

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA

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YEAR ENDED DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Corporation of the Township of East Garafraxa, which comprise the consolidated statement of financial position as at December 31, 2018 and the consolidated statements operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Corporation of the Township of East Garafraxa as at December 31, 2018 and the results of its 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 of the Township of East Garafraxa in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



Guelph, Ontario
June 25, 2019

Chartered Professional Accountants
Licensed Public Accountants

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CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	2018	2017 (note 7)
FINANCIAL ASSETS		
Cash	\$ 3,201,872	\$ 1,757,761
Taxes receivable	503,993	525,816
Accounts receivable	<u>473,681</u>	<u>384,539</u>
	<u>4,179,546</u>	<u>2,668,116</u>
LIABILITIES		
Accounts payable and accrued liabilities	739,183	858,302
Deferred revenue (schedule 3)	<u>2,097,817</u>	<u>604,227</u>
	<u>2,837,000</u>	<u>1,462,529</u>
NET FINANCIAL ASSETS	<u>1,342,546</u>	<u>1,205,587</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2) (note 6)	12,477,776	12,959,514
Inventory	4,061,471	4,097,469
Prepaid expenses	<u>44,693</u>	<u>45,609</u>
	<u>16,583,940</u>	<u>17,102,592</u>
ACCUMULATED SURPLUS (schedule 4) (note 6)	<u>\$ 17,926,486</u>	<u>\$ 18,308,179</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget (note 2)	2018 Actual	2017 Actual
REVENUE			
Taxation revenue	\$ 2,292,387	\$ 2,310,207	\$ 2,200,952
Taxation from other governments	10,500	10,469	10,469
Fees and user charges	204,700	210,033	193,689
Sewer and water service charges	49,233	47,318	48,835
Ontario grants	214,593	181,295	209,276
Other income (note 3)	117,000	243,720	109,811
Obligatory reserve fund revenue recognized (schedule 3)	199,726	95,829	100,000
Loss on disposal of tangible capital assets	<u>0</u>	<u>(239,457)</u>	<u>(833)</u>
	<u>3,088,139</u>	<u>2,859,414</u>	<u>2,872,199</u>
EXPENSES (schedule 1)			
General government	610,242	574,699	604,540
Protection services	605,362	655,285	560,608
Transportation services	1,619,277	1,583,602	1,579,824
Environmental services	36,115	49,953	37,511
Health services	12,330	9,144	9,536
Recreation services	126,834	132,594	118,917
Planning and development	<u>255,572</u>	<u>241,774</u>	<u>273,554</u>
	<u>3,265,732</u>	<u>3,247,051</u>	<u>3,184,490</u>
NET DEFICIT for the year	<u>(177,593)</u>	<u>(387,637)</u>	<u>(312,291)</u>
Change in amounts to be recovered			
Change in capital outlay to be recovered in future years	<u>0</u>	<u>5,944</u>	<u>5,797</u>
ANNUAL DEFICIT	<u>\$ (177,593)</u>	(381,693)	(306,494)
ACCUMULATED SURPLUS, beginning of year (note 7)		<u>18,308,179</u>	<u>18,614,673</u>
ACCUMULATED SURPLUS, end of year		<u>\$ 17,926,486</u>	<u>\$ 18,308,179</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget (note 2)	2018 Actual	2017 Actual
ANNUAL DEFICIT	\$ <u>(177,593)</u>	\$ <u>(381,693)</u>	\$ <u>(306,494)</u>
Acquisition of tangible capital assets	(2,200,311)	(280,541)	(173,266)
Amortization of tangible capital assets	505,107	522,822	505,107
Loss on disposal of tangible capital assets	0	239,457	833
Proceeds on sale of tangible capital assets	0	0	3,040
Consumption of gravel inventory	50,000	35,998	36,480
Use of prepaid expense	<u>0</u>	<u>916</u>	<u>(631)</u>
	<u>(1,645,204)</u>	<u>518,652</u>	<u>371,563</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	\$ <u>(1,822,797)</u>	136,959	65,069
NET FINANCIAL ASSETS, beginning of year		<u>1,205,587</u>	<u>1,140,518</u>
NET FINANCIAL ASSETS, end of year		\$ <u>1,342,546</u>	\$ <u>1,205,587</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual deficit	\$ (381,693)	\$ (306,494)
Items not requiring an outlay of cash		
Amortization of tangible capital assets	522,822	505,107
Loss on disposal of tangible capital assets	239,457	833
Consumption of gravel inventory	<u>35,998</u>	<u>36,480</u>
	<u>416,584</u>	<u>235,926</u>
Net changes in non-cash working capital		
Taxes receivable	21,823	232,405
Accounts receivable	(89,142)	11,690
Prepaid expenses	916	(631)
Accounts payable and accrued liabilities	(119,119)	(87,823)
Deferred revenue	<u>1,493,590</u>	<u>46,052</u>
	<u>1,308,068</u>	<u>201,693</u>
	<u>1,724,652</u>	<u>437,619</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(280,541)	(173,266)
Proceeds on disposal of tangible capital assets	<u>0</u>	<u>3,040</u>
	<u>(280,541)</u>	<u>(170,226)</u>
NET INCREASE IN CASH	1,444,111	267,393
CASH, beginning of year	<u>1,757,761</u>	<u>1,490,368</u>
CASH, end of year	<u>\$ 3,201,872</u>	<u>\$ 1,757,761</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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) **ACKNOWLEDGEMENT OF RESPONSIBILITY**

