

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
INDEX TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

	Page
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 11
Consolidated Schedule of Segmented Disclosure	12
Consolidated Schedule of Tangible Capital Assets	13
Consolidated Schedule of Deferred Revenue	14
Consolidated Schedule of Accumulated Surplus	15
TRUST FUNDS	
INDEPENDENT AUDITOR'S REPORT	16
FINANCIAL STATEMENTS	
Statement of Financial Position	17
Statement of Continuity	18
Notes to the Financial Statements	19
PRICE'S CORNER UNION CEMETERY	
INDEPENDENT AUDITOR'S REPORT	20
FINANCIAL STATEMENTS	
Statement of Financial Position	21
Statement of Financial Activities	22
Notes to the Financial Statements	23



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, 2013 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, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Fergus, Ontario
June 17, 2014

RLB LLP

Chartered Accountants
Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	2013	2012
FINANCIAL ASSETS		
Cash	\$ 1,494,703	\$ 1,158,987
Taxes receivable	745,573	779,824
Accounts receivable	<u>172,996</u>	<u>143,529</u>
	<u>2,413,272</u>	<u>2,082,340</u>
LIABILITIES		
Accounts payable and accrued liabilities	406,901	173,189
Deferred revenue (schedule 3)	<u>299,764</u>	<u>454,482</u>
	<u>706,665</u>	<u>627,671</u>
NET FINANCIAL ASSETS	<u>1,706,607</u>	<u>1,454,669</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	12,730,654	12,694,851
Inventory	4,253,581	4,293,581
Prepaid expenses	<u>0</u>	<u>9,362</u>
	<u>16,984,235</u>	<u>16,997,794</u>
ACCUMULATED SURPLUS (schedule 4)	<u>\$ 18,690,842</u>	<u>\$ 18,452,463</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 Budget (note 2)	2013 Actual	2012 Actual
REVENUE			
Taxation revenue	\$ 1,816,045	\$ 1,866,677	\$ 1,829,397
Taxation from other governments	10,000	10,469	10,469
Fees and user charges	158,540	221,938	159,160
Sewer and water service charges	20,000	26,048	47,385
Ontario grants	361,870	377,875	329,288
Other income (note 3)	120,000	115,052	127,133
Obligatory reserve fund revenue recognized (schedule 3)	271,000	271,000	62,000
Loss on disposal of tangible capital assets	<u>0</u>	<u>(1,569)</u>	<u>(56,313)</u>
	<u>2,757,455</u>	<u>2,887,490</u>	<u>2,508,519</u>
EXPENSES (schedule 1)			
General government	529,348	457,028	467,700
Protection services	498,244	494,070	427,963
Transportation services	1,467,401	1,389,384	1,230,343
Environmental services	33,242	43,988	207,641
Health services	10,900	11,341	13,168
Recreation services	201,036	167,881	130,176
Planning and development	<u>106,164</u>	<u>90,665</u>	<u>137,638</u>
	<u>2,846,335</u>	<u>2,654,357</u>	<u>2,614,629</u>
NET REVENUE for the year	<u>(88,880)</u>	<u>233,133</u>	<u>(106,110)</u>
Change in amounts to be recovered			
Change in capital outlay to be recovered in future years	<u>0</u>	<u>5,246</u>	<u>5,117</u>
ANNUAL (DEFICIT) SURPLUS	<u>\$ (88,880)</u>	238,379	(100,993)
ACCUMULATED SURPLUS, beginning of year		<u>18,452,463</u>	<u>18,553,456</u>
ACCUMULATED SURPLUS, end of year		<u>\$ 18,690,842</u>	<u>\$ 18,452,463</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 Budget (note 2)	2013 Actual	2012 Actual
ANNUAL (DEFICIT) SURPLUS	\$ <u>(88,880)</u>	\$ <u>238,379</u>	\$ <u>(100,993)</u>
Acquisition of tangible capital assets	(504,500)	(618,478)	(510,711)
Amortization of tangible capital assets	569,884	578,506	569,884
Loss on disposal of tangible capital assets	0	1,569	56,313
Proceeds on sale of tangible capital assets	0	2,600	0
Consumption of gravel inventory	50,000	40,000	42,379
Use (acquisition) of prepaid expense	<u>0</u>	<u>9,362</u>	<u>(9,362)</u>
	<u>115,384</u>	<u>13,559</u>	<u>148,503</u>
INCREASE IN NET FINANCIAL ASSETS	\$ <u>26,504</u>	251,938	47,510
NET FINANCIAL ASSETS, beginning of year		<u>1,454,669</u>	<u>1,407,159</u>
NET FINANCIAL ASSETS, end of year		\$ <u>1,706,607</u>	\$ <u>1,454,669</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 238,379	\$ (100,993)
Items not requiring an outlay of cash		
Amortization of tangible capital assets	578,506	569,884
Loss on disposal of tangible capital assets	1,569	56,313
Consumption of gravel inventory	<u>40,000</u>	<u>42,379</u>
	<u>858,454</u>	<u>567,583</u>
Net changes in non-cash working capital		
Taxes receivable	34,251	(149,275)
Accounts receivable	(29,467)	177,632
Prepaid expenses	9,362	(9,362)
Accounts payable and accrued liabilities	233,712	(22,687)
Deferred revenue	<u>(154,718)</u>	<u>32,864</u>
	<u>93,140</u>	<u>29,172</u>
	<u>951,594</u>	<u>596,755</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(618,478)	(510,711)
Proceeds on disposal of tangible capital assets	<u>2,600</u>	<u>0</u>
	<u>(615,878)</u>	<u>(510,711)</u>
NET INCREASE IN CASH	335,716	86,044
CASH, beginning of year	<u>1,158,987</u>	<u>1,072,943</u>
CASH, end of year	<u>\$ 1,494,703</u>	<u>\$ 1,158,987</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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 - 15.00% in 2013; 14.00% in 2012

