

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

THE CORPORATION OF THE TOWN OF GRAND VALLEY
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YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of: The Corporation of the Town of Grand Valley

Opinion

We have audited the accompanying financial statements of The Corporation of the Town of Grand Valley, which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statement of operations, change in net financial assets (net debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Town of Grand Valley as at December 31, 2019 and the results of their operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at RLB LLP's website at: www.rlb.ca/additional-auditor-responsibilities-consolidated. This description forms part of our auditor's report.

A handwritten signature in black ink that reads "RLB LLP".

Guelph, Ontario
July 14, 2020

Chartered Professional Accountants
Licensed Public Accountants

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THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018 (note 15)
FINANCIAL ASSETS		
Cash	\$ 8,047,749	\$ 6,497,763
Taxes receivable	596,941	547,790
Accounts receivable and other current assets	969,655	373,751
Long term receivables (note 2)	96,147	73,225
Investment in other ventures (note 3)	<u>620,543</u>	<u>602,111</u>
	<u>10,331,035</u>	<u>8,094,640</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,250,457	872,662
Deferred revenue - deposits	783,193	572,503
Obligations under capital lease (note 4)	467,679	126,789
Long term debt (note 5)	2,477,310	3,223,734
Landfill post-closure liability (note 6)	264,847	287,776
Deferred revenue - obligatory reserve funds (note 7)	<u>5,033,463</u>	<u>5,130,852</u>
	<u>10,276,949</u>	<u>10,214,316</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>54,086</u>	<u>(2,119,676)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	34,991,046	28,635,472
Inventory	<u>1,723</u>	<u>1,723</u>
	<u>34,992,769</u>	<u>28,637,195</u>
ACCUMULATED SURPLUS (schedule 3)	<u>\$ 35,046,855</u>	<u>\$ 26,517,519</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 Budget (note 9)	2019 Actual	2018 Actual (note 15)
REVENUE			
Taxation	\$ 4,122,468	\$ 4,306,353	\$ 4,129,920
Grants in lieu	7,000	7,050	7,050
Fees and service charges	1,166,892	2,246,052	2,225,738
Licences and permits	76,500	64,580	93,781
Federal grants	0	368,408	0
Province of Ontario grants	1,040,502	1,211,643	617,760
Investment income	0	122,575	49,017
Penalties and interest	67,500	79,828	64,208
Obligatory reserve fund revenue recognized (note 7)	294,000	1,025,869	195,028
Loss on disposal of tangible capital assets	0	(74,190)	(71,604)
Equity income from Orangeville Hydro Limited	18,432	18,432	37,717
	<u>6,793,294</u>	<u>9,376,600</u>	<u>7,348,615</u>
EXPENSES (schedule 1)			
General government	794,472	783,692	752,085
Protection to persons and property	1,032,679	894,026	871,683
Transportation services	1,467,379	1,410,197	1,345,943
Environmental services	1,495,092	1,316,362	1,299,578
Health services	48,618	78,599	67,707
Recreational and cultural services	564,355	886,611	829,455
Planning and development	221,500	453,327	312,657
	<u>5,624,095</u>	<u>5,822,814</u>	<u>5,479,108</u>
ANNUAL SURPLUS	<u>\$ 1,169,199</u>	<u>\$ 3,553,786</u>	<u>\$ 1,869,507</u>
ACCUMULATED SURPLUS, beginning of year		\$ 26,517,519	\$ 24,648,012
Assumed tangible capital assets		4,975,550	0
Annual surplus		<u>3,553,786</u>	<u>1,869,507</u>
ACCUMULATED SURPLUS, end of year		<u>\$ 35,046,855</u>	<u>\$ 26,517,519</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 Budget (note 9)	2019 Actual	2018 Actual (note 15)
ANNUAL SURPLUS	\$ <u>1,169,199</u>	\$ <u>3,553,786</u>	\$ <u>1,869,507</u>
Acquisition of tangible capital assets	(1,447,500)	(7,481,354)	(1,918,705)
Amortization of tangible capital assets	916,171	1,043,190	916,171
Loss on disposal of tangible capital assets	0	74,190	71,604
Proceeds on sale of tangible capital assets	0	8,400	19,587
Assumed tangible capital assets	<u>0</u>	<u>4,975,550</u>	<u>0</u>
	<u>(531,329)</u>	<u>(1,380,024)</u>	<u>(911,343)</u>
Use of inventory	<u>0</u>	<u>0</u>	<u>272</u>
CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	\$ <u><u>637,870</u></u>	2,173,762	958,436
NET DEBT, beginning of year		<u>(2,119,676)</u>	<u>(3,078,112)</u>
NET FINANCIAL ASSETS (NET DEBT), end of year		\$ <u><u>54,086</u></u>	\$ <u>(2,119,676)</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018 (note 15)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$ 3,553,786	\$ 1,869,507
Items not requiring an outlay of cash		
Amortization	1,043,190	916,171
Loss on sale of tangible capital assets	74,190	71,604
Assumed tangible capital assets	<u>4,975,550</u>	<u>0</u>
	<u>9,646,716</u>	<u>2,857,282</u>
Net changes in non-cash working capital		
Taxes receivable	(49,151)	(172,009)
Accounts receivable	(595,904)	(7,246)
Inventory	0	272
Accounts payable and accrued liabilities	377,795	(295,814)
Landfill post-closure liability	(22,929)	(13,609)
Deferred revenue - deposits	210,690	315,803
Deferred revenue - obligatory reserve funds	<u>(97,389)</u>	<u>1,130,085</u>
	<u>(176,888)</u>	<u>957,482</u>
	<u>9,469,828</u>	<u>3,814,764</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(7,481,354)	(1,918,705)
Proceeds on disposal of tangible capital assets	<u>8,400</u>	<u>19,587</u>
	<u>(7,472,954)</u>	<u>(1,899,118)</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Net change in long term debt	(746,424)	(208,615)
Net change in obligations under capital lease	<u>340,890</u>	<u>103,233</u>
	<u>(405,534)</u>	<u>(105,382)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Investment in other ventures	(18,432)	(37,717)
Net change in long term receivables	<u>(22,922)</u>	<u>9,508</u>
CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(41,354)</u>	<u>(28,209)</u>
NET INCREASE IN CASH for the year	1,549,986	1,782,055
CASH, beginning of year	<u>6,497,763</u>	<u>4,715,708</u>
CASH, end of year	<u>\$ 8,047,749</u>	<u>\$ 6,497,763</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Corporation of the Town of Grand Valley are the representation of management prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board of CPA Canada. Significant accounting policies adopted by The Corporation of the Town of Grand Valley are as follows:

