
County of Wellington
Financial Statements
For the year ended December 31, 2015

County of Wellington
Index to Financial Statements
For the year ended December 31, 2015

Consolidated Financial Statements

Independent Auditors' Report	
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations	2
Consolidated Statement of Changes in Net Financial Assets	3
Consolidated Statement of Cash Flows	4
Notes to the Financial Statements	5-22

Trust Fund Financial Statements

Independent Auditors' Report	
Statements of Financial Position and Operations	25
Notes to the Financial Statements	26



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County of Wellington Independent Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Wellington:

We have audited the accompanying consolidated financial statements of the Corporation of the County of Wellington, which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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



Page 2

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the County of Wellington as at December 31, 2015, and its consolidated results of operations, and its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

May 26, 2016
Waterloo, Canada

County of Wellington**Consolidated Statement of Financial Position****As at December 31**

	2015	2014
	\$	\$
Assets		
Financial Assets		
Cash and Short-Term Investments (Note 3)	30,647,162	34,077,894
Accounts Receivable	5,531,559	5,433,824
Long-Term Investments (Note 3)	63,631,067	61,095,731
Loans Receivable (Note 4)	259,589	378,875
Total Financial Assets	100,069,377	100,986,324
Liabilities		
Accounts Payable and Accrued Liabilities	14,778,921	18,362,987
Deferred Revenue (Note 5)	6,884,523	7,955,562
Landfill Site Closure & Post Closure Liability (Note 6)	9,752,344	9,226,319
Post-Employment/Retirement Liability (Note 7)	2,050,762	2,015,142
WSIB Liability (Note 8)	1,405,210	1,448,036
Net Long-Term Liabilities (Note 9)	31,316,642	34,533,445
Total Liabilities	66,188,402	73,541,491
Net Financial Assets	33,880,975	27,444,833
Non-Financial Assets		
Tangible Capital Assets (Note 10)	385,395,063	382,176,695
Inventories of Supplies	884,946	729,083
Prepaid Expenses	2,730,057	1,521,405
Total Non Financial Assets	389,010,066	384,427,183
Accumulated Surplus (Note 11)	422,891,041	411,872,016

County of Wellington
Consolidated Statement of Operations
For the year ended December 31

	Budget	2015	2014
	\$	\$	\$
	(Note 19)		
Revenues			
Taxation (Note 12)	85,204,500	85,415,402	81,623,864
Government Transfers			
Provincial (Note 13)	53,573,711	56,850,089	53,510,314
Federal (Note 13)	7,261,700	6,172,174	6,951,452
Municipal	27,382,800	24,632,718	24,552,275
Fees and Service Charges	9,163,300	9,658,152	7,670,274
Licences, Permits, Rent	7,012,000	7,270,837	7,010,965
Interest, Donations, Other	2,913,900	2,718,631	2,934,177
Development Charges Earned	153,000	2,833,144	842,579
Total Revenues	192,664,911	195,551,147	185,095,900
Expenses			
General Government	14,325,500	15,110,197	14,789,705
Protection to Persons & Property	17,787,800	18,562,498	19,542,367
Transportation Services	11,123,700	28,361,537	24,875,453
Environmental Services	7,838,800	8,068,797	9,755,331
Health Services	11,712,531	11,990,391	11,698,465
Social Housing	33,054,100	32,757,643	31,479,851
Social and Family Services	53,692,200	57,801,752	54,539,062
Library	5,682,100	6,734,062	6,092,579
Museum	1,906,700	2,003,801	1,856,996
Planning and Development	3,325,900	3,141,444	2,892,434
Total Expenses	160,449,331	184,532,122	177,522,243
Annual Surplus	32,215,580	11,019,025	7,573,657
Accumulated Surplus, Beginning of Year		411,872,016	404,298,359
Accumulated Surplus, End of Year		422,891,041	411,872,016

County of Wellington
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31

	Budget	2015	2014
	\$	\$	\$
	(Note 19)		
Annual Surplus	32,215,580	11,019,025	7,573,657
Acquisition of Tangible Capital Assets	(26,948,000)	(24,976,854)	(31,576,099)
Amortization of Tangible Capital Assets	-	21,011,076	20,505,664
Loss on Disposal of Tangible Capital Assets	-	256,808	1,366,176
Proceeds on Sale of Tangible Capital Assets	-	490,602	382,835
	<u>5,267,580</u>	<u>7,800,657</u>	<u>(1,747,767)</u>
Acquisition of Inventories of Supplies	-	(884,946)	(729,083)
Acquisition of Prepaid Expenses	-	(2,730,057)	(1,521,405)
Consumption of Inventories of Supplies	-	729,083	505,388
Use of Prepaid Expenses	-	1,521,405	1,985,197
	<u>5,267,580</u>	<u>6,436,142</u>	<u>(1,507,670)</u>
Change in Net Financial Assets			
Net Financial Assets, Beginning of Year	<u>27,444,833</u>	<u>27,444,833</u>	<u>28,952,503</u>
Net Financial Assets, End of Year	<u>32,712,413</u>	<u>33,880,975</u>	<u>27,444,833</u>