capital - 17.00% in 2013; 17.00% in 2012

(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 installment 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, 2013

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 improvements	15 to 30 years
Buildings	30 to 50 years
Vehicles	10 to 18 years
Furniture and equipment	5 to 20 years
Roads	3 to 60 years
Bridges and infrastructures	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, 2013

2. BUDGET AMOUNTS

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the consolidated statements of operations and change in net assets for comparative purposes. The 2013 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

	2013	2012
Penalties and interest on taxation	\$ 97,913	\$ 98,918
Licenses and permits	6,125	5,915
Investment income	10,880	9,622
Fees from other municipalities	0	12,335
Other	<u>134</u>	<u>343</u>
	<u>\$ 115,052</u>	<u>\$ 127,133</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:

	2013	2012
School boards	\$ 1,039,008	\$ 1,088,525
County of Dufferin	<u>1,704,972</u>	<u>1,584,167</u>
	<u>\$ 2,743,980</u>	<u>\$ 2,672,692</u>

5. TRUST FUNDS

The trust funds administered by the municipality amounting to \$10,672 (2012 - \$10,592) 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 2013	Net 2012
General		
Land and land improvements	\$ 1,499,985	\$ 1,513,606
Buildings	219,941	229,256
Vehicles	1,013,819	1,093,213
Furniture and equipment	147,886	145,087
Infrastructure		
Roads	5,610,797	5,403,456
Bridges and infrastructure	<u>4,238,226</u>	<u>4,310,233</u>
	<u>\$ 12,730,654</u>	<u>\$ 12,694,851</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

7. 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, 2013

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation Services	Planning and Development	2013	2012
EXPENSES									
Salaries and benefits	\$ 288,141	\$ 27,379	\$ 503,496	\$ 0	\$ 0	\$ 0	\$ 43,572	\$ 862,588	\$ 841,160
Materials	31,420	16,505	272,488	0	8,245	77,572	12,615	418,845	293,448
Contracted services	78,933	396,424	44,356	29,470	0	0	32,675	581,858	706,313
Rents and financial expenses	54,849	3,465	37,145	0	0	0	474	95,933	86,569
Amortization	2,488	16,026	531,899	14,518	0	13,575	0	578,506	569,884
Other	1,197	34,271	0	0	3,096	76,734	1,329	116,627	117,255
	<u>\$ 457,028</u>	<u>\$ 494,070</u>	<u>\$ 1,389,384</u>	<u>\$ 43,988</u>	<u>\$ 11,341</u>	<u>\$ 167,881</u>	<u>\$ 90,665</u>	<u>\$ 2,654,357</u>	<u>\$ 2,614,629</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

