

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
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YEAR ENDED DECEMBER 31, 2014

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Chartered Accountants
and Business Advisors

People Count.

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of East Garafraxa

We have audited the accompanying financial statements of the Corporation of the Township of East Garafraxa, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's 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 the 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.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of East Garafraxa as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Guelph, Ontario
June 9, 2015

Chartered Professional Accountants
Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash	\$ 2,102,531	\$ 1,494,703
Taxes receivable	735,190	745,573
Accounts receivable	<u>127,833</u>	<u>172,996</u>
	<u>2,965,554</u>	<u>2,413,272</u>
LIABILITIES		
Accounts payable and accrued liabilities	816,238	406,901
Deferred revenue (schedule 3)	<u>554,092</u>	<u>299,764</u>
	<u>1,370,330</u>	<u>706,665</u>
NET FINANCIAL ASSETS	<u>1,595,224</u>	<u>1,706,607</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	12,712,449	12,730,654
Inventory	<u>4,220,057</u>	<u>4,253,581</u>
	<u>16,932,506</u>	<u>16,984,235</u>
ACCUMULATED SURPLUS (schedule 4)	<u>\$ 18,527,730</u>	<u>\$ 18,690,842</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 Budget (note 2)	2014 Actual	2013 Actual
REVENUE			
Taxation revenue	\$ 1,888,895	\$ 1,863,038	\$ 1,866,677
Taxation from other governments	10,500	10,469	10,469
Fees and user charges	177,760	176,769	221,938
Sewer and water service charges	47,565	39,679	26,048
Ontario grants	303,105	282,694	377,875
Other income (note 3)	116,000	149,147	115,052
Obligatory reserve fund revenue recognized (schedule 3)	77,000	77,000	271,000
Loss on disposal of tangible capital assets	<u>0</u>	<u>(36,908)</u>	<u>(1,569)</u>
	<u>2,620,825</u>	<u>2,561,888</u>	<u>2,887,490</u>
EXPENSES (schedule 1)			
General government	502,557	507,219	457,028
Protection services	506,583	452,368	494,070
Transportation services	1,543,681	1,452,154	1,389,384
Environmental services	38,764	38,054	43,988
Health services	13,700	11,611	11,341
Recreation services	124,425	143,630	167,881
Planning and development	<u>144,215</u>	<u>125,343</u>	<u>90,665</u>
	<u>2,873,925</u>	<u>2,730,379</u>	<u>2,654,357</u>
NET REVENUE for the year	<u>(253,100)</u>	<u>(168,491)</u>	<u>233,133</u>
Change in amounts to be recovered			
Change in capital outlay to be recovered in future years	<u>0</u>	<u>5,379</u>	<u>5,246</u>
ANNUAL (DEFICIT) SURPLUS	<u>\$ (253,100)</u>	(163,112)	238,379
ACCUMULATED SURPLUS, beginning of year		<u>18,690,842</u>	<u>18,452,463</u>
ACCUMULATED SURPLUS, end of year		<u>\$ 18,527,730</u>	<u>\$ 18,690,842</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 Budget (note 2)	2014 Actual	2013 Actual
ANNUAL (DEFICIT) SURPLUS	\$ <u>(253,100)</u>	\$ <u>(163,112)</u>	\$ <u>238,379</u>
Acquisition of tangible capital assets	(504,500)	(598,743)	(618,478)
Amortization of tangible capital assets	578,506	579,895	578,506
Loss on disposal of tangible capital assets	0	36,908	1,569
Proceeds on sale of tangible capital assets	0	145	2,600
Consumption of gravel inventory	55,000	33,524	40,000
Use of prepaid expense	<u>0</u>	<u>0</u>	<u>9,362</u>
	<u>129,006</u>	<u>51,729</u>	<u>13,559</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	\$ <u>(124,094)</u>	(111,383)	251,938
NET FINANCIAL ASSETS, beginning of year		<u>1,706,607</u>	<u>1,454,669</u>
NET FINANCIAL ASSETS, end of year		\$ <u>1,595,224</u>	\$ <u>1,706,607</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual (deficit) surplus	\$ (163,112)	\$ 238,379
Items not requiring an outlay of cash		
Amortization of tangible capital assets	579,895	578,506
Loss on disposal of tangible capital assets	36,908	1,569
Consumption of gravel inventory	<u>33,524</u>	<u>40,000</u>
	<u>487,215</u>	<u>858,454</u>
Net changes in non-cash working capital		
Taxes receivable	10,383	34,251
Accounts receivable	45,163	(29,467)
Prepaid expenses	0	9,362
Accounts payable and accrued liabilities	409,337	233,712
Deferred revenue	<u>254,328</u>	<u>(154,718)</u>
	<u>719,211</u>	<u>93,140</u>
	<u>1,206,426</u>	<u>951,594</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(598,743)	(618,478)
Proceeds on disposal of tangible capital assets	<u>145</u>	<u>2,600</u>
	<u>(598,598)</u>	<u>(615,878)</u>
NET INCREASE IN CASH	607,828	335,716
CASH, beginning of year	<u>1,494,703</u>	<u>1,158,987</u>
CASH, end of year	<u>\$ 2,102,531</u>	<u>\$ 1,494,703</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of East Garafraxa are the representation of management prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board. 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 CONSOLIDATION