County of Wellington Consolidated Statement of Cash Flows

For the year ended December 31	2015	2014
	\$	\$
Cash Provided By (Used In):		
Operating Activities:		
Annual Surplus	11,019,025	7,573,657
Items Not Involving Cash:		
Amortization	21,011,076	20,505,664
Loss on Disposal of Tangible Capital Assets	256,808	1,366,176
Contributed Tangible Capital Assets	(100,000)	-
Change in Post Employment/Retirement Liability	35,620	(872,304)
Change in WSIB Liability	(42,826)	12,915
Change in Landfill Liability	526,025	1,229,293
Change in Non-Cash Assets and Liabilities:		
Accounts Receivable	(97,735)	1,548,912
Accounts Payable and Accrued Liabilities	(3,584,066)	(1,279,932)
Deferred Revenue	(1,071,039)	(720,457)
Inventories of Supplies	(155,863)	(223,695)
Prepaid Expenses	(1,208,652)	(472,214)
Net Change in Cash from Operating Activities	26,588,373	28,668,015
Capital Activities:		
Proceeds on Sale of Tangible Capital Assets	490,602	382,835
Cash Used to Acquire Tangible Capital Assets	(24,876,854)	(31,576,099)
Net Change in Cash from Capital Activities	(24,386,252)	(31,193,264)
Investing Activities:		
Change in Loan Receivable	119,286	102,193
Change in Long-Term Investments	(2,535,336)	5,000,445
Net Change in Cash from Investing Activities	(2,416,050)	5,102,638
Financing Activities:		
Long-Term debt repaid	(3,216,803)	(3,087,449)
Net Change in Cash from Financing Activities	(3,216,803)	(3,087,449)
Net Change in Cash and Short-Term Investments	(3,430,732)	(510,060)
Cash and Short-Term Investments, Beginning of Year	34,077,894	34,587,954
Cash and Short-Term Investments, End of Year	30,647,162	34,077,894

Notes to the Financial Statements For the Year Ended December 31, 2015

The County of Wellington (the County) is an upper-tier municipality in the Province of Ontario, Canada. The County is comprised of seven member municipalities: the Towns of Erin and Minto, and the Townships of Centre Wellington, Guelph/Eramosa, Mapleton, Puslinch and Wellington North.

1. ACCOUNTING POLICIES

The consolidated financial statements of the County of Wellington are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the County are as follows:

a) Basis of Consolidation

(i) Consolidated Entities

These consolidated statements include the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

Wellington County Police Services Board

Wellington County Public Library Board

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

Under PSAB standards, the County reports only its share of assets, liabilities and results of operations of any government partnerships in which it participates. The County participates in the Wellington-Dufferin-Guelph Health Unit to the extent of 32.7% (2014 – 32.7%) based on population, as stated in the agreement with the other participants, the City of Guelph and the County of Dufferin.

(ii) Trust Funds

Trust funds and their related operations administered by the County are not consolidated, but are reported separately on the Trust Funds Statements of Financial Position and Operations.

b) Basis of Accounting

(i) Accrual Basis of Accounting

The County follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(ii) Investments

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

(iii) Deferred Revenue

In accordance with PSAB requirements obligatory reserve funds are reported as a component of deferred revenue. The County has obligatory development charge reserve funds in the amount of \$2,777,225 (2014 - \$4,044,389). These funds have been set aside, as required by the Development Charges Act, to finance a portion of the cost of growth-related capital projects. Revenue recognition occurs after the funds have been collected and when the County has incurred the expenditures for the capital works for which the development charges were raised (Note 5).

Unexpended funds of \$3,721,401 (2014 - \$3,529,424) received by the County under the Federal Gas Tax Revenue Transfer are reported as deferred revenue and will be recognized as revenue in the fiscal year in which the eligible expenditures are incurred (Note 5)

(iv) Taxation

Under PS3510, taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred (Note 12).

(v) Government Transfers

Under PS3410, government transfers received relate to social services, police, health and cultural programs. 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, any eligibility criteria have been met, and reasonable estimates of the amounts can be made (Note 13).

(vi) Adoption of New Accounting Policy

The County adopted Public Sector Accounting Board Standard PS 3260 Liability for Contaminated Sites effective January 1, 2015. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material of live organism that exceeds an environment standard. This Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The County adopted this standard on a prospective basis and there were no adjustments as a result of the adoption of this standard.

(vii) Use of Estimates

The preparation of financial statements 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 period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, landfill closure and post-closure liability, actuarial valuations of employee future benefits, and the historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

c) Physical Assets

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, is amortized on a straight line basis over their estimated useful lives as follows:

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

Major Asset Classification	Component Breakdown	Useful Life - Years
Land		N/A
Landfill Sites		N/A - Based on usage
Buildings	Structure	15 to 50
	Exterior	20 to 40
	Interior	15 to 40
	Site Elements	10 to 30
	Leasehold Improvements	Lease Term
Infrastructure	Roads and Parking Lots - Asphalt	20
	Roads and Parking Lots - Gravel	10
	Roads - Base	50
	Bridges - Surface	20
	Bridges and Culverts - Structure	50
	Traffic Signals, Street Signs, Outdoor Lighting	20
Vehicles & Machinery	Licensed Equipment	7
	Unlicensed Equipment	15
Furniture & Fixtures		15
Technology & Communications		5
Library Books		5

Landfill sites are amortized using the units of production method based upon capacity used during the year.

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 and are also recorded as revenue.

In 2015 the County recognized the contribution of land for the Hillsburgh Library in the amount of \$100,000. The market value of the land was appraised at \$359,451 and the County paid the landowner \$259,451.

(iii) Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements. The County's art collection includes approximately 1,100 pieces, either created by a significant Wellington County artist and/or depicting Wellington County subject matter. The Museum's collection contains over 18,000 artifacts. The Archive's collection contains over 80,000 documents, photographs, and microfilm. Both collections relate to the history of Wellington County, and are fully catalogued with appraised values in the County's collections database. The collection is maintained and stored at the Wellington County Museum & Archives as per Provincial Standards for Ontario Museums.

(iv) Interest Capitalization

Borrowing costs incurred as a result of the acquisition, construction and production of an asset that takes a substantial period of time to prepare for its intended use are capitalized as part of the cost of the asset.

Capitalization of interest costs commences when the expenses are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalization is suspended during periods in which active development is interrupted. Capitalization ceases when substantially all of the activities necessary to prepare the asset for its intended use are complete. If only minor modifications are

Notes to the Financial Statements For the Year Ended December 31, 2015

outstanding, this indicates that substantially all of the activities are complete.

The capitalized interest costs associated with the acquisition or construction of tangible capital assets during the year was \$nil (2014 - \$nil).

(v) Leased Tangible Capital Assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are expensed as incurred.