Schedule 2

	Land and land improvements	Buildings	Vehicles	Roads	Furniture and equipment	Bridges and infrastructure	Assets under construction	2013	2012
COST									
Balance, beginning of year	\$ 1,639,560	\$ 562,389	\$ 2,083,068	\$ 7,644,113	\$ 523,434	\$ 5,459,158	\$ 0	\$ 17,911,722	\$ 17,623,925
Additions during the year	0	0	22,850	564,842	23,573	7,213	0	618,478	510,711
Disposals during the year	0	0	(75,794)	(205,709)	(654)	(362)	0	(282,519)	(222,914)
Other	0	0	0	0	0	0	0	0	0
Balance, end of year	<u>1,639,560</u>	<u>562,389</u>	<u>2,030,124</u>	<u>8,003,246</u>	<u>546,353</u>	<u>5,466,009</u>	<u>0</u>	<u>18,247,681</u>	<u>17,911,722</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	125,954	333,133	989,855	2,240,657	378,347	1,148,925	0	5,216,871	4,813,589
Amortization	13,621	9,315	102,244	353,332	20,774	79,220	0	578,506	569,884
Accumulated amortization on disposals	0	0	(75,794)	(201,540)	(654)	(362)	0	(278,350)	(166,602)
Balance, end of year	<u>139,575</u>	<u>342,448</u>	<u>1,016,305</u>	<u>2,392,449</u>	<u>398,467</u>	<u>1,227,783</u>	<u>0</u>	<u>5,517,027</u>	<u>5,216,871</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	<u>\$ 1,499,985</u>	<u>\$ 219,941</u>	<u>\$ 1,013,819</u>	<u>\$ 5,610,797</u>	<u>\$ 147,886</u>	<u>\$ 4,238,226</u>	<u>\$ 0</u>	<u>\$ 12,730,654</u>	<u>\$ 12,694,851</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED SCHEDULE OF DEFERRED REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2013

Schedule 3

	Dec.31, 2012	Contributions Received	Investment Income	Revenue Recognized	Dec.31, 2013
Obligatory Reserve Funds					
Development charges	\$ 278,231	\$ 39,838	\$ 1,706	\$ (51,000)	\$ 268,775
Federal gas tax funding	147,665	73,283	1,243	(220,000)	2,191
Recreational land	<u>28,586</u>	<u>0</u>	<u>212</u>	<u>0</u>	<u>28,798</u>
	<u>\$ 454,482</u>	<u>\$ 113,121</u>	<u>\$ 3,161</u>	<u>\$ (271,000)</u>	<u>\$ 299,764</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Schedule 4

	2013	2012
SURPLUSES		
Invested in tangible capital assets	\$ 12,730,654	\$ 12,694,851
Grand Valley and District Fire Board	6,447	3,388
General revenue fund	4,391,969	4,318,532
Unfunded		
Capital outlay to be recovered in future years	<u>(48,909)</u>	<u>(54,155)</u>
	<u>17,080,161</u>	<u>16,962,616</u>
RESERVES		
Working Capital Reserves		
Working funds	<u>272,300</u>	<u>299,400</u>
Capital Reserves		
Capital purposes	178,252	231,661
Transportation	559,338	402,088
Fire	4,125	4,125
Water system	101,660	85,876
Building	20,000	14,000
Planning	30,000	20,000
Recreation	<u>423,335</u>	<u>405,385</u>
	<u>1,316,710</u>	<u>1,163,135</u>
	<u>1,589,010</u>	<u>1,462,535</u>
RESERVE FUNDS		
Grand Valley and District Fire Board capital	<u>21,671</u>	<u>27,312</u>
	<u>\$ 18,690,842</u>	<u>\$ 18,452,463</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, 2013 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, 2013 and the continuity of the trust funds for the year then ended in accordance with Canadian public sector accounting standards.

Fergus, Ontario
June 17, 2014

RLB LLP
Chartered Accountants
Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	2013	2012
ASSETS		
Cash	\$ <u>10,672</u>	\$ <u>10,592</u>
FUND BALANCE		
Municipal position	\$ <u>10,672</u>	\$ <u>10,592</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
MUNICIPAL POSITION, beginning of year	\$ 10,592	\$ 10,303
Interest earned	<u>80</u>	<u>289</u>
MUNICIPAL POSITION, end of year	\$ <u>10,672</u>	\$ <u>10,592</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA - TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013 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, 2013 and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

Fergus, Ontario
June 17, 2014

RLB LCP

Chartered Accountants
Licensed Public Accountants

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
 PRICE'S CORNER UNION CEMETERY
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2013**

	2013	2012
ASSETS		
Cash	\$ <u>3,497</u>	\$ <u>3,471</u>
MUNICIPAL POSITION		
Municipal position	\$ <u>3,497</u>	\$ <u>3,471</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
PRICE'S CORNER UNION CEMETERY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 Actual	2012 Actual
REVENUE		
Interest income	\$ 26	\$ 23
Other	<u>0</u>	<u>300</u>
	26	323
EXPENDITURES	<u>0</u>	<u>0</u>
CHANGE IN FUND BALANCE for the year	26	323
MUNICIPAL POSITION, beginning of year	<u>3,471</u>	<u>3,148</u>
MUNICIPAL POSITION, end of year	<u>\$ 3,497</u>	<u>\$ 3,471</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
PRICE'S CORNER UNION CEMETERY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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.