- (i) These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures for the revenue fund, reserve funds and reserves and include the activities of all committees of Council and the boards and municipal enterprises which are under the control of Council. The following boards and municipal enterprises owned or controlled by Council have been consolidated:

(a) The Grand Valley and District Fire Board

Proportionate consolidation:

operating - 18.00% in 2014; 15.00% in 2013

capital - 16.00% in 2014; 17.00% in 2013

(b) Township of East Garafraxa - Price's Corner Union Cemetery

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.

- (ii) 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.
- (iii) Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(b) BASIS OF ACCOUNTING

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting, with the exception of principal and interest on long term liabilities, which are charged against operations in the periods in which they are paid. The principal and 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.
- (iii) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Schedule of Accumulated Surplus.

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) AMOUNTS TO BE RECOVERED

Amounts to be recovered are reported in the municipal position 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 not yet levied on the ratepayers.

(d) TRUST FUNDS

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(e) 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 asset are amortized on a straight-line basis over their estimated useful life as follows:

Land and land improvements	15 to 30 years
Facilities	30 to 50 years
Vehicles	10 to 18 years
Equipment	5 to 20 years
Transportation infrastructure	3 to 60 years
Environmental infrastructure	10 to 100 years

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 received and also are recorded as revenue.

(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.

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

2. BUDGET AMOUNTS

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statements of operations and change in net assets for comparative purposes. The 2014 budget amounts for the Corporation of the Township of East Garafraxa approved by Council have been restated to conform to the basis of preparation of these statements. The budget information, however, has not been audited.

3. OTHER INCOME

	2014	2013
Penalties and interest on taxation	\$ 105,988	\$ 97,913
Licenses and permits	5,970	6,125
Investment income	17,020	10,880
Other	<u>20,169</u>	<u>134</u>
	<u>\$ 149,147</u>	<u>\$ 115,052</u>

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

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Dufferin:

	2014	2013
School boards	\$ 975,000	\$ 1,039,008
County of Dufferin	<u>1,694,652</u>	<u>1,704,972</u>
	<u>\$ 2,669,652</u>	<u>\$ 2,743,980</u>

5. TRUST FUNDS

The trust funds administered by the municipality amounting to \$10,752 (2013 - \$10,672) have not been included in the consolidated statement of financial position, nor have the operations been included in the consolidated statement of financial activities.

6. TANGIBLE CAPITAL ASSETS

	Net 2014	Net 2013
General		
Land and land improvements	\$ 1,486,410	\$ 1,499,985
Facilities	227,242	225,204
Vehicles	1,108,747	992,062
Equipment	100,356	95,357
Infrastructure		
Transportation infrastructure	9,060,997	9,174,453
Environmental infrastructure	<u>728,697</u>	<u>743,593</u>
	<u>\$ 12,712,449</u>	<u>\$ 12,730,654</u>

7. COMPARATIVE FIGURES

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

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

8. SEGMENTED INFORMATION

The Corporation of the Township of East Garafraxa is a diversified municipal government institution that provides a wide range of services to its citizens, including Government and Administration Services, Protective Services (i.e. building inspection, fire and emergency services, bylaw enforcement, animal control), Public Works (i.e. roadways, streetlighting, sidewalks, and municipal drinking water), Environmental Services (i.e. stormwater management and source water protection), Recreation and Parks, and Planning and Community Development Services. 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. Township services are provided by departments and their activities are reported in these funds.

