

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
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**YEAR ENDED DECEMBER 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

We have audited the accompanying consolidated financial statements of The Corporation of the Town of Grand Valley, which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statement of operations, change in net financial assets and cash flows for the year then ended, and notes to the consolidated 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, 2020 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Guelph, Ontario  
July 13, 2021



Chartered Professional Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 9,986,981	\$ 8,047,749
Taxes receivable	496,772	596,941
Accounts receivable and other current assets	356,013	969,655
Long term receivables (note 2)	82,960	96,147
Investment in other ventures (note 3)	<u>655,509</u>	<u>620,543</u>
	<u>11,578,235</u>	<u>10,331,035</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,291,924	1,250,457
Deferred revenue - deposits	662,525	783,193
Obligations under capital lease (note 4)	356,278	467,679
Long term debt (note 5)	2,294,225	2,477,310
Landfill post-closure liability (note 6)	240,367	264,847
Deferred revenue - obligatory reserve funds (note 7)	<u>4,992,681</u>	<u>5,033,463</u>
	<u>9,838,000</u>	<u>10,276,949</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,740,235</u>	<u>54,086</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 2)	36,083,793	34,991,046
Prepaid expenses	10,719	0
Inventory	<u>1,723</u>	<u>1,723</u>
	<u>36,096,235</u>	<u>34,992,769</u>
<b>ACCUMULATED SURPLUS</b> (schedule 3)	<u>\$ 37,836,470</u>	<u>\$ 35,046,855</u>

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>2020 Budget (note 9)</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>REVENUE</b>			
Taxation	\$ 4,293,389	\$ 4,488,692	\$ 4,306,353
Grants in lieu	7,000	7,050	7,050
Fees and service charges	1,162,913	2,975,594	2,246,052
Licences and permits	94,600	43,390	64,580
Federal grants	0	0	368,408
Province of Ontario grants	735,515	587,162	1,211,643
Investment income	10,000	86,947	122,575
Penalties and interest	72,500	25,605	79,828
Obligatory reserve fund revenue recognized (note 7)	200,000	607,977	1,025,869
Gain (loss) on disposal of tangible capital assets	500	51,723	(74,190)
Equity income from Orangeville Hydro Limited	<u>34,966</u>	<u>34,966</u>	<u>18,432</u>
	<u>6,611,383</u>	<u>8,909,106</u>	<u>9,376,600</u>
<b>EXPENSES (schedule 1)</b>			
General government	765,450	866,441	783,692
Protection to persons and property	1,128,435	912,179	894,026
Transportation services	1,728,450	1,586,378	1,410,197
Environmental services	1,242,119	1,453,851	1,316,362
Health services	42,684	66,772	78,599
Recreational and cultural services	679,132	896,977	886,611
Planning and development	<u>329,800</u>	<u>336,893</u>	<u>453,327</u>
	<u>5,916,070</u>	<u>6,119,491</u>	<u>5,822,814</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 695,313</u>	<u>\$ 2,789,615</u>	<u>\$ 3,553,786</u>
<b>ACCUMULATED SURPLUS, beginning of year</b>		\$ 35,046,855	\$ 26,517,519
Assumed tangible capital assets		0	4,975,550
Annual surplus		<u>2,789,615</u>	<u>3,553,786</u>
<b>ACCUMULATED SURPLUS, end of year</b>		<u>\$ 37,836,470</u>	<u>\$ 35,046,855</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 Budget (note 9)	2020 Actual	2019 Actual
<b>ANNUAL SURPLUS</b>	\$ <u>695,313</u>	\$ <u>2,789,615</u>	\$ <u>3,553,786</u>
Acquisition of tangible capital assets	(1,801,500)	(2,327,919)	(7,481,354)
Amortization of tangible capital assets	1,043,190	1,159,265	1,043,190
(Gain) loss on disposal of tangible capital assets	0	(51,723)	74,190
Proceeds on sale of tangible capital assets	0	127,630	8,400
Assumed tangible capital assets	<u>0</u>	<u>0</u>	<u>4,975,550</u>
	<u>(758,310)</u>	<u>(1,092,747)</u>	<u>(1,380,024)</u>
Net change in prepaid expenses	<u>0</u>	<u>(10,719)</u>	<u>0</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	\$ <u>(62,997)</u>	1,686,149	2,173,762
<b>NET FINANCIAL ASSETS (NET DEBT), beginning of year</b>		<u>54,086</u>	<u>(2,119,676)</u>
<b>NET FINANCIAL ASSETS, end of year</b>		\$ <u>1,740,235</u>	\$ <u>54,086</u>