(a) **ACKNOWLEDGEMENT OF RESPONSIBILITY**

The management of the The Corporation of the Town of Grand Valley acknowledges its responsibility for the creation and compilation of the following significant accounting policy decisions and the related policy notes.

(b) **BASIS OF CONSOLIDATION**

- (i) These consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, reserve funds and reserves and includes the activities of all committees of Council and the following local boards and municipal enterprises, which are under the control of council:

Grand Valley and District Community Centre Board
Grand Valley and District Public Library Board
Grand Valley Union Cemetery Board
Grand Valley Medical-Dental Board
Grand Valley and District Fire Department
Grand Valley Business Improvement Area
Orangeville Hydro Limited

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between the reserve funds and any other fund of the municipality and the resulting interest income and expenditures.

(ii) **ACCOUNTING FOR COUNTY AND SCHOOL BOARD TRANSACTIONS**

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Dufferin are not reflected in the municipal fund balances of these financial statements.

(c) **BASIS OF ACCOUNTING**

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting. The interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.
- (ii) The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures 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.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) BASIS OF ACCOUNTING (continued)

(iii) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures transferred to other organizations, is reported on the Consolidated Statement of Financial Position.

(d) INVESTMENTS

The investments held by the municipality are classified as held-for-trading and have been recorded at estimated fair market value.