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2014

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation Services	Planning and Development	2014	2013
EXPENSES									
Salaries and benefits	\$ 292,503	\$ 27,636	\$ 527,666	\$ 0	\$ 0	\$ 0	\$ 45,162	\$ 892,967	\$ 862,588
Materials	39,186	16,533	295,209	0	8,515	57,747	13,449	430,639	418,845
Contracted services	87,519	355,995	51,509	29,790	0	0	64,480	589,293	581,858
Rents and financial expenses	80,766	2,897	38,089	0	0	0	237	121,989	95,933
Amortization	5,127	16,437	539,681	8,264	0	10,386	0	579,895	578,506
Other	<u>2,118</u>	<u>32,870</u>	<u>0</u>	<u>0</u>	<u>3,096</u>	<u>75,497</u>	<u>2,015</u>	<u>115,596</u>	<u>116,627</u>
	<u>\$ 507,219</u>	<u>\$ 452,368</u>	<u>\$ 1,452,154</u>	<u>\$ 38,054</u>	<u>\$ 11,611</u>	<u>\$ 143,630</u>	<u>\$ 125,343</u>	<u>\$ 2,730,379</u>	<u>\$ 2,654,357</u>

See notes to the consolidated financial statements

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

Schedule 2

	Land and land improvements	Facilities	Vehicles	Transportation infrastructure	Equipment	Environmental infrastructure	Assets under construction	2014	2013
COST									
Balance, beginning of year	\$ 1,639,560	\$ 581,415	\$ 2,002,151	\$ 12,673,109	\$ 382,636	\$ 968,810	\$ 0	\$ 18,247,681	\$ 17,911,722
Additions during the year	0	11,653	231,816	336,139	19,135	0	0	598,743	618,478
Disposals during the year	0	0	0	(188,276)	0	0	0	(188,276)	(282,519)
Other	0	0	0	0	0	0	0	0	0
Balance, end of year	<u>1,639,560</u>	<u>593,068</u>	<u>2,233,967</u>	<u>12,820,972</u>	<u>401,771</u>	<u>968,810</u>	<u>0</u>	<u>18,658,148</u>	<u>18,247,681</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	139,575	356,211	1,010,089	3,498,656	287,279	225,217	0	5,517,027	5,216,871
Amortization	13,575	9,615	115,131	412,542	14,136	14,896	0	579,895	578,506
Accumulated amortization on disposals	0	0	0	(151,223)	0	0	0	(151,223)	(278,350)
Balance, end of year	<u>153,150</u>	<u>365,826</u>	<u>1,125,220</u>	<u>3,759,975</u>	<u>301,415</u>	<u>240,113</u>	<u>0</u>	<u>5,945,699</u>	<u>5,517,027</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	<u>\$ 1,486,410</u>	<u>\$ 227,242</u>	<u>\$ 1,108,747</u>	<u>\$ 9,060,997</u>	<u>\$ 100,356</u>	<u>\$ 728,697</u>	<u>\$ 0</u>	<u>\$ 12,712,449</u>	<u>\$ 12,730,654</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED SCHEDULE OF DEFERRED REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2014

Schedule 3

	Dec.31, 2013	Contributions Received	Investment Income	Revenue Recognized	Dec.31, 2014
Obligatory Reserve Funds					
Development charges	\$ 268,775	\$ 92,740	\$ 1,705	\$ (77,000)	\$ 286,220
Federal gas tax funding	2,191	77,097	280	0	79,568
Recreational land	28,798	20,000	266	0	49,064
Roads	0	100,000	0	0	100,000
Water system	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
	<u>299,764</u>	<u>309,837</u>	<u>2,251</u>	<u>(77,000)</u>	<u>534,852</u>
Other					
Source water protection grant	<u>0</u>	<u>19,240</u>	<u>0</u>	<u>0</u>	<u>19,240</u>
	<u>\$ 299,764</u>	<u>\$ 329,077</u>	<u>\$ 2,251</u>	<u>\$ (77,000)</u>	<u>\$ 554,092</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Schedule 4