(vi) Inventories of Supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(vii) Tangible Capital Assets recorded at Nominal Value

Under PS 3150.42 the County has no assets recorded at nominal value.

2. TRUST FUNDS

Trust funds administered by the County amounting to \$144,096 (2014 - \$110,045) have not been included in the Consolidated Statement of Financial Position, nor have their operations been included in the Consolidated Statement of Financial Activities.

3. CASH AND INVESTMENTS

Total cash and short-term investments of \$30,647,162 (2014 - \$34,077,894) are reported on the Consolidated Statement of Financial Position at cost and have a market value of \$30,647,162 (2014 - \$34,077,894) at the end of the year.

Total long-term investments of \$63,631,067 (2014 - \$61,095,731) are reported on the Consolidated Statement of Financial Position at cost and have a market value of \$67,797,237 (2014 - \$65,176,505).

At December 31, 2015 the County had undrawn credit capacity under a credit facility of \$5,000,000. Interest on the credit facility is at prime less 0.75%.

4. LOANS RECEIVABLE

(i) Cost Sharing Agreements with the Township of Centre Wellington

In 2010 the County entered into a cost sharing agreement with the Township of Centre Wellington and Groves Memorial Hospital to fund three phases of a Community Planning Area Subwatershed Study. The County funds the work upfront and is repaid by the Township at 54% and the Hospital at 6%. In 2011 phase 1 was completed and in 2012 phase 2 was completed. The Township will repay the County over 10 years from year of completion and the Hospital will repay the County through the Township at the time of building permit issuance. The amount to be repaid to the County as at December 31, 2015 was \$118,830 (2014 - \$247,591).

In 2015, the County and Centre Wellington agreed to share soil remediation costs for the Fergus Library Expansion Project. The land, originally owned by Centre Wellington was remediated by the County upfront and will be repaid by the Township at 60%. The Township will repay the County over ten years starting in 2016. Details of the repayment schedule are currently under negotiation. The amount to be repaid to the County as at December 31, 2015 was \$140,759 (2014 - \$131,284).

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

5. DEFERRED REVENUE

Deferred revenue, which is reported on the Consolidated Statement of Financial Position, is further analyzed as follows:

	2015	2014
	\$	\$
Federal Gas Tax	3,721,401	3,529,424
Development Charges	2,777,225	4,044,389
Deferred Capital Grants	-	-
Deferred Operating Grants	211,951	275,548
Other	173,946	106,201
	6,884,523	7,955,562
	2015	2014
Balance, Beginning of Year		
Federal Gas Tax	3,529,424	4,102,460
Development Charges	4,044,389	3,610,181
Deferred Capital Grants	-	-
Deferred Operating Grants	275,548	263,083
Other	106,201	700,295
	7,955,562	8,676,019
Amounts Received		
Federal Gas Tax	2,509,624	2,579,679
Development Charges	1,436,185	1,144,358
Deferred Capital Grants	-	-
Deferred Operating Grants	338,005	56,334
Other	90,193	86,328
Interest Earned	248,561	277,248
	4,622,568	4,143,947
Contributions Used	(5,693,607)	(4,864,404)
Balance, End of Year	6,884,523	7,955,562

6. LANDFILL SITE CLOSURE AND POST-CLOSURE LIABILITY

The County is responsible for all aspects of solid waste management. As of December 31, 2015 there were 16 closed landfill sites (of which 5 locations were operating as transfer stations) and 1 active landfill site. The total estimated expenditure (on a discounted basis) for closure and post-closure care as of December 31, 2015 is \$10,487,363 (2014- \$9,936,672). The amount reported on the Consolidated Statement of Financial Position as of December 31, 2015 is \$9,752,344 (2014 - \$9,226,319 and the amount remaining to be recognized is \$735,019 (2014 - \$710,353).

Closure costs include final cover and vegetation, drainage control features, leachate control and monitoring systems, water quality monitoring systems, gas monitoring and recovery, land acquisition, site remediation, and site closure reports. Post-closure costs include leachate monitoring and treatment, water quality monitoring, gas monitoring and recovery, ongoing maintenance and annual reports. The discounted cash flow analysis is based on the estimated costs for each of these items over a 25 year period using a long term borrowing rate of 3.51% (2014 – 3.85%).

The liability for closure and post closure care is recognized as the capacity of each site is used. For any closed sites, 100% of the liability is recognized. A total of 92.99% (2014 – 92.85%) of the liability is recognized and reported, which represents the estimated weighted average capacity used to December 31, 2015. It is estimated that sufficient landfill site capacity exists for approximately 30

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

years.

Of the \$9,752,344 (2014 - \$9,226,319) recognized as a liability, \$4,209,406 (2014 - \$4,178,433) is included on the Consolidated Statement of Financial Position as a reduction to budgetary accumulated surplus and will be recovered from future general municipal revenues and \$5,542,938 (2014 - \$5,047,886) is shown as an amount to be recovered from reserve funds (see note 11).

7. POST-EMPLOYMENT / RETIREMENT LIABILITY

Post-employment benefits include a provision to pay 90% of the premium cost for retired non-union full-time employees, 100% of the premium cost for retired union full-time employees and 50% of the premium cost for retired permanent part time employees for dental, extended health care and life insurance benefits for an employee voluntarily electing early retirement until the retired employee's 65th birthday. To be eligible to receive these benefits, the employee must be at least 55 years of age, have a minimum of ten years of continuous service with the County at the time of retirement and be in receipt of an OMERS pension.

In 2014, unionized employees agreed to a payout of the sick leave accumulation plan in the amount of \$908,792. This amount was funded from reserve funds and no remaining liability has been recognized. At the time employees were given the option to retain up to a maximum of 175 hours of sick time not eligible for payout and at December 31, 2015 the outstanding balance of sick hours was 2,070 hours (2014 - 2,727 hours).

The present value of these benefit obligations at December 31, 2015 was estimated from an actuarial review completed in December 2015. The review calculated the benefit obligations using an accrued benefit obligation methodology, which recognizes the accrued benefit over the employees' working lifetime.