(e) DEFERRED REVENUE

The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

(f) AMOUNTS TO BE RECOVERED

Amounts to be recovered are reported in the accumulated surplus on the Consolidated Statement of Financial Position. The balance represents the outstanding principal portion of unmatured long term liabilities, liabilities not yet due, and other future expenditures.

(g) 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' Statements of Financial Position and Statements of Operations.

(h) NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, is amortized on a straight-line basis over their estimated useful life as follows:

Land improvements	25 to 30 years
Facilities	20 to 100 years
Vehicles	10 to 20 years
Equipment	4 to 40 years
Infrastructure	
Transportation	4 to 100 years
Environmental	15 to 100 years

No amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) NON-FINANCIAL ASSETS (continued)

(ii) Contributions of tangible capital assets
Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

(iii) Leases
Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(i) REVENUE RECOGNITION

Revenues are recognized as follows:

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

(ii) Fines and donations are recognized when collected.

(iii) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.

(iv) Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria has been met and reasonable estimates of the amounts can be made.

(v) 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 a specific purpose.

(j) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates made by management include the useful lives of tangible capital assets. Actual results could differ from those estimates.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

2. LONG TERM RECEIVABLES

The responsibility for payment of principal and interest charges of the tile drainage loans has been assumed by individuals.

	2019	2018
Three loans are charged interest at a rate of 6% and become due in 2020 - 2029	\$ <u>96,147</u>	\$ <u>73,225</u>

Principal payments for the next five years are as follows:

2020	\$ 13,187
2021	7,184
2022	7,615
2023	8,072
2024	8,557
Thereafter	<u>51,532</u>
	<u>\$ 96,147</u>

3. INVESTMENT IN OTHER VENTURES

The Corporation of the Town of Grand Valley owns a 5.50% interest in Orangeville Hydro Limited, details are as follows:

	2019	2018
Investment in Orangeville Hydro Limited		
Investment in common shares	\$ 455,989	\$ 455,989
Share of retained earnings	<u>164,554</u>	<u>146,122</u>
	<u>\$ 620,543</u>	<u>\$ 602,111</u>

	2019	2018
Expenses		
Streetlighting maintenance, water and sewer billing charge from Orangeville Hydro Limited	\$ <u>22,416</u>	\$ <u>18,070</u>

Orangeville Hydro Limited also collects water and sewage billings on behalf of the municipality and remits the amounts to the municipality on a monthly basis.

4. OBLIGATIONS UNDER CAPITAL LEASE

The municipality has three capital leases for equipment. The total monthly lease payments are \$10,311, including principal and interest, and the lease terms are a total of 60 months, expiring in 2023 and 2024.

Future expected minimum payments are as follows:

2020	\$ 111,401
2021	114,856
2022	117,447
2023	101,234
2024	<u>22,741</u>
	<u>\$ 467,679</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

5. LONG TERM DEBT

	2019	2018
TD Bank loan, due December 1, 2022, repayable in monthly payments of \$20,108 principal and interest, at a rate of 3.47%	\$ 2,372,518	\$ 2,930,828
Scotiabank loan, due September 21, 2020, repayable in monthly instalments of \$980 principal and interest, at a rate of approximately 4.98%	8,645	19,681
Tile drainage loans, due between 2020 - 2029, repayable in annual payments ranging from \$489 - \$6,793 of principal and interest, at a rate of 6%	96,147	73,225
TD Bank loan, due December 25, 2022, repayable in monthly payments of principal of \$4,168, plus interest at a rate of 3.47%	<u>0</u>	<u>200,000</u>
	<u>\$ 2,477,310</u>	<u>\$ 3,223,734</u>

Future minimum payments on long term debt are as follows:

2020	\$ 183,085
2021	174,353
2022	2,051,710
2023	8,073
2024	8,557
Thereafter	<u>51,532</u>
	<u>\$ 2,477,310</u>

6. LANDFILL POST-CLOSURE LIABILITY

The municipality leases its solid waste landfill site from the Grand River Conservation Authority (GRCA). The lease requires that closure and rehabilitation of the site commence in 2006 and be completed by 2012. Post-closure costs are anticipated to continue to 2053. The landfill site ceased active operations on January 1, 2006 and stopped accepting solid waste from ratepayers. The municipality commenced closure of the facility and completed closure in 2011.