The management of the Corporation of the Township of East Garafraxa 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 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 - 20% in 2018; 20% in 2017
capital - 15% in 2018; 15% in 2017

- (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.

(c) **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.

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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 or capital funds transferred to other organizations, is reported on the Schedule of Accumulated Surplus.

(d) REVENUE RECOGNITION

All revenues are recorded on an accrual basis, except when the accruals cannot be determined with reasonable certainty or when their estimation is not practical.

Grant revenues are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that the grant requirements give rise to an obligation that meets the definition of a liability, in which case the transfer would be recorded as deferred revenue, and would be recognized as revenue when the related expenditure occurs or the conditions of recognition as revenue are met.

Taxation revenue is recognized when it is authorized and in the period for which the tax is levied.

All other revenues, including fees and user charges, are recognized in the period in which the transactions or events occur that give rise to the revenues.

(e) 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.

(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 annual deficit, 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 is amortized on a straight-line basis over their estimated useful life as follows:

Land and land improvements	15 to 30 years
Facilities	25 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

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) NON-FINANCIAL ASSETS (continued)

(i) Tangible capital assets (continued)

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.

(g) 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 capital assets and the gravel inventory tonnes available for extraction. Actual results could differ from those estimates.

(h) INVENTORY

Gravel inventory is valued at the lower of cost or net realizable value. Cost is determined based on engineer estimates of the tonnes available for extraction less amounts extracted during the year.

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 financial assets for comparative purposes. The 2018 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.

3. OTHER INCOME

	2018	2017
Penalties and interest on taxation	\$ 71,210	\$ 91,022
Licenses and permits	5,170	5,074
Investment income	29,373	12,595
Legal and other expense recovery	135,000	0
Other	<u>2,967</u>	<u>1,120</u>
	<u>\$ 243,720</u>	<u>\$ 109,811</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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:

	2018	2017
School boards	\$ 998,435	\$ 997,578
County of Dufferin	<u>1,967,344</u>	<u>1,877,866</u>
	<u>\$ 2,965,779</u>	<u>\$ 2,875,444</u>

5. TRUST FUNDS

The trust funds administered by the municipality amounting to \$11,070 (2017 - \$10,928) have not been included in the consolidated statement of financial position, nor have the operations been included in the consolidated statement of operations.

6. COMPARATIVE FIGURES

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

7. PRIOR YEAR ADJUSTMENT

During the year, it was noted the Corporation of the Township of East Garafraxa owned two land lots that were previously assumed but not recorded as tangible capital assets. One of these properties was sold in 2018. Both lots were recorded as assets retroactively on December 31, 2014. This adjustment increased opening land and land improvements, tangible capital assets, non-financial assets, invested in tangible capital assets and accumulated surplus by \$449,663 as of January 1, 2017.