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Annual surplus	\$ 2,789,615	\$ 3,553,786
Items not requiring an outlay of cash		
Amortization	1,159,265	1,043,190
(Gain) loss on disposal of tangible capital assets	(51,723)	74,190
Assumed tangible capital assets	0	4,975,550
Landfill post-closure liability	(24,480)	(22,929)
Equity income from Orangeville Hydro Limited	(34,966)	(18,432)
	<u>3,837,711</u>	<u>9,605,355</u>
Net changes in non-cash working capital		
Taxes receivable	100,169	(49,151)
Accounts receivable	613,642	(595,904)
Prepaid expenses	(10,719)	0
Accounts payable and accrued liabilities	41,467	377,795
Deferred revenue - deposits	(120,668)	210,690
Deferred revenue - obligatory reserve funds	(40,782)	(97,389)
	<u>583,109</u>	<u>(153,959)</u>
	<u>4,420,820</u>	<u>9,451,396</u>
<b>CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(2,327,919)	(7,481,354)
Proceeds on disposal of tangible capital assets	127,630	8,400
	<u>(2,200,289)</u>	<u>(7,472,954)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Net change in long term debt	(183,085)	(746,424)
Net change in obligations under capital lease	(111,401)	340,890
	<u>(294,486)</u>	<u>(405,534)</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Net change in long term receivables	13,187	(22,922)
<b>NET INCREASE IN CASH for the year</b>	1,939,232	1,549,986
<b>CASH, beginning of year</b>	<u>8,047,749</u>	<u>6,497,763</u>
<b>CASH, end of year</b>	<u>\$ 9,986,981</u>	<u>\$ 8,047,749</u>

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**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 Union Cemetery Board  
Grand Valley and District Community Centre Board  
Grand Valley and District Public Library Board  
Grand Valley Medical-Dental Board  
Grand Valley Business Improvement Area

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.

The following joint boards owned or controlled by Council in partnership with other municipalities have been consolidated on a proportionate basis as indicated:

Grand Valley and District Fire Department - 53%  
Orangeville Hydro Limited - 5.5%

(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, 2020**

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**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) 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.

(e) 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.

(f) 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.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(h) NON-FINANCIAL ASSETS (continued)

(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.

(g) 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.

(h) 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.

(i) FINANCIAL INSTRUMENTS

The municipality classifies all of its financial instruments at amortized cost. The maximum exposure to credit risk is the carrying value of the financial instruments. These financial instruments include cash, accounts receivable and other current assets, long term receivables, investment in other ventures, accounts payable and accrued liabilities, obligations under capital lease and long term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(i) **FINANCIAL INSTRUMENTS (continued)**

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument. Writedowns of financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net realizable value with the writedown being recognized in the consolidated statement of operations.

**2. LONG TERM RECEIVABLES**

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

	<b>2020</b>	<b>2019</b>
Three loans are charged interest at a rate of 6% and become due in 2021 - 2029	\$ <u>82,960</u>	\$ <u>96,147</u>

Principal payments for the next five years are as follows:

2021	\$ 7,184
2022	7,615
2023	8,072
2024	8,557
2025	9,070
Thereafter	<u>42,462</u>
	<u>\$ 82,960</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:

	<b>2020</b>	<b>2019</b>
<b>Investment in Orangeville Hydro Limited</b>		
Investment in common shares	\$ 455,989	\$ 455,989
Share of retained earnings	<u>199,520</u>	<u>164,554</u>
	<u>\$ 655,509</u>	<u>\$ 620,543</u>
<b>Expenses</b>		
Streetlighting maintenance, water and sewer billing charge from Orangeville Hydro Limited	<u>\$ 25,506</u>	<u>\$ 22,416</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.