The most recent estimate of the landfill closure and post-closure liability was based on a report prepared as of November 1, 2004, which estimated these costs at a net present value of \$475,000.

The municipality has obtained a final release on closure of the facility from the GRCA, and has received an amendment to its original landfill site approval based on the actual closure work that was performed in 2011. The closure work performed is in agreement with the MOE's approved amendment dated June 1, 2011. Based on this amendment, post-closure expenditures from 2011 onwards are being used to reduce the landfill post-closure liability annually. The estimated present value of the post-closure liability less disbursements to date during the post-closure period is \$264,847 (2018 - \$287,776), which may be adjusted from time to time based on updated engineering reports of the expected remaining costs.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

7. DEFERRED REVENUE

	2018 Opening	Contributions Received	Investment Income	Revenue Recognized	2019 Ending
Obligatory Reserve Funds					
Development charges	\$ 4,859,700	\$ 482,721	\$ 69,469	\$ (1,025,869)	\$ 4,386,021
Park in lieu	231,635	188,650	7,583	0	427,868
Federal gas tax	<u>39,517</u>	<u>176,500</u>	<u>3,557</u>	<u>0</u>	<u>219,574</u>
	<u>\$ 5,130,852</u>	<u>\$ 847,871</u>	<u>\$ 80,609</u>	<u>\$ (1,025,869)</u>	<u>\$ 5,033,463</u>

8. TRUST FUNDS

The trust funds administered by the municipality amounting to \$126,101 (2018 - \$120,706) have not been included in the Consolidated Statement of Financial Position, nor have the operations been included in the Consolidated Statement of Operations.

9. BUDGET AMOUNTS

The budget figures are presented for comparison purposes as prepared and approved by council, reclassified to conform to the current financial statement presentation. The budgeted figures are prepared on the cash basis of accounting and have been restated to conform to the accrual basis of accounting on which the actual figures are reported. The following chart reconciles the approved budget with the budget figures as presented in these consolidated financial statements:

REVENUE

Approved budget	\$ 6,823,294
Transfer from reserve funds, net	<u>(30,000)</u>
	<u>6,793,294</u>

EXPENSES

Approved budget	6,823,294
Acquisition of tangible capital assets	(1,447,500)
Debt principal repayments	(53,000)
Amortization	916,171
Transfer to reserve funds, net	<u>(614,870)</u>
	<u>5,624,095</u>

ANNUAL SURPLUS

\$ 1,169,199

10. OPERATIONS OF THE SCHOOL BOARDS AND THE COUNTY OF DUFFERIN

Further to note 1(b)(iii), the taxation, other revenues, expenditures and overlevies of the school boards and the County of Dufferin are comprised of the following:

	SCHOOL BOARDS	COUNTY
Taxation and user charges	\$ 940,700	\$ 1,847,409
Amount requisitioned	<u>(940,700)</u>	<u>(1,847,409)</u>
	<u>\$ 0</u>	<u>\$ 0</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

11. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan. This plan is a defined benefit plan which specifies the amount of the retirement benefits 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 amount contributed to OMERS for 2019 was \$98,621 (2018 - \$82,345).

12. AMOUNTS TO BE RECOVERED FOR SPECIFIC ENVIRONMENTAL CAPITAL COSTS

The municipality has incurred capital costs relating to the planning and development of the provision of expanded sewer services to residents. It is the intention of the municipality to recover these costs as the municipality grows, through development fees charged to builders. The construction of the new plant was completed in 2011.

13. SEGMENTED INFORMATION

The Corporation of the Town of Grand Valley is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, ambulance, and water. For management reporting purposes, the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government

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

Protection Services

The mandate of the Police Services department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The Fire Service department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishments of fires. It is also responsible for pre-hospital emergency paramedic care and the transport of sick and injured; handling hazardous materials incidents; for the mitigation of calamitous incidents; and for the evacuation of people when in charge at an incident.

Transportation Services

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, and the maintenance of open space areas requiring it.