Benefit	Number of Employees Entitled to Benefit as at December 31, 2015	Liability as at December 31, 2015	Liability as at December 31, 2014
		\$	\$
Dental	46	361,740	356,433
Extended Health Care	45	1,159,838	1,145,027
Life Insurance	44	100,573	121,859
County of Wellington Total		1,622,151	1,623,319
Wellington-Dufferin-Guelph Public Health Unit		428,611	391,823
Consolidated Total		2,050,762	2,015,142

Information about the County's benefit plan is as follows:

	2015	2014
	\$	\$
Accrued Benefit Obligation:		
Balance, beginning of year	2,250,523	3,304,297
Current benefit cost	82,490	88,698
Interest	98,768	88,824
Benefits paid	(235,153)	(1,106,998)
Actuarial loss	(94,860)	(124,298)
Balance, end of year	2,101,768	2,250,523
Unamortized actuarial loss	(479,617)	(627,204)
Liability for benefits	1,622,151	1,623,319
Wellington-Dufferin-Guelph Public Health Unit	428,611	391,823
Consolidated Total	2,050,762	2,015,142

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

Included in expenses is \$52,727 (2014 - \$59,051) for amortization of the actuarial loss. The unamortized actuarial loss is amortized over the expected average remaining service life as listed below:

Retiree Benefits 15 years

The main actuarial assumptions employed for the valuation are as follows:

- (i) Interest (discount rate):
The present value of future liabilities and the expense for the 12 months ended December 31, 2015 were determined using a discount rate of 4.75%.
- (ii) Medical costs:
Medical costs were assumed to increase at the rate of 4.67% for 2016 vs. 2015 reducing by .33% per year to 4% per year in 2018 vs. 2017.
- (iii) Dental costs:
Dental costs were assumed to increase at the rate of 4.0% per year.

8. WORKPLACE SAFETY AND INSURANCE

The County is a Schedule II (self-insured) employer with the Workplace Safety and Insurance Board (WSIB). Payments made to the WSIB in 2015 resulting from approved claims were \$14,325 (2014 - \$85,875) and are reported as a liability transaction on the Consolidated Statement of Financial Position. The WSIB liability has been established based on an actuarial evaluation completed in December 2015. The evaluation is updated every four years. As WSIB benefits are a compensated absence, PSAB Section PS 3250 requires full recognition of liabilities associated with workplace injuries that occurred on or before the valuation date. The amount reported on the Consolidated Statement of Financial Position as a liability is \$1,405,210 (2014 - \$1,448,036).

Information about the WSIB liability is as follows:

	2015	2014
	\$	\$
Accrued Benefit Obligation:		
Balance, beginning of year	1,233,272	1,182,202
Current benefit cost	120,163	194,696
Interest	36,175	47,362
Expected benefit payments	(122,939)	(190,988)
Expected accrued benefit obligation, end of year	1,266,671	1,233,272
Actual accrued benefit obligation, end of year	885,970	1,233,272
Unamortized actuarial gain	519,240	214,764
WSIB Liability	1,405,210	1,448,036

Included as a reduction in expenses is \$76,225 (2014 – \$38,155) for amortization of the actuarial gain. The unamortized actuarial gain on future payments required to WSIB is amortized over the expected period of the liability which is 10 years.

The main actuarial assumptions employed for the valuation are as follows:

- (i) Interest (discount rate):

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

The present value of future liabilities and the expense for the 12 months ended December 31, 2015 were determined using a discount rate of 4.25%

(ii) Administration costs:

Administration costs were assumed to be 36.0% of the compensation expense

(iii) Compensation expense:

Compensation costs, which include loss of earnings benefits, health care costs and non-economic loss awards, were assumed to increase at rates ranging from 0.5% to 6.0% depending on the benefit type.

The County purchases two forms of insurance to limit exposure in the event of a significant work-related accident resulting in a death or permanent disability. Occupational Accident Insurance coverage provides a one-time fixed payment of \$500,000 per incident. Excess indemnity insurance is in place to a maximum of \$10,000,000 with a \$500,000 retention.

9. NET LONG-TERM LIABILITIES

Provincial legislation restricts the use of long-term liabilities to financing capital expenditures, and also authorizes the County to issue long-term debt for both County and Local purposes, with the latter at the request of the Local Municipality. The responsibility for raising the amounts required to service these liabilities rests with the County and such Local Municipalities for which the debt was issued.

Long-term liabilities outstanding for County purposes (2015 – \$31,316,642, 2014 - \$34,533,445) are direct, unsecured and unsubordinated obligations of the County. Long-term liabilities outstanding for Local Municipal purposes (2015 – \$27,126,340, 2014 - \$26,347,588) are direct, unsecured, unsubordinated, joint and several obligations of the County and such Local Municipalities.

(a) The outstanding principal portion of unmatured long term liabilities for municipal expenditures is reported on the Consolidated Statement of Financial Position, under "Net Long-Term Liabilities". Net long-term liabilities reported on the Consolidated Statement of Financial Position are comprised of the following:

	2015	2014
	\$	\$
Long-term liabilities incurred by the County, including those incurred on behalf of member municipalities, and outstanding at the end of the year (Interest rates range from 2.418% - 5.875%)	58,442,982	60,881,033
Long-term liabilities incurred by the County and recoverable from member municipalities	(27,126,340)	(26,347,588)
Net long-term liabilities at the end of the year	31,316,642	34,533,445

(b) Future principal payments for net long-term liabilities are as follows:

	Principal
2016	\$ 3,071,694
2017	3,081,330
2018	3,208,936
2019	3,144,748
2020	2,918,015
Subsequent to 2020	15,891,919
	\$ 31,316,642

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

(c) The long-term liabilities in (a) of this note issued in the name of the County, as well as those pending issues of long-term liabilities and commitments to be financed by revenues beyond the term of Council, have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(d) Total charges for the year for net long-term liabilities are as follows:

