1,778,971	\$ 575,457	\$ 58,281	\$ (534,539)	\$ 569,709	\$ 8,668,768

The Corporation of the County of Dufferin
Notes to Financial Statements

December 31, 2017

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	\$ 4,834,500	\$ 2,691,420	\$ 3,537,754	\$ 983,680	\$ 537,700	\$ -	\$ 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	1,881,859	100,000	3,345,325	9,124,864	2,229,212	53,644	-	5,250,145	9,554,916	31,635,519
Other revenue	1,239,214	860,879	604,165	1,259,030	264,581	645,637	2,043,872	130,794	185,645	16,589	16,879	7,267,285
	<u>5,910,868</u>	<u>1,407,614</u>	<u>12,773,474</u>	<u>5,552,352</u>	<u>8,444,406</u>	<u>12,786,000</u>	<u>7,829,645</u>	<u>1,199,176</u>	<u>723,345</u>	<u>5,266,734</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	363,739	306,157	687,977	56,919	2,421	415,930	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>8,110,706</u>	<u>11,823,950</u>	<u>7,929,169</u>	<u>1,167,517</u>	<u>722,479</u>	<u>5,085,364</u>	<u>16,676,246</u>	<u>72,346,358</u>
Annual surplus (deficit)	\$ (68,866)	\$ 84,238	\$ 3,712,109	\$ 1,085,900	\$ 333,700	\$ 962,050	\$ (99,524)	\$ 31,659	\$ 866	\$ 181,370	\$ (308,714)	\$ 5,914,788

The Corporation of the County of Dufferin
Schedule of Deferred Revenue

For the year ended December 31, 2017

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 5,876,816	\$ 1,200,679	\$ 85,681	\$ (876,354)	\$6,286,822
Federal Gas Tax	166,690	1,759,979	3,046	(1,646,477)	283,238
Building department	4,059,712	-	193,426	(180,104)	4,073,034
	10,103,218	2,960,658	282,153	(2,702,935)	10,643,094
Other					
Long-term easement access	475,000	-	-	(150,000)	325,000
Other	216,348	18,042	-	(188,191)	46,199
	\$10,794,566	\$ 2,978,700	\$ 282,153	\$(3,041,126)	\$11,014,293

**The Corporation of the
County of Dufferin
Trust Funds
Financial Information
For the year ended December 31, 2017**

**The Corporation of the County of Dufferin
Trust Funds
Financial Information
For the year ended December 31, 2017**

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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, 2017, 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, 2017 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 10, 2018

The Corporation of the County of Dufferin
Trust Funds
Balance Sheet

December 31, 2017

	Entrance Permit Deposits	Museum Trust	Residents' Trust	Dufferin Oaks	OACCTA Trust	Project SAFE-T Trust	Total 2017	Total 2016
Assets								
Cash	\$ 32,839	\$ 540,455	\$ 57,921	\$ 97,081	\$ 7,189	\$ 1,706	\$ 737,191	\$ 498,363
Investments, at cost	-	528,737	-	12,136	-	-	540,873	560,873
Interest receivable	-	2,791	-	26	-	-	2,817	2,440
Due from the County	-	9,912	-	-	-	-	9,912	87,659
	32,839	1,081,895	57,921	109,243	7,189	\$ 1,706	\$1,290,793	\$1,149,335
Liabilities and Fund Balance								
Liabilities								
Accounts payable and accrued liabilities	-	-	2,895	-	-	-	2,895	1,196
Fund balance	32,839	1,081,895	55,026	109,243	7,189	1,706	1,287,898	1,148,139
	\$ 32,839	\$1,081,895	\$ 57,921	\$ 109,243	\$ 7,189	\$ 1,706	\$1,290,793	\$1,149,335

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, 2017

	Entrance Permit Deposits	Museum Trust	Residents' Trust	Dufferin Oaks	OACCTA Trust	Project SAFE-T Trust	Total 2017	Total 2016
Balance, beginning of year	\$ 18,539	\$ 973,185	\$ 53,436	\$ 93,795	\$ 7,184	2,000	1,148,139	1,060,440
Receipts								
Interest earned	-	19,290	-	1,465	115	-	20,870	18,499
Donations	-		-	22,626	-	2,000	24,626	17,524
Other receipts	19,500	113,421	100,095	-	-	-	233,016	233,958
	19,500	132,711	100,095	24,091	115	2,000	278,512	269,981
Expenses	5,200	24,001	98,505	8,643	110	2,294	138,753	182,282
Balance, end of year	\$ 32,839	\$ 1,081,895	\$ 55,026	\$ 109,243	\$ 7,189	1,706	1,287,898	1,148,139

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, 2017

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 \$540,873 (2016 - \$560,873) reported on the balance sheet at cost have a market value of \$525,265 (2016 - \$551,266) at the end of the year.