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 General Government, Protection Services (i.e. building inspection, fire and emergency services, bylaw enforcement, animal control), Transportation Services, (i.e. roadways, streetlighting and sidewalks), Environmental Services (i.e. stormwater management, source water protection and municipal drinking water), Health Services, Recreation Services, and Planning and 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, 2018

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation Services	Planning and Development	2018	2017
EXPENSES									
Salaries and benefits	\$ 409,931	\$ 27,374	\$ 615,972	\$ 0	\$ 0	\$ 0	\$ 72,271	\$ 1,125,548	\$ 1,032,274
Materials	40,989	18,668	424,780	0	5,964	31,337	11,316	533,054	584,497
Contracted services	43,278	548,743	47,775	35,886	0	0	153,637	829,319	828,227
Rents and financial expenses	63,564	4,325	34,635	0	0	0	4,000	106,524	121,083
Amortization	13,989	22,926	460,440	14,067	0	11,400	0	522,822	505,107
Other	<u>2,948</u>	<u>33,249</u>	<u>0</u>	<u>0</u>	<u>3,180</u>	<u>89,857</u>	<u>550</u>	<u>129,784</u>	<u>113,302</u>
	<u>\$ 574,699</u>	<u>\$ 655,285</u>	<u>\$ 1,583,602</u>	<u>\$ 49,953</u>	<u>\$ 9,144</u>	<u>\$ 132,594</u>	<u>\$ 241,774</u>	<u>\$ 3,247,051</u>	<u>\$ 3,184,490</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, 2018

Schedule 2

	Land and land improvements (note 7)	Facilities	Vehicles	Transportation infrastructure	Equipment	Environmental infrastructure	2018	2017
COST								
Balance, beginning of year (note 6)	\$ 2,214,204	\$ 628,085	\$ 2,183,436	\$ 13,317,057	\$ 483,928	\$ 968,810	\$ 19,795,520	\$ 19,699,049
Additions during the year	0	3,026	79,628	168,262	29,625	0	280,541	173,266
Disposals during the year	<u>(239,457)</u>	<u>0</u>	<u>0</u>	<u>(126,267)</u>	<u>(188,400)</u>	<u>0</u>	<u>(554,124)</u>	<u>(76,795)</u>
Balance, end of year	<u>1,974,747</u>	<u>631,111</u>	<u>2,263,064</u>	<u>13,359,052</u>	<u>325,153</u>	<u>968,810</u>	<u>19,521,937</u>	<u>19,795,520</u>
ACCUMULATED AMORTIZATION								
Balance, beginning of year	203,919	397,240	1,231,464	4,373,102	346,175	284,106	6,836,006	6,403,821
Amortization	14,411	11,722	124,660	334,775	23,187	14,067	522,822	505,107
Accumulated amortization on disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>(126,267)</u>	<u>(188,400)</u>	<u>0</u>	<u>(314,667)</u>	<u>(72,922)</u>
Balance, end of year	<u>218,330</u>	<u>408,962</u>	<u>1,356,124</u>	<u>4,581,610</u>	<u>180,962</u>	<u>298,173</u>	<u>7,044,161</u>	<u>6,836,006</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	<u>\$ 1,756,417</u>	<u>\$ 222,149</u>	<u>\$ 906,940</u>	<u>\$ 8,777,442</u>	<u>\$ 144,191</u>	<u>\$ 670,637</u>	<u>\$ 12,477,776</u>	<u>\$ 12,959,514</u>

See notes to the consolidated financial statements

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED SCHEDULE OF DEFERRED REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2018