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**3. INVESTMENT IN OTHER VENTURES (continued)**

The following summarizes the financial position and operations of Orangeville Hydro Limited which have been reported in these financial statements.

	<b>2020</b>	<b>2019</b>
Statement of Financial Position		
Assets	\$ <u>34,302,686</u>	\$ <u>31,653,443</u>
Liabilities	\$ 22,336,948	\$ 20,323,451
Shareholder's Equity	<u>11,965,738</u>	<u>11,329,992</u>
	<u>\$ 34,302,686</u>	<u>\$ 31,653,443</u>
Statement of Operations		
Revenues	\$ 39,106,543	\$ 35,161,301
Expenses	<u>38,965,271</u>	<u>35,082,294</u>
Net income for the year	<u>\$ 141,272</u>	<u>\$ 79,007</u>
Dividends paid during the year	<u>\$ 450,771</u>	<u>\$ 566,435</u>

**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:

2021	\$ 114,856
2022	117,447
2023	101,234
2024	<u>22,741</u>
	<u>\$ 356,278</u>

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**5. LONG TERM DEBT**

	<b>2020</b>	<b>2019</b>
TD Bank loan, due December 1, 2022, repayable in monthly payments of \$20,108 principal and interest, at a rate of 3.47%	\$ 2,211,265	\$ 2,372,518
Scotiabank loan, due September 21, 2020, repayable in monthly instalments of \$980 principal and interest, at a rate of approximately 4.98%	0	8,645
Tile drainage loans, due between 2021 - 2029, repayable in annual payments ranging from \$489 - \$6,793 of principal and interest, at a rate of 6%	<u>82,960</u>	<u>96,147</u>
	<u>\$ 2,294,225</u>	<u>\$ 2,477,310</u>

Future minimum payments on long term debt are as follows:

2021	\$ 174,353
2022	2,051,710
2023	8,073
2024	8,557
2025	9,070
Thereafter	<u>42,462</u>
	<u>\$ 2,294,225</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 \$240,367 (2019 - \$264,847), which may be adjusted from time to time based on updated engineering reports of the expected remaining costs.

**7. DEFERRED REVENUE**

	<b>2020</b>	<b>Contributions</b>	<b>Investment</b>	<b>Revenue</b>	<b>2020</b>
	<b>Opening</b>	<b>Received</b>	<b>Income</b>	<b>Recognized</b>	<b>Ending</b>
<b>Obligatory Reserve Funds</b>					
Development charges	\$ 4,386,021	\$ 433,616	\$ 31,622	\$ (407,977)	\$ 4,443,282
Park in lieu	427,868	4,500	5,715	0	438,083
Federal gas tax	<u>219,574</u>	<u>89,674</u>	<u>2,068</u>	<u>(200,000)</u>	<u>111,316</u>
	<u>\$ 5,033,463</u>	<u>\$ 527,790</u>	<u>\$ 39,405</u>	<u>\$ (607,977)</u>	<u>\$ 4,992,681</u>

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**8. TRUST FUNDS**

The trust funds administered by the municipality amounting to \$125,260 (2019 - \$120,318) 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	\$ 6,779,383
Transfer from reserve funds, net	<u>(168,000)</u>
	<u>6,611,383</u>

**EXPENSES**

Approved budget	6,779,380
Acquisition of tangible capital assets	(1,801,500)
Debt principal repayments	(90,000)
Amortization	1,043,190
Transfer to reserve funds, net	<u>(15,000)</u>
	<u>5,916,070</u>

**ANNUAL SURPLUS**

\$ 695,313

**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:

	<b>SCHOOL BOARDS</b>	<b>COUNTY</b>
Taxation and user charges	\$ 989,990	\$ 1,945,158
Amount requisitioned	<u>(989,990)</u>	<u>(1,945,158)</u>
	<u>\$ 0</u>	<u>\$ 0</u>

**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 2020 was \$129,264 (2019 - \$98,621).

**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.

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**13. FINANCIAL INSTRUMENT RISK MANAGEMENT**

Credit Risk

The municipality is exposed to credit risk through the possibility of non-collection of accounts receivable. The majority of its receivables are from ratepayers and government entities. For accounts receivable, the municipality measures impairment based on how long the amounts have been outstanding.