Environmental Services

The Environmental Services department consists of two distinct utilities - water and wastewater. The department provides drinking water to citizens of the urban area of the town, collecting and treating wastewater. Garbage collection operations are contracted to a private business.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

13. SEGMENTED INFORMATION (continued)

Health Services

Health services include the operations of the local cemeteries.

Recreation and Cultural Services

Recreation and cultural services provides public services that contribute to healthy communities through numerous sports programs at the Community Centre for adults and youths, along with baseball diamonds and soccer fields, etc. The department also contributes towards the information needs of the town's citizens through the provision of library services.

Planning and Development

The Planning and Development department provides a diverse bundle of services. It manages development for business and residential interests, environmental concerns, heritage matters, local neighbourhoods and the downtown through planning, community development, parks and environmental planning. It ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of zoning by-laws, the processing of building permit applications and the provision of geomatics services.

14. SUBSEQUENT EVENTS

Subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the organization's assets and its future ability to deliver all services.

15. PRIOR YEAR ADJUSTMENT

The financial statements of the municipality for the year ended December 31, 2018 had an understated value of the investment in other ventures. This is due to the Investment in Orangeville Hydro Limited being recorded at cost rather than the modified equity method required under Public Sector Accounting Standard 3070. These have been corrected, and the December 31, 2018 figures restated in the current year financial statements. The net effect of these adjustments to the investment in other ventures and accumulated surplus at December 31, 2018 is an increase of \$602,011. The net effect of these adjustments to the annual surplus at December 31, 2018 is \$37,717.

16. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform to the current year's presentation.

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2019

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2019	2018
EXPENSES									
Salaries and benefits	\$ 454,267	\$ 41,026	\$ 505,183	\$ 4,547	\$ 37,986	\$ 439,287	\$ 153,544	\$ 1,635,840	\$ 1,552,475
Materials	137,029	214,168	420,271	489,246	25,884	30,767	8,898	1,326,263	1,281,249
Contracted services	49,837	536,260	80,270	238,320	5,210	4,850	271,557	1,186,304	1,212,707
Rents and financial expenses	90,794	0	25,273	34,831	2,985	242	18,279	172,404	79,462
Interest on long term debt	0	0	0	85,949	0	0	1,049	86,998	105,349
Amortization	51,765	74,732	379,200	463,469	6,534	67,490	0	1,043,190	916,171
Other	<u>0</u>	<u>27,840</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>343,975</u>	<u>0</u>	<u>371,815</u>	<u>331,695</u>
	<u>\$ 783,692</u>	<u>\$ 894,026</u>	<u>\$ 1,410,197</u>	<u>\$ 1,316,362</u>	<u>\$ 78,599</u>	<u>\$ 886,611</u>	<u>\$ 453,327</u>	<u>\$ 5,822,814</u>	<u>\$ 5,479,108</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

Schedule 2

	Land	Land Improvements	Facilities	Vehicles	Equipment	Infrastructure: Transportation	Infrastructure: Environmental	2019	2018
COST									
Balance, beginning of year	\$ 3,583,836	\$ 320,053	\$ 4,471,053	\$ 2,530,326	\$ 1,288,135	\$ 9,562,872	\$ 19,542,582	\$ 41,298,857	\$ 39,590,664
Additions during the year	0	258,595	113,855	620,613	148,773	3,119,112	3,220,406	7,481,354	1,918,705
Disposals during the year	0	(16,066)	(63,527)	(61,990)	(585)	(398,287)	(70,219)	(610,674)	(210,512)
Balance, end of year	<u>3,583,836</u>	<u>562,582</u>	<u>4,521,381</u>	<u>3,088,949</u>	<u>1,436,323</u>	<u>12,283,697</u>	<u>22,692,769</u>	<u>48,169,537</u>	<u>41,298,857</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	0	126,760	2,261,877	1,231,673	788,373	4,527,115	3,727,587	12,663,385	11,866,535
Amortization	0	9,081	98,629	114,980	86,356	293,971	440,173	1,043,190	916,171
Accumulated amortization on disposals	0	(9,318)	(54,395)	(52,571)	(585)	(368,793)	(42,422)	(528,084)	(119,321)
Balance, end of year	<u>0</u>	<u>126,523</u>	<u>2,306,111</u>	<u>1,294,082</u>	<u>874,144</u>	<u>4,452,293</u>	<u>4,125,338</u>	<u>13,178,491</u>	<u>12,663,385</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	<u>\$ 3,583,836</u>	<u>\$ 436,059</u>	<u>\$ 2,215,270</u>	<u>\$ 1,794,867</u>	<u>\$ 562,179</u>	<u>\$ 7,831,404</u>	<u>\$ 18,567,431</u>	<u>\$ 34,991,046</u>	<u>\$ 28,635,472</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWN OF GRAND VALLEY
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
AS AT DECEMBER 31, 2019