Schedule 3

	Dec.31, 2017	Contributions Received	Investment Income	Revenue Recognized	Dec.31, 2018
Obligatory Reserve Funds					
Development charges	\$ 325,344	\$ 66,704	\$ 1,065	\$ (95,829)	\$ 297,284
Federal gas tax funding	90,477	82,653	1,427	0	174,557
Main Street grant	0	39,927	0	0	39,927
OCIF Top Up grant	0	1,045,000	9,015	0	1,054,015
Recreational land	51,732	309,494	590	0	361,816
Roads	100,000	0	0	0	100,000
Water system	20,000	0	0	0	20,000
	<u>587,553</u>	<u>1,543,778</u>	<u>12,097</u>	<u>(95,829)</u>	<u>2,047,599</u>
Other					
OCIF grant	13,481	50,000	0	(16,456)	47,025
Library grant	3,193	3,193	0	(3,193)	3,193
	<u>16,674</u>	<u>53,193</u>	<u>0</u>	<u>(19,649)</u>	<u>50,218</u>
	<u>\$ 604,227</u>	<u>\$ 1,596,971</u>	<u>\$ 12,097</u>	<u>\$ (115,478)</u>	<u>\$ 2,097,817</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
AS AT DECEMBER 31, 2018

Schedule 4

	2018	2017
SURPLUSES		
Invested in tangible capital assets	\$ 12,477,776	\$ 12,959,514
Grand Valley and District Fire Board	(7,386)	25,083
General revenue fund	4,030,381	3,919,909
Unfunded		
Capital outlay to be recovered in future years	<u>(20,621)</u>	<u>(26,565)</u>
	<u>16,480,150</u>	<u>16,877,941</u>
RESERVES		
Working Capital Reserves		
Working funds	<u>17,300</u>	<u>22,300</u>
Capital Reserves		
Capital purposes	142,252	72,252
Transportation	849,683	683,063
Water system	191,358	179,926
Building	37,103	31,103
Planning	48,000	68,000
Recreation	94,464	314,464
	<u>1,362,860</u>	<u>1,348,808</u>
	<u>1,380,160</u>	<u>1,371,108</u>
RESERVE FUNDS		
Grand Valley and District Fire Board capital	<u>66,176</u>	<u>59,130</u>
	<u>\$ 17,926,486</u>	<u>\$ 18,308,179</u>

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the trust funds of Corporation of the Township of East Garafraxa, which comprise the statement of financial position as at December 31, 2018 and the statement of continuity 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 Corporation of the Township of East Garafraxa as at December 31, 2018 and the continuity of the trust funds 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 of the Township of East Garafraxa 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 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 fund's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the trust funds or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



Guelph, Ontario
June 25, 2019

Chartered Professional Accountants
Licensed Public Accountants

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CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	2018	2017
ASSETS		
Cash	\$ <u>11,070</u>	\$ <u>10,928</u>
FUND BALANCE		
Municipal position	\$ <u>11,070</u>	\$ <u>10,928</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
MUNICIPAL POSITION, beginning of year	\$ 10,928	\$ 10,862
Interest earned	<u>142</u>	<u>66</u>
MUNICIPAL POSITION, end of year	<u>\$ 11,070</u>	<u>\$ 10,928</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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.

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Price's Corner Union Cemetery, which comprise the statement of financial position as at December 31, 2018 and the statement of financial activities 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 Price's Corner Union Cemetery as at December 31, 2018 and the results of its 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 Price's Corner Union Cemetery 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 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



Guelph, Ontario
June 25, 2019

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, 2018**

	2018	2017
ASSETS		
Cash	\$ <u>3,914</u>	\$ <u>3,884</u>
MUNICIPAL POSITION		
Municipal position	\$ <u>3,914</u>	\$ <u>3,884</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
PRICE'S CORNER UNION CEMETERY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018	2017
REVENUE		
Interest income	\$ <u>30</u>	\$ <u>23</u>
EXPENDITURES	<u>0</u>	<u>0</u>
CHANGE IN FUND BALANCE for the year	30	23
MUNICIPAL POSITION, beginning of year	<u>3,884</u>	<u>3,861</u>
MUNICIPAL POSITION, end of year	<u>\$ 3,914</u>	<u>\$ 3,884</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
PRICE'S CORNER UNION CEMETERY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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.