Liquidity Risk

Liquidity risk is the risk that the municipality will not be able to meet its financial obligations as they fall due. The municipality undertakes a planning and budgeting process to help determine the funds required to support the municipality's normal operating requirements on an ongoing basis. The municipality ensures that there are sufficient funds to meet its short term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and temporary investments.

Interest Rate Risk

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

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure risks.

**14. 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.

**THE CORPORATION OF THE TOWN OF GRAND VALLEY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**14. SEGMENTED INFORMATION (continued)**

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.

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.

**15. MATERIAL UNCERTAINTY DUE TO NOVEL CORONAVIRUS (COVID-19)**

During the year and 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 municipality's assets and its future ability to deliver all services.

**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, 2020

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2020	2019
<b>EXPENSES</b>									
Salaries and benefits	\$ 488,210	\$ 49,736	\$ 544,431	\$ 1,450	\$ 36,403	\$ 375,966	\$ 135,749	\$ 1,631,945	\$ 1,635,840
Materials	207,567	215,011	480,167	669,215	17,072	47,862	3,057	1,639,951	1,326,263
Contracted services	34,242	541,427	122,018	203,076	3,267	3,707	184,093	1,091,830	1,186,304
Rents and financial expenses	77,907	0	15,617	0	3,496	188	11,241	108,449	172,404
Interest on long term debt	0	0	0	80,038	0	0	2,753	82,791	86,998
Amortization	58,515	74,294	424,145	500,072	6,534	95,705	0	1,159,265	1,043,190
Other	<u>0</u>	<u>31,711</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>373,549</u>	<u>0</u>	<u>405,260</u>	<u>371,815</u>
	<u>\$ 866,441</u>	<u>\$ 912,179</u>	<u>\$ 1,586,378</u>	<u>\$ 1,453,851</u>	<u>\$ 66,772</u>	<u>\$ 896,977</u>	<u>\$ 336,893</u>	<u>\$ 6,119,491</u>	<u>\$ 5,822,814</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, 2020

Schedule 2

	Land	Land Improvements	Facilities	Vehicles	Equipment	Infrastructure: Transportation	Infrastructure: Environmental	2020	2019
<b>COST</b>									
Balance, beginning of year	\$ 3,583,836	\$ 562,582	\$ 4,521,381	\$ 3,088,949	\$ 1,436,323	\$ 12,283,697	\$ 22,692,769	\$ 48,169,537	\$ 41,298,857
Additions during the year	6,866	112,824	101,054	4,682	66,157	956,796	1,079,540	2,327,919	7,481,354
Disposals during the year	<u>(36,236)</u>	<u>0</u>	<u>(41,926)</u>	<u>0</u>	<u>(16,940)</u>	<u>0</u>	<u>(49,488)</u>	<u>(144,590)</u>	<u>(610,674)</u>
Balance, end of year	<u>3,554,466</u>	<u>675,406</u>	<u>4,580,509</u>	<u>3,093,631</u>	<u>1,485,540</u>	<u>13,240,493</u>	<u>23,722,821</u>	<u>50,352,866</u>	<u>48,169,537</u>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	0	126,523	2,306,111	1,294,082	874,144	4,452,293	4,125,338	13,178,491	12,663,385
Amortization	0	22,843	104,339	146,637	103,740	305,199	476,507	1,159,265	1,043,190
Accumulated amortization on disposals	<u>0</u>	<u>0</u>	<u>(41,926)</u>	<u>0</u>	<u>(16,940)</u>	<u>0</u>	<u>(9,817)</u>	<u>(68,683)</u>	<u>(528,084)</u>
Balance, end of year	<u>0</u>	<u>149,366</u>	<u>2,368,524</u>	<u>1,440,719</u>	<u>960,944</u>	<u>4,757,492</u>	<u>4,592,028</u>	<u>14,269,073</u>	<u>13,178,491</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>									
	<u>\$ 3,554,466</u>	<u>\$ 526,040</u>	<u>\$ 2,211,985</u>	<u>\$ 1,652,912</u>	<u>\$ 524,596</u>	<u>\$ 8,483,001</u>	<u>\$ 19,130,793</u>	<u>\$ 36,083,793</u>	<u>\$ 34,991,046</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, 2020