Schedule 3

	2019	2018
SURPLUSES		
Invested in tangible capital assets	\$ 32,142,104	\$ 25,358,174
General fund	(170,794)	83,666
Equity in Orangeville Hydro Limited	620,543	602,111
Fire board - general fund	(4,777)	(69,975)
Unfunded		
Landfill post-closure	(264,847)	(287,776)
Wastewater treatment plant costs recoverable	<u>(1,647,458)</u>	<u>(1,588,874)</u>
	<u>30,674,771</u>	<u>24,097,326</u>
RESERVE FUNDS		
Capital acquisition - roads department	651,786	116,786
Infrastructure	868,383	0
Administrative	746,278	99,512
Sewer treatment plant	1,180,965	1,321,658
Streetscape	146,562	123,494
Orica parkland	67,147	65,789
Future water system upgrades	159,152	158,570
Fire board - capital	<u>228,361</u>	<u>210,934</u>
	<u>4,048,634</u>	<u>2,096,743</u>
RESERVES		
Building reserve - library	48,980	48,980
Working capital - general	195,200	195,200
Working capital - connecting link	78,924	78,924
Working capital - fencing reserve	<u>346</u>	<u>346</u>
	<u>323,450</u>	<u>323,450</u>
	<u>\$ 35,046,855</u>	<u>\$ 26,517,519</u>

GRAND VALLEY UNION CEMETERY BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash	\$ <u>20,931</u>	\$ <u>6,014</u>
LIABILITIES		
HST payable	643	815
Accounts payable	<u>16,861</u>	<u>7,740</u>
	<u>17,504</u>	<u>8,555</u>
ACCUMULATED SURPLUS	<u>\$ 3,427</u>	<u>\$ (2,541)</u>

GRAND VALLEY UNION CEMETERY BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
REVENUES		
Sale of plots and base installation	\$ 11,819	\$ 7,688
Interment receipts	9,890	5,870
Interest - current fund	1,825	267
Miscellaneous	332	420
Donations	250	276
Mortuary receipts	<u>0</u>	<u>500</u>
	<u>24,116</u>	<u>15,021</u>
EXPENDITURES		
Cost of interment	7,313	3,409
Monument and stone repairs	4,122	5,495
Honoraria, supplies and office	3,760	11,990
Caretaking	2,178	1,225
Accounting and legal	<u>865</u>	<u>827</u>
	<u>18,238</u>	<u>22,946</u>
SURPLUS (DEFICIT) for the year	5,878	(7,925)
ACCUMULATED SURPLUS, beginning of year	<u>(2,451)</u>	<u>5,474</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 3,427</u>	<u>\$ (2,451)</u>

GRAND VALLEY AND DISTRICT COMMUNITY CENTRE BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 110,956	\$ 141,948
Accounts receivable	<u>16,232</u>	<u>7,997</u>
	<u>127,188</u>	<u>149,945</u>
LIABILITIES		
Accounts payable	25,657	37,138
Loan payable (note 4)	<u>58,352</u>	<u>0</u>
	<u>84,009</u>	<u>37,138</u>
NET FINANCIAL ASSETS	<u>43,179</u>	<u>112,807</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	1,119,633	1,036,154
Prepaid expenses	<u>1,722</u>	<u>1,722</u>
	<u>1,121,355</u>	<u>1,037,876</u>
ACCUMULATED SURPLUS	<u>\$ 1,164,534</u>	<u>\$ 1,150,683</u>