	2015	2014
	\$	\$
Principal Payments	3,216,803	3,087,449
Interest	1,512,925	1,642,603
	<u>4,729,728</u>	<u>4,730,052</u>

(e) The charges shown on the previous table are recovered as follows:

	2015	2014
	\$	\$
General Municipal Revenues	4,258,985	4,245,004
Development Charges	470,743	485,048
	<u>4,729,728</u>	<u>4,730,052</u>

(f) Net long-term liabilities are to be recovered are as follows:

	2015	2014
	\$	\$
Net Long-Term Liabilities		
Recovered from General Municipal Revenues	27,817,642	30,685,445
Recovered from Development Charges	3,499,000	3,848,000
	<u>31,316,642</u>	<u>34,533,445</u>

10. TANGIBLE CAPITAL ASSETS

County tangible capital assets are identified by asset type. The cost of tangible capital assets, their accumulated amortization and net book value are disclosed in the following schedule:

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

Cost	December 31, 2014	Additions	Disposals	December 31, 2015
Land	\$ 31,603,968	\$ 359,452	\$ -	\$ 31,963,420
Landfill Sites	1,871,638	-	-	1,871,638
Buildings	138,387,447	6,636,849	(481,810)	144,542,486
Infrastructure				
Roads	304,020,934	9,625,989	(1,028,548)	312,618,375
Bridges	72,742,638	3,374,814	(54,448)	76,063,004
Culverts	17,333,535	766,124	-	18,099,659
Traffic Lights	2,315,958	333,405	-	2,649,363
Trails	-	193,950	-	193,950
Parking Lots	1,093,539	38,050	-	1,131,589
Vehicles & Machinery				
Licensed Equipment	9,258,261	1,838,752	(1,613,226)	9,483,787
Unlicensed Equipment	6,472,663	202,298	-	6,674,961
Furniture & Fixtures	6,159,491	731,101	(319,433)	6,571,159
Technology & Communications	5,222,631	474,392	(303,283)	5,393,740
Library Books	3,085,408	563,282	(727,188)	2,921,502
Public Health	10,353,660	205,638	(40,451)	10,518,847
Capital Work-in Progress	10,905,543	6,981,065	(7,348,307)	10,538,301
Total	\$ 620,827,314	\$ 32,325,161	\$ (11,916,694)	\$ 641,235,781

Accumulated Amortization	December 31, 2014	Disposals	Amortization Expense	December 31, 2015
Land	\$ -	\$ -	\$ -	\$ -
Landfill Sites	(834,814)	-	(29,219)	(864,033)
Buildings	(31,830,467)	232,996	(5,909,688)	(37,507,159)
Infrastructure				
Roads	(142,427,753)	1,011,132	(8,954,292)	(150,370,913)
Bridges	(40,262,561)	54,448	(1,445,626)	(41,653,739)
Culverts	(7,862,319)	-	(444,498)	(8,306,817)
Traffic Lights	(1,678,652)	-	(141,098)	(1,819,750)
Trails	-	-	(2,443)	(2,443)
Parking Lots	(203,559)	-	(101,950)	(305,509)
Vehicles & Machinery				
Licensed Equipment	(3,963,587)	834,907	(1,000,239)	(4,128,919)
Unlicensed Equipment	(1,989,121)	305,427	(502,724)	(2,186,418)
Furniture & Fixtures	(2,687,146)	313,336	(404,478)	(2,778,288)
Technology & Communications	(2,049,872)	301,092	(858,366)	(2,607,146)
Library Books	(1,577,658)	727,188	(613,429)	(1,463,899)
Public Health	(1,283,110)	40,451	(603,026)	(1,845,685)
Total	\$ (238,650,619)	\$ 3,820,977	\$ (21,011,076)	\$ (255,840,718)

Net Book Value	December 31, 2014			December 31, 2015
Land	\$ 31,603,968			\$ 31,963,420
Landfill Sites	1,036,824			1,007,605
Buildings	106,556,980			107,035,327
Infrastructure				
Roads	161,593,181			162,247,462
Bridges	32,480,077			34,409,265
Culverts	9,471,216			9,792,842
Traffic Lights	637,306			829,613
Trails	-			191,507
Parking Lots	889,980			826,080
Vehicles & Machinery				
Licensed Equipment	5,294,674			5,354,868
Unlicensed Equipment	4,483,542			4,488,543
Furniture & Fixtures	3,472,345			3,792,871
Technology & Communications	3,172,759			2,786,594
Library Books	1,507,750			1,457,603
Public Health	9,070,550			8,673,162
Capital Work-in-Progress	10,905,543			10,538,301
Total	\$ 382,176,695			\$ 385,395,063

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

(a) Assets Under Construction

Assets under construction having a value of \$10,538,301 (2014 - \$10,905,543) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Write-Down of Tangible Capital Assets

The write-down of tangible capital assets during the year was \$nil (2014 - \$nil).

11. ACCUMULATED SURPLUS

Accumulated surplus shown on the Consolidated Statement of Financial Position is analyzed below:

As at December 31	2015	2014
	\$	\$
Surplus:		
Invested in Tangible Capital Assets	385,395,063	382,176,695
Invested in Capital Fund	9,287,446	10,012,255
Share of Public Health Unit (Note 15)	2,034,664	1,515,336
Amounts to be Recovered		
From Future Revenues		
Net Long Term Liabilities	(31,316,642)	(34,533,445)
Landfill Liability	(4,209,406)	(4,178,433)
Post Employment Benefits	(2,050,762)	(2,015,142)
From Reserve Funds		
Landfill Liability	(5,542,938)	(5,047,886)
WSIB	(1,405,210)	(1,448,036)
Total Surplus	352,192,215	346,481,344
Reserves set aside by Council for:		
Capital	29,123,717	27,403,015
Contingencies and Stabilization	17,639,354	16,623,428
Equipment Replacement	5,484,060	5,204,957
Hospital Redevelopment	760,000	
Benefit and Insurance	2,590,091	2,395,295
Programme Specific	2,694,139	2,299,509
Total Reserves	58,291,361	53,926,204
Reserve Funds set aside for specific purposes by Council for:		
Landfill Closure and Post Closure	5,542,938	5,047,886
Workplace Safety and Insurance	3,291,172	3,279,752
Best Start Programme	619,090	661,760
Housing Development	1,632,913	1,177,083
Federal Housing Projects	982,735	954,737
Museum Donations and Endowments	302,981	288,306
Wellington Terrace Donations	35,636	54,944
Total Reserve Funds	12,407,465	11,464,468
Accumulated Surplus	\$ 422,891,041	\$ 411,872,016

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

12. TAXATION

Under PS3510, taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred.