Schedule 3

	2020	2019 (note 16)
<b>SURPLUSES</b>		
Invested in tangible capital assets	\$ 33,516,250	\$ 32,142,104
General fund	(612,717)	(170,794)
Equity in Orangeville Hydro Limited	655,509	620,543
Fire board - general fund	5,087	(4,777)
<b>Unfunded</b>		
Landfill post-closure	(240,367)	(264,847)
Wastewater treatment plant costs recoverable	(1,409,520)	(1,647,458)
	<u>31,914,242</u>	<u>30,674,771</u>
<b>RESERVE FUNDS</b>		
Sewer treatment plant	2,219,237	1,180,965
Infrastructure	1,905,322	1,512,051
Capital acquisition - roads department	570,903	651,786
Fire board - capital	325,032	228,361
Streetscape	157,422	146,562
Future water system upgrades	139,436	159,152
Parkland	110,444	0
Administrative	103,149	102,610
Orica parkland	67,833	67,147
	<u>5,598,778</u>	<u>4,048,634</u>
<b>RESERVES</b>		
Working capital - general	195,200	195,200
Working capital - connecting link	78,924	78,924
Building reserve - library	48,980	48,980
Working capital - fencing reserve	346	346
	<u>323,450</u>	<u>323,450</u>
	<u>\$ 37,836,470</u>	<u>\$ 35,046,855</u>

**GRAND VALLEY UNION CEMETERY BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ <u>22,451</u>	\$ <u>20,931</u>
<b>LIABILITIES</b>		
Accounts payable	7,649	16,861
HST payable	<u>1,341</u>	<u>643</u>
	<u>8,990</u>	<u>17,504</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 13,461</u>	<u>\$ 3,427</u>

**GRAND VALLEY UNION CEMETERY BOARD**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
<b>REVENUES</b>		
Sale of plots and base installation	\$ 12,916	\$ 11,819
Interment receipts	6,345	9,890
Interest - current fund	2,772	1,825
Miscellaneous	430	332
Donations	<u>0</u>	<u>250</u>
	<u>22,463</u>	<u>24,116</u>
<b>EXPENDITURES</b>		
Cost of interment	6,805	7,313
Monument and stone repairs	2,719	4,122
Honoraria, supplies and office	2,045	3,760
Accounting and legal	860	865
Caretaking	<u>0</u>	<u>2,178</u>
	<u>12,429</u>	<u>18,238</u>
<b>SURPLUS for the year</b>	10,034	5,878
<b>ACCUMULATED SURPLUS (DEFICIT), beginning of year</b>	<u>3,427</u>	<u>(2,451)</u>
<b>ACCUMULATED SURPLUS, end of year</b>	<u>\$ 13,461</u>	<u>\$ 3,427</u>

**GRAND VALLEY AND DISTRICT COMMUNITY CENTRE BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 110,315	\$ 110,956
Accounts receivable	<u>12,102</u>	<u>16,232</u>
	<u>122,417</u>	<u>127,188</u>
<b>LIABILITIES</b>		
Accounts payable	30,494	25,657
Loan payable (note 4)	<u>44,360</u>	<u>58,352</u>
	<u>74,854</u>	<u>84,009</u>
<b>NET FINANCIAL ASSETS</b>	<u>47,563</u>	<u>43,179</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	1,087,317	1,119,633
Prepaid expenses	<u>1,722</u>	<u>1,722</u>
	<u>1,089,039</u>	<u>1,121,355</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 1,136,602</u>	<u>\$ 1,164,534</u>