GRAND VALLEY AND DISTRICT COMMUNITY CENTRE BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
REVENUES		
Rentals	\$ 183,827	\$ 168,194
Municipal grants - Town of Grand Valley	124,826	118,114
- Other municipalities	86,134	87,701
Other revenue	38,889	35,737
Snack bar - net proceeds	17,569	16,047
(Loss) gain on disposal of TCA	<u>(3,103)</u>	<u>0</u>
	<u>448,142</u>	<u>425,793</u>
EXPENSES		
Wages and benefits	236,327	223,460
Heat and hydro	74,689	67,345
Repairs and maintenance supplies	59,140	55,598
Amortization	26,551	24,176
Insurance	19,100	18,357
Office	11,714	9,378
Telephone	2,773	2,643
Accounting	2,137	2,055
Advertising	<u>1,860</u>	<u>2,573</u>
	<u>434,291</u>	<u>405,585</u>
ANNUAL SURPLUS	13,851	20,208
ACCUMULATED SURPLUS, beginning of year	<u>1,150,683</u>	<u>1,130,475</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 1,164,534</u>	<u>\$ 1,150,683</u>

GRAND VALLEY PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash	\$ <u>48,465</u>	\$ <u>24,729</u>
NET FINANCIAL ASSETS	<u>48,465</u>	<u>24,729</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>273,001</u>	<u>270,244</u>
ACCUMULATED SURPLUS	<u>\$ 321,466</u>	<u>\$ 294,973</u>

GRAND VALLEY PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
REVENUES		
Grants - Town of Grand Valley	\$ 187,971	\$ 177,324
- Other municipalities	89,607	88,281
Rents, interest and other income	36,704	39,021
Grants - other	<u>0</u>	<u>1,680</u>
	<u>314,282</u>	<u>306,306</u>
EXPENSES		
Wages and benefits	173,627	178,862
Amortization	42,814	38,397
Facilities cost and insurance	20,766	21,607
Office and courses	19,759	21,886
Repairs and maintenance	10,816	9,987
Books and material purchased	8,038	7,179
General expenses	7,870	16,009
Telephone	3,031	2,929
Professional fees	<u>1,068</u>	<u>1,043</u>
	<u>287,789</u>	<u>297,899</u>
ANNUAL SURPLUS	26,493	8,407
ACCUMULATED SURPLUS, beginning of year	<u>294,973</u>	<u>286,566</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 321,466</u>	<u>\$ 294,973</u>

GRAND VALLEY MEDICAL - DENTAL BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 52,333	\$ 167,398
Short-term investments	<u>154,349</u>	<u>34,588</u>
	<u>206,682</u>	<u>201,986</u>
LIABILITIES		
Accounts payable	<u>8,274</u>	<u>7,939</u>
NET FINANCIAL ASSETS	<u>198,408</u>	<u>194,047</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>542,933</u>	<u>549,732</u>
ACCUMULATED SURPLUS	<u>\$ 741,341</u>	<u>\$ 743,779</u>

GRAND VALLEY MEDICAL - DENTAL BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
REVENUES		
Rental income	\$ 46,133	\$ 45,245
Other income	<u>3,366</u>	<u>3,301</u>
	<u>49,499</u>	<u>48,546</u>
OPERATING EXPENSES		
Wages and benefits	18,491	11,357
Amortization	14,185	13,996
Utilities	6,243	6,684
Repairs and maintenance	5,179	7,131
Professional fees	3,827	2,255
Property taxes	1,617	1,542
Rent - parking lot	1,250	1,250
Insurance	1,077	1,034
Office	<u>68</u>	<u>239</u>
	<u>51,937</u>	<u>45,488</u>
ANNUAL (DEFICIT) SURPLUS	(2,438)	3,058
ACCUMULATED SURPLUS, beginning of year	<u>743,779</u>	<u>740,721</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 741,341</u>	<u>\$ 743,779</u>