	2015	2014
	\$	\$
Property Tax Levy	84,523,500	81,125,000
Supplementary & Omitted Taxes	1,642,267	1,165,398
Payment in Lieu of Taxes	590,978	563,842
Other	28,193	28,193
	86,784,938	82,882,433
Less:		
Property Taxes written off as uncollectible	(765,000)	(621,722)
Provision for Assessment at Risk	(604,536)	(636,847)
	(1,369,536)	(1,258,569)
Tax Revenue recognized	\$ 85,415,402	\$ 81,623,864

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

13. PROVINCIAL AND FEDERAL GOVERNMENT TRANSFERS

The government transfers reported on the Consolidated Statement of Operations are:

	2015	2014
	\$	\$
Provincial Grants		
Affordable Housing Construction Funding	206,700	206,400
Community Homelessness Prevention Initiative	3,095,089	2,805,003
Communities in Transition Economic Development	-	32,581
Community Policing Partnership, RIDE, 1000 Officers, Court Security	298,509	266,417
Health Unit – Ministry of Health and Long Term Care	4,943,179	5,625,416
Health Unit – Ministry of Children and Youth Services	802,947	728,466
Investing in Affordable Housing (IAH)	1,240,600	390,500
Library Operating and Pay Equity, Student, Admin Grant	156,546	157,087
Library Capacity Grant	45,917	-
Long Term Care Operating Subsidy	8,463,740	8,188,111
Ministry of Education Funding Childcare	12,448,650	11,197,300
Museum Operating Grant	52,264	52,264
Ontario Community Infrastructure Fund (OCIF)	464,769	59,327
Ontario Municipal Partnership Fund (OMPF)	2,888,800	3,611,000
Ontario Works Administration Subsidy	4,528,700	4,354,000
Ontario Works Benefit Subsidy	15,493,000	13,872,800
Ontario Works Provincial Addictions Funding	109,600	106,300
Strong Communities Rent Supplement	581,200	582,200
Talent Attraction Economic Development	32,714	-
Trans Canada Trail Pan Am Legacy Funds	15,000	135,000
Waste Diversion Ontario, Stewardship Ontario, OTS Tire	696,841	841,685
Other	285,324	298,457
Subtotal provincial grants	\$56,850,089	\$53,510,314
Federal Grants		
Citizenship and Immigration Canada Subsidy	334,327	339,800
Federal Block Funding Housing	3,315,498	3,244,488
Federal Gas Tax	2,436,413	3,297,532
Health Unit - Public Health Agency of Canada	20,735	20,735
Homeless Partnering Strategy	65,201	48,897
Subtotal federal grants	\$6,172,174	\$6,951,452
Total grant revenues	\$63,022,263	\$60,461,766

14. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of its operations, the County is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time.

The County has approved a grant of 20% of eligible costs to a maximum of \$5.0 million for the redevelopment of Groves Memorial Community Hospital (GMCH) in the Township of Centre Wellington. As of December 31, 2015 the sum of \$3,550,782 (2014 - \$3,002,863) has been paid to GMCH, leaving an outstanding commitment of \$1,449,218 (2014 - \$1,997,137).

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

In June 2014 the County approved capital improvement grants for three County hospital foundations; Groves Memorial Community Hospital Foundation, \$5,000,000; the Mount Forest Louise Marshall Hospital Foundation, \$2,200,000; and the Palmerston & District Hospital Foundation \$2,200,000; for a total pledge of \$9,400,000 over the five year period 2015 to 2019. As of December 31, 2015 the sum of \$440,000 (2014 - \$0) has been paid to the Palmerston & District Hospital Foundation, leaving an outstanding commitment of \$1,760,000 (2014 - \$2,200,000). To date no payments have been made to either Groves Memorial Community Hospital Foundation or the Mount Forest Louise Marshall Hospital Foundation.

15. GOVERNMENT PARTNERSHIP

The County of Wellington is a partner in the Wellington-Dufferin-Guelph Health Unit. The County provides 32.7% (2014 - 32.7%) of the municipal funding to the Health Unit for the Cost Shared Mandatory and related programs, and is responsible for a similar share of the assets, liabilities and municipal position of the Health Unit. The County's share of the results of the Health Unit's financial activities for the year and its financial position at year end -have been consolidated in these financial statements. At December 31, 2015, the Health Unit's financial results and financial position are as follows:

	2015	2014
	\$	\$
Financial Assets	7,670,585	6,530,834
Liabilities	(18,780,990)	(19,928,930)
Non-Financial Assets	26,715,268	27,923,289
Accumulated Surplus	15,604,863	14,525,193
Revenues	26,390,003	27,981,906
Expenses	25,310,333	24,828,352
Annual Surplus	1,079,670	3,153,554

The County Share of the Health Unit's assets, liabilities and municipal position are as follows:

	2015	2014
	\$	\$
Share of Health Unit (Note 11)	2,034,664	1,515,336
Long Term Debt	(5,176,425)	(5,444,326)
Post Employment Liability (Note 7)	(428,611)	(391,823)
Invested in Tangible Capital Assets (Note 10)	8,673,162	9,070,551
Accumulated Surplus	5,102,790	4,749,738