	2014	2013
SURPLUSES		
Invested in tangible capital assets	\$ 12,712,449	\$ 12,730,654
Grand Valley and District Fire Board	13,681	6,447
General revenue fund	4,237,479	4,391,969
Unfunded		
Capital outlay to be recovered in future years	<u>(43,531)</u>	<u>(48,909)</u>
	<u>16,920,078</u>	<u>17,080,161</u>
RESERVES		
Working Capital Reserves		
Working funds	<u>272,300</u>	<u>272,300</u>
Capital Reserves		
Capital purposes	248,252	178,252
Transportation	428,063	559,338
Fire	3,325	4,125
Water system	117,039	101,660
Building	20,175	20,000
Planning	58,000	30,000
Recreation	<u>424,110</u>	<u>423,335</u>
	<u>1,298,964</u>	<u>1,316,710</u>
	<u>1,571,264</u>	<u>1,589,010</u>
RESERVE FUNDS		
Grand Valley and District Fire Board capital	<u>36,388</u>	<u>21,671</u>
	<u>\$ 18,527,730</u>	<u>\$ 18,690,842</u>



Chartered Accountants
and Business Advisors

People Count.

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of East Garafraxa

We have audited the accompanying financial statements of the trust funds of the Corporation of the Township of East Garafraxa, which comprise the statement of financial position as at December 31, 2014 and the statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's 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 the 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.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of the Corporation of the Township of East Garafraxa as at December 31, 2014 and the continuity of the trust funds for the year then ended in accordance with Canadian public sector accounting standards.

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

Guelph, Ontario
June 9, 2015

Chartered Professional Accountants
Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	2014	2013
ASSETS		
Cash	\$ <u>10,752</u>	\$ <u>10,672</u>
FUND BALANCE		
Municipal position	\$ <u>10,752</u>	\$ <u>10,672</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
MUNICIPAL POSITION, beginning of year	\$ 10,672	\$ 10,592
Interest earned	<u>80</u>	<u>80</u>
MUNICIPAL POSITION, end of year	<u>\$ 10,752</u>	<u>\$ 10,672</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the trust funds of the Corporation of the Township of East Garafraxa are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board. 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) 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.



Chartered Accountants
and Business Advisors

People Count.

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of East Garafraxa

We have audited the accompanying financial statements of Price's Corner Union Cemetery, which comprise the statement of financial position as at December 31, 2014 and the statement of financial activities 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 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.

Auditor's 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 the 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.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Price's Corner Union Cemetery as at December 31, 2014 and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

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

Guelph, Ontario
June 9, 2015

Chartered Professional Accountants
Licensed Public Accountants

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
PRICE'S CORNER UNION CEMETERY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014**

	2014	2013
ASSETS		
Cash	\$ <u>3,523</u>	\$ <u>3,497</u>
MUNICIPAL POSITION		
Municipal position	\$ <u>3,523</u>	\$ <u>3,497</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
PRICE'S CORNER UNION CEMETERY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014 Actual	2013 Actual
REVENUE		
Interest income	\$ <u>26</u>	\$ <u>26</u>
EXPENDITURES	<u>0</u>	<u>0</u>
CHANGE IN FUND BALANCE for the year	26	26
MUNICIPAL POSITION, beginning of year	<u>3,497</u>	<u>3,471</u>
MUNICIPAL POSITION, end of year	<u>\$ 3,523</u>	<u>\$ 3,497</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
PRICE'S CORNER UNION CEMETERY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Price's Corner Union Cemetery are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board. 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 CONSOLIDATION

Price's Corner Union Cemetery has been consolidated with the financial statements of the Corporation of the Township of East Garafraxa.

(b) BASIS OF ACCOUNTING

(i) 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.