**GRAND VALLEY AND DISTRICT COMMUNITY CENTRE BOARD**

**STATEMENT OF OPERATIONS**

**AS AT DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>		
Rentals	\$ 138,164	\$ 183,827
Municipal grants - Town of Grand Valley	127,322	124,826
- Other municipalities	87,857	86,134
Snack bar - net proceeds	5,218	17,569
Gain (loss) on disposal of TCA	1,000	(3,103)
Other revenue	<u>0</u>	<u>38,889</u>
	<u>359,561</u>	<u>448,142</u>
<b>EXPENSES</b>		
Wages and benefits	208,161	236,327
Heat and hydro	65,780	74,689
Repairs and maintenance supplies	45,130	59,140
Amortization	32,315	26,551
Insurance	20,726	19,100
Office	10,767	11,714
Telephone	2,161	2,773
Accounting	2,150	2,137
Advertising	<u>303</u>	<u>1,860</u>
	<u>387,493</u>	<u>434,291</u>
<b>ANNUAL (DEFICIT) SURPLUS</b>	(27,932)	13,851
<b>ACCUMULATED SURPLUS, beginning of year</b>	<u>1,164,534</u>	<u>1,150,683</u>
<b>ACCUMULATED SURPLUS, end of year</b>	<u>\$ 1,136,602</u>	<u>\$ 1,164,534</u>

**GRAND VALLEY PUBLIC LIBRARY BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 177,574	\$ 48,465
<b>LIABILITIES</b>		
Deferred revenue	<u>42,530</u>	<u>0</u>
<b>NET FINANCIAL ASSETS</b>	<u>135,044</u>	<u>48,465</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	<u>251,996</u>	<u>273,001</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 387,040</u>	<u>\$ 321,466</u>

**GRAND VALLEY PUBLIC LIBRARY BOARD**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>		
Grants - Town of Grand Valley	\$ 199,945	\$ 187,971
- Other municipalities	91,077	89,607
Rents, interest, and other revenue	<u>35,709</u>	<u>36,704</u>
	<u>326,731</u>	<u>314,282</u>
<b>EXPENSES</b>		
Wages and benefits	150,359	173,627
Amortization	51,181	42,814
Facilities cost and insurance	17,653	20,766
Office and courses	14,076	19,759
Repairs and maintenance	9,401	10,816
Books and material purchased	8,018	8,038
General expenses	7,709	7,870
Telephone	1,666	3,031
Professional fees	<u>1,094</u>	<u>1,068</u>
	<u>261,157</u>	<u>287,789</u>
<b>ANNUAL SURPLUS</b>	65,574	26,493
<b>ACCUMULATED SURPLUS, beginning of year</b>	<u>321,466</u>	<u>294,973</u>
<b>ACCUMULATED SURPLUS, end of year</b>	<u>\$ 387,040</u>	<u>\$ 321,466</u>

**GRAND VALLEY MEDICAL - DENTAL BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 30,369	\$ 52,333
Short-term investments	<u>82,677</u>	<u>154,349</u>
	<u>113,046</u>	<u>206,682</u>
<b>LIABILITIES</b>		
Accounts payable	<u>4,775</u>	<u>8,274</u>
<b>NET FINANCIAL ASSETS</b>	<u>108,271</u>	<u>198,408</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	<u>640,007</u>	<u>542,933</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 748,278</u>	<u>\$ 741,341</u>

**GRAND VALLEY MEDICAL - DENTAL BOARD**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
<b>REVENUES</b>		
Rental income	\$ 47,038	\$ 46,133
Other revenue	<u>3,850</u>	<u>3,366</u>
	<u>50,888</u>	<u>49,499</u>
<b>OPERATING EXPENSES</b>		
Amortization	15,074	14,185
Wages and benefits	13,303	18,491
Utilities	5,258	6,243
Repairs and maintenance	3,229	5,179
Professional fees	2,350	3,827
Property taxes	2,337	1,617
Rent - parking lot	1,250	1,250
Insurance	1,150	1,077
Office	<u>0</u>	<u>68</u>
	<u>43,951</u>	<u>51,937</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	6,937	(2,438)
<b>ACCUMULATED SURPLUS, beginning of year</b>	<u>741,341</u>	<u>743,779</u>
<b>ACCUMULATED SURPLUS, end of year</b>	<u>\$ 748,278</u>	<u>\$ 741,341</u>