On December 19, 2012, The County entered into a Financing Agreement with the Wellington-Dufferin-Guelph Public Health Unit, the County of Dufferin and the City of Guelph, to finance the County portion of the cost of building the two new facilities at Chancellors Way, Guelph, and Broadway, Orangeville. The Financing Agreement allows for quarterly advances of capital by the County of Wellington to Public Health beginning in January 2013, until the completion of the new facilities. The total amount of the advances from all obligated municipalities will not exceed \$24,400,000 and based on 2011 Census population information, the County of Wellington's obligation is 32.7% or \$8,000,000. The interest rate on the loan repayment from the Health Unit to the County will be 3.34% per annum, and the term and amortization of the loan will be twenty years. Repayment will commence thirty days following certification by the project's architect of substantial completion of both facilities. The whole or any part of the capital financing under this agreement may be prepaid at any time without penalty or bonus. At December 31, 2015 the balance of the loan receivable is \$5,176,425 (2014 - \$5,444,326)

16. PUBLIC LIABILITY INSURANCE

The County has a comprehensive program of risk identification, evaluation and control to minimize the risk of injury to its employees and third parties and to minimize the risk of damage to its property and the property of others.

The County's purchased general liability insurance policy is \$25,000,000 per occurrence with no aggregate. The environmental liability policy is the maximum that can be purchased at \$3,000,000 per occurrence with an aggregate of \$5,000,000. The County's licensed fleet is insured with liability coverage of \$25,000,000. The deductible (self-insurance) is \$10,000 on fleet policies and \$50,000 on property and liability. The County also carries a legal expense reimbursement policy that covers 100% of legal fees to a maximum of \$100,000 per claim with an annual aggregate of \$250,000.

Based on claims received to December 31, 2015, the maximum deductible exposure to the County is estimated at \$402,000. These claims have not been accrued in the Financial Statements because the outcome of these claims is not known and the loss will be accounted for in the period in which the loss, if any, becomes known with certainty. For claims not covered by purchased insurance, the County has established a reserve, which as at December 31, 2015 totaled \$378,889 (2014 - \$396,183).

17. PENSION AGREEMENTS

The County makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of approximately 642 (2014 - 589) members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay.

Contributions of employees with a normal retirement age of 65 were being made at a rate of 9.0% for earnings up to the yearly maximum pensionable earnings of \$53,600 at a rate of 14.6%.

The County's contribution to OMERS for 2015 was \$3,600,321 (2014 - \$3,216,956) for current service and past service costs and is included as an expense on the Consolidated Statement of Operations. Employee contribution to OMERS in 2015 was \$3,600,321 (2014 - \$3,216,956).

As per PSAB 3250.111, the County of Wellington is current with all payments to OMERS, therefore, there is neither a surplus or deficit with the County's pension plan contributions.

As at December 31, 2015, the OMERS Primary Plan had a funded ratio of assets to pension obligations of 91.5% (2014 - 90.8%). The OMERS pension plan reduced the funding deficit by \$0.1 billion to \$7.0 billion (2014 - \$7.1 billion).

18. SOCIAL HOUSING PROPERTIES

The County has title to the 1189 Social Housing units of the former Wellington-Guelph Housing Authority. The units are located in the City of Guelph and throughout the County. The related debt on these units remains with the Province of Ontario. Of the \$3,315,499 (2014 - \$3,254,922) in federal government subsidies provided to the County for social housing, \$1,036,048 (2014 - \$1,073,009) is retained by the province to fund the associated debt servicing costs.

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

19. BUDGET DATA

The budget data presented in these consolidated financial statements is based upon the 2015 operating and capital budgets approved by Council on January 30, 2015 and 2015 capital budget amendments in the amount of \$1,760,000 (2014 - \$1,883,000) approved by Council throughout 2015. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	2015 Budget
	\$
Revenues	
Operating Budget	186,732,500
Capital Budget	26,948,000
Health Unit Budget	5,706,011
Less:	
Transfers from other funds	(20,414,300)
New debt financing	-
Internal Recoveries	(6,307,300)
Total Revenues	<u>192,664,911</u>
Expenses	
Operating Budget	186,732,500
Capital Budget	26,948,000
Health Unit Budget	5,710,031
Less:	
Transfer to other funds	(22,558,500)
Capital Expenses	(26,892,000)
Debt principal payments	(3,209,500)
Internal Charges	(6,281,200)
Total Expenses	<u>160,449,331</u>
Annual Surplus	<u>32,215,580</u>

20. COMPARATIVE FIGURES

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

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

21. SEGMENTED INFORMATION

The County of Wellington is a diversified municipal government institution that is responsible for ensuring the provision of a wide range of services to its citizens, including police, roads, solid waste services, ambulance, public health, child care, social housing, Ontario Works, homes for the aged, museum, library and planning.

County services are provided by departments and their activities are reported in the Consolidated Statement of Operations. Certain departments have been separately disclosed in the segmented information in the following schedule.

2015											
	General Government	Protection	Transportation Services	Environmental Services	Health Services	Social Housing	Social and Family Services	Library	Museum	Planning & Development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues											
Taxation	8,368,402	17,505,200	20,680,600	4,439,800	6,460,500	4,759,300	10,299,500	7,960,400	1,940,200	3,001,500	85,415,402
Grants and Subsidies	2,934,404	298,509	2,901,182	696,840	5,766,861	8,736,967	41,378,141	202,463	52,264	54,632	63,022,263
Municipal Revenue	5,000	268,719	3,236,887		64,942	15,261,397	5,731,163	25,447		39,163	24,632,718
Fees & Service Charges	1,088,146	148,377	214,417	3,271,437		(166,039)	4,634,371	102,168	75,748	289,527	9,658,152
Licences, Permits, Rents	1,054,888	163,035		12,887		5,950,892		44,820	44,315	-	7,270,837
Interest, Donations, Other	2,447,846	1,848			21,011	15,744	74,248	104,946	6,200	46,788	2,718,631
Development Charges	182,011	129,758	2,201,574		32,329		37,154	248,644		1,674	2,833,144
Total Revenues	16,080,697	18,515,446	29,234,660	8,420,964	12,345,643	34,558,261	62,154,577	8,688,888	2,118,727	3,433,284	195,551,147
Expenses											
Salaries and Benefits	7,492,609	449,690	5,071,878	2,140,374	3,786,416	3,514,446	24,208,136	3,705,435	1,378,436	2,084,833	53,832,253
Goods and Services	5,304,901	737,051	10,687,291	5,502,094	1,605,331	7,621,810	3,231,166	1,410,307	435,167	391,798	36,926,916
Transfer Payments	447,600	16,427,558			5,859,478	18,469,517	28,188,854			599,315	69,992,322
Insurance and Interest	587,052	160,612	354,839	138,680	136,140	347,326	873,582	144,709	17,497	9,118	2,769,555
Amortization	1,278,035	787,587	12,247,529	287,649	603,026	2,804,544	1,300,014	1,473,611	172,701	56,380	21,011,076
Total Expenses	15,110,197	18,562,498	28,361,537	8,068,797	11,990,391	32,757,643	57,801,752	6,734,062	2,003,801	3,141,444	184,532,122