GRAND VALLEY - BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash	\$ <u>27,389</u>	\$ <u>28,406</u>
LIABILITIES		
Accounts payable	<u>0</u>	<u>1,520</u>
NET FINANCIAL ASSETS	<u>27,389</u>	<u>26,886</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>13,344</u>	<u>13,729</u>
ACCUMULATED SURPLUS	<u>\$ 40,733</u>	<u>\$ 40,615</u>

GRAND VALLEY - BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
REVENUES		
Municipal income	\$ 7,400	\$ 7,600
Special events	2,890	229
Interest income	156	0
	<u>10,446</u>	<u>7,829</u>
OPERATING EXPENSES		
Special events	4,370	1,915
Wages	1,646	1,520
Miscellaneous	1,456	100
Conferences/trade shows	1,263	0
Advertising	1,176	130
Amortization	385	384
Office supplies	21	998
Bank charges	11	(45)
Repairs and maintenance	0	1,367
	<u>10,328</u>	<u>6,369</u>
ANNUAL SURPLUS	118	1,460
ACCUMULATED SURPLUS, beginning of year	<u>40,615</u>	<u>39,155</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 40,733</u>	<u>\$ 40,615</u>

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of: The Corporation of the Town of Grand Valley

Opinion

We have audited the accompanying financial statements of the trust funds of The Corporation of the Town of Grand Valley, which comprise the statements of financial position as at December 31, 2019 and the statements of operations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the Town of Grand Valley as at December 31, 2019 and the results of their operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the trust funds of The Corporation of the Town of Grand Valley in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the trust funds of The Corporation of the Town of Grand Valley 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the trust funds of The Corporation of the Town of Grand Valley's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the trust funds of The Corporation of the Town of Grand Valley or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the the trust funds of The Corporation of the Town of Grand Valley's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at RLB LLP's website at: www.rlb.ca/additional-auditor-responsibilities-consolidated. This description forms part of our auditor's report.



Guelph, Ontario
July 14, 2020

Chartered Professional Accountants
Licensed Public Accountants

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THE CORPORATION OF THE TOWN OF GRAND VALLEY TRUST FUND
CEMETERY PERPETUAL CARE FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018
ASSETS		
Cash	\$ 0	\$ 37,908
Investments	<u>93,870</u>	<u>57,035</u>
	<u>\$ 93,870</u>	<u>\$ 94,943</u>
LIABILITIES		
Trust fund balance, end of year	<u>\$ 93,870</u>	<u>\$ 94,943</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY TRUST FUND
CEMETERY PERPETUAL CARE FUND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
BALANCE, beginning of year	\$ 94,943	\$ 90,987
Capital receipts	4,250	3,560
Investment income (net)	<u>745</u>	<u>396</u>
	99,938	94,943
TRANSFER TO CURRENT FUND	<u>(6,068)</u>	<u>0</u>
BALANCE, end of year	<u>\$ 93,870</u>	<u>\$ 94,943</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY TRUST FUND
CEMETERY PERPETUAL MONUMENT CARE AND MAINTENANCE FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018
ASSETS		
Cash	\$ 7,040	\$ 5,745
Investments	<u>19,408</u>	<u>14,259</u>
	<u>\$ 26,448</u>	<u>\$ 20,004</u>
LIABILITIES		
Trust fund balance, end of year	<u>\$ 26,448</u>	<u>\$ 20,004</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY TRUST FUND
CEMETERY PERPETUAL MONUMENT CARE AND MAINTENANCE FUND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
BALANCE, beginning of year	\$ 20,004	\$ 18,795
Capital receipts	6,295	1,110
Investment income (net)	<u>149</u>	<u>99</u>
	26,448	20,004
TRANSFER TO CURRENT FUND	<u>0</u>	<u>0</u>
BALANCE, end of year	<u>\$ 26,448</u>	<u>\$ 20,004</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of trust funds of The Corporation of the Town of Grand Valley are the representation of management prepared in accordance Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board of CPA Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) **BASIS OF ACCOUNTING**

- (i) Sources of income and expenditures are reported on the accrual basis of accounting.
- (ii) The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures 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.