**GRAND VALLEY - BUSINESS IMPROVEMENT AREA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

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	<b>2020</b>	<b>2019</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 28,134	\$ 27,389
Accounts receivable	<u>200</u>	<u>0</u>
<b>NET FINANCIAL ASSETS</b>	<u>28,334</u>	<u>27,389</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	<u>12,956</u>	<u>13,344</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 41,290</u>	<u>\$ 40,733</u>

**GRAND VALLEY BUSINESS IMPROVEMENT AREA**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
<b>REVENUES</b>		
Municipal income	\$ 7,400	\$ 7,400
Donations	500	0
Interest income	76	156
Special events	<u>0</u>	<u>2,890</u>
	<u>7,976</u>	<u>10,446</u>
<b>OPERATING EXPENSES</b>		
Special events	4,850	4,370
Miscellaneous	999	1,456
Accounting and audit fees	875	0
Amortization	388	385
Wages	307	1,646
Conferences/trade shows	0	1,263
Advertising	0	1,176
Office supplies	0	21
Bank charges	<u>0</u>	<u>11</u>
	<u>7,419</u>	<u>10,328</u>
<b>ANNUAL SURPLUS</b>	557	118
<b>ACCUMULATED SURPLUS, beginning of year</b>	<u>40,733</u>	<u>40,615</u>
<b>ACCUMULATED SURPLUS, end of year</b>	<u>\$ 41,290</u>	<u>\$ 40,733</u>

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## INDEPENDENT AUDITOR'S REPORT

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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, 2020 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, 2020 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 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the the trust funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the the trust funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the the trust funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Guelph, Ontario  
July 13, 2021

Chartered Professional Accountants  
Licensed Public Accountants

THE CORPORATION OF THE TOWN OF GRAND VALLEY TRUST FUND  
 CEMETERY PERPETUAL CARE FUND  
 STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2020

	2020	2019
<b>ASSETS</b>		
Investments	\$ <u>99,742</u>	\$ <u>93,870</u>
<b>LIABILITIES</b>		
Trust fund balance, end of year	\$ <u>99,742</u>	\$ <u>93,870</u>

THE CORPORATION OF THE TOWN OF GRAND VALLEY TRUST FUND  
 CEMETERY PERPETUAL CARE FUND  
 STATEMENT OF OPERATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
<b>BALANCE, beginning of year</b>	\$ 93,870	\$ 94,943
Investment income (net)	5,872	745
Capital receipts	<u>0</u>	<u>4,250</u>
	99,742	99,938
<b>TRANSFER TO CURRENT FUND</b>	<u>0</u>	<u>(6,068)</u>
<b>BALANCE, end of year</b>	\$ <u>99,742</u>	\$ <u>93,870</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, 2020

	2020	2019
<b>ASSETS</b>		
Cash	\$ 12,177	\$ 7,040
Investments	<u>13,341</u>	<u>19,408</u>
	<u>\$ 25,518</u>	<u>\$ 26,448</u>
<b>LIABILITIES</b>		
Trust fund balance, end of year	<u>\$ 25,518</u>	<u>\$ 26,448</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, 2020

	2020	2019
<b>BALANCE, beginning of year</b>	\$ 26,448	\$ 20,004
Investment income (net)	78	149
Capital receipts	<u>0</u>	<u>6,295</u>
<b>TRANSFER TO CURRENT FUND</b>	<u>(1,008)</u>	<u>0</u>
<b>BALANCE, end of year</b>	<u>\$ 25,518</u>	<u>\$ 26,448</u>

**THE CORPORATION OF THE TOWN OF GRAND VALLEY - TRUST FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the 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.