**Notes to the Financial Statements
For the Year Ended December 31, 2015**

2014											
	General Government	Protection	Transportation Services	Environmental Services	Health Services	Social Housing	Social and Family Services	Library	Museum	Planning & Development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues											
Taxation	5,903,164	18,541,000	19,090,000	4,811,800	6,071,400	5,226,700	10,027,700	7,208,300	1,761,700	2,982,100	81,623,864
Grants and Subsidies	3,652,484	266,416	3,356,859	841,687	6,374,617	7,542,952	38,058,283	157,087	52,264	159,117	60,461,766
Municipal Revenue	17,500	501,631	2,041,674		211,804	15,032,553	6,682,665	29,760		34,688	24,552,275
Fees & Service Charges	629,646	42,468	219,110	3,158,283	(19,225)	(281,903)	3,497,051	94,955	66,986	262,903	7,670,274
Licences, Permits, Rents	1,051,273	165,483		12,887		5,711,161		35,391	34,770		7,010,965
Interest, Donations, Other	2,648,921	62			176,617	2,009	91,387	5,545	4,603	5,033	2,934,177
Development Charges	2,994	103,455	480,087		25,855		29,899	200,289			842,579
Total Revenues	13,905,982	19,620,515	25,187,730	8,824,657	12,841,068	33,233,472	58,386,985	7,731,327	1,920,323	3,443,841	185,095,900
Expenses											
Salaries and Benefits	7,080,036	406,200	4,771,918	2,259,386	6,179,483	3,297,381	22,910,069	3,426,684	1,298,544	1,903,759	53,533,460
Goods and Services	4,721,119	667,316	8,057,123	5,594,155	1,884,864	6,998,960	3,319,726	1,075,560	396,750	348,851	33,064,424
Transfer Payments	480,350	17,586,736			3,174,651	18,235,359	26,184,337		3,875	578,581	66,243,889
Insurance and Interest	683,505	186,895	246,293	1,577,362	38,841	321,111	933,763	161,041	17,410	8,585	4,174,806
Amortization	1,824,695	695,220	11,800,119	324,428	420,626	2,627,040	1,191,167	1,429,294	140,417	52,658	20,505,664
Total Expenses	14,789,705	19,542,367	24,875,453	9,755,331	11,698,465	31,479,851	54,539,062	6,092,579	1,856,996	2,892,434	177,522,243



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County of Wellington Independent Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Wellington:

We have audited the accompanying financial statements of the Trust Funds of The Corporation of the County of Wellington ("the Entity"), which comprise the financial position as at December 31, 2015 and the statement of operations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditors' Responsibility

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

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



Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion, except as explained in the following paragraph.

In common with many such organizations, the Entity derives certain of its revenue from sundry sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Entity and we were not able to determine whether any adjustment might be necessary to such revenues, excess of revenues over expenditures, assets or fund balances.

Opinion

In our opinion, except for the above-mentioned limitation on the scope examination, the financial statements present fairly, in all material respects, the financial position of the Trust Funds of The Corporation of the County of Wellington as at December 31, 2015, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small arrowhead pointing to the right.

Chartered Professional Accountants, Licensed Public Accountants

May 26, 2016
Waterloo, Canada

County of Wellington
Trust Funds – Statement of Financial Position
As at December 31, 2015

	Comfort Money	County Wellness Centre	Safe Communities	2015	2014
	\$	\$	\$	\$	\$
Financial Assets					
Cash and Bank	43,142	53,427	47,527	144,096	110,045
Liabilities					
Balance	43,142	53,427	47,527	144,096	110,045

County of Wellington
Trust Funds - Statement of Operations
For the year ended December 31, 2015

	Comfort Money	County Wellness Centre	Safe Communities	2015	2014
	\$	\$	\$	\$	\$
Balance at the beginning of the year	42,447	33,622	33,976	110,045	73,780
Source of Funds:					
Deposits	198,917	48,757	26,569	274,243	293,124
Use of Funds					
Withdrawals	198,222	28,952	13,018	240,192	256,859
Balance at the end of the year	43,142	53,427	47,527	144,096	110,045

The accompanying notes are an integral part of these financial statements

1. ACCOUNTING POLICIES

These trust funds have not been consolidated with the financial statements of the County of Wellington (the "County").

These financial statements reflect the financial activity and financial position of funds held in trust by the County for residents of the Wellington Terrace Home for the Aged (Comfort Money), for County staff who are the members of the County Wellness Centre and for the Wellington County Safe Communities Committee.

In October 2012 the Safe Communities Trust fund was established. These funds are held in trust by the County for use by the Wellington County Safe Communities Committee.

Funds held in trust are maintained in separate bank accounts by the County on behalf of the Terrace residents and Safe Communities Committee. Net County Wellness Centre membership proceeds are maintained in the County's general bank account. Interest is credited to the funds and allocated to the Terrace residents, County Wellness Centre members and Wellington County Safe Communities Committee on the basis of their individual balances in the fund.