

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
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YEAR ENDED DECEMBER 31, 2017

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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

We have audited the accompanying consolidated financial statements of the Corporation of the Township of East Garafraxa, which comprise the consolidated statement of financial position as at December 31, 2017 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, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Guelph, Ontario
October 10, 2018

Chartered Professional Accountants
Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash	\$ 1,757,761	\$ 1,490,368
Taxes receivable	525,816	758,221
Accounts receivable	<u>384,539</u>	<u>396,229</u>
	<u>2,668,116</u>	<u>2,644,818</u>
LIABILITIES		
Accounts payable and accrued liabilities	858,302	946,125
Deferred revenue (schedule 3)	<u>604,227</u>	<u>558,175</u>
	<u>1,462,529</u>	<u>1,504,300</u>
NET FINANCIAL ASSETS	<u>1,205,587</u>	<u>1,140,518</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	12,509,851	12,845,565
Inventory	4,097,469	4,133,949
Prepaid expenses	<u>45,609</u>	<u>44,978</u>
	<u>16,652,929</u>	<u>17,024,492</u>
ACCUMULATED SURPLUS (schedule 4)	<u>\$ 17,858,516</u>	<u>\$ 18,165,010</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 Budget (note 2)	2017 Actual	2016 Actual
REVENUE			
Taxation revenue	\$ 2,163,208	\$ 2,200,952	\$ 2,102,078
Taxation from other governments	10,500	10,469	10,469
Fees and user charges	182,200	193,689	161,538
Sewer and water service charges	48,440	48,835	49,482
Ontario grants	223,953	209,276	208,596
Other income (note 3)	118,000	109,811	116,558
Obligatory reserve fund revenue recognized (schedule 3)	100,000	100,000	325,000
Loss on disposal of tangible capital assets	<u>0</u>	<u>(833)</u>	<u>(70,839)</u>
	<u>2,846,301</u>	<u>2,872,199</u>	<u>2,902,882</u>
EXPENSES (schedule 1)			
General government	594,879	604,540	524,948
Protection services	583,117	560,608	573,178
Transportation services	1,612,922	1,579,824	1,552,831
Environmental services	32,615	37,511	38,569
Health services	12,200	9,536	9,929
Recreation services	122,789	118,917	121,409
Planning and development	<u>199,064</u>	<u>273,554</u>	<u>158,361</u>
	<u>3,157,586</u>	<u>3,184,490</u>	<u>2,979,225</u>
NET DEFICIT for the year	<u>(311,285)</u>	<u>(312,291)</u>	<u>(76,343)</u>
Change in amounts to be recovered			
Change in capital outlay to be recovered in future years	<u>0</u>	<u>5,797</u>	<u>5,654</u>
ANNUAL DEFICIT	<u>\$ (311,285)</u>	(306,494)	(70,689)
ACCUMULATED SURPLUS, beginning of year		<u>18,165,010</u>	<u>18,235,699</u>
ACCUMULATED SURPLUS, end of year		<u>\$ 17,858,516</u>	<u>\$ 18,165,010</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 Budget (note 2)	2017 Actual	2016 Actual
ANNUAL DEFICIT	\$ <u>(311,285)</u>	\$ <u>(306,494)</u>	\$ <u>(70,689)</u>
Acquisition of tangible capital assets	(231,800)	(173,266)	(974,742)
Amortization of tangible capital assets	567,332	505,107	567,332
Loss on disposal of tangible capital assets	0	833	70,839
Proceeds on sale of tangible capital assets	0	3,040	47,073
Consumption of gravel inventory	50,000	36,480	41,908
Use of prepaid expense	<u>0</u>	<u>(631)</u>	<u>(44,978)</u>
	<u>385,532</u>	<u>371,563</u>	<u>(292,568)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	\$ <u>74,247</u>	65,069	(363,257)
NET FINANCIAL ASSETS, beginning of year		<u>1,140,518</u>	<u>1,503,775</u>
NET FINANCIAL ASSETS, end of year		\$ <u>1,205,587</u>	\$ <u>1,140,518</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual deficit	\$ (306,494)	\$ (70,689)
Items not requiring an outlay of cash		
Amortization of tangible capital assets	505,107	567,332
Loss on disposal of tangible capital assets	833	70,839
Consumption of gravel inventory	<u>36,480</u>	<u>41,908</u>
	<u>235,926</u>	<u>609,390</u>
Net changes in non-cash working capital		
Taxes receivable	232,405	(68,181)
Accounts receivable	11,690	(223,834)
Prepaid expenses	(631)	(44,978)
Accounts payable and accrued liabilities	(87,823)	(1,103)
Deferred revenue	<u>46,052</u>	<u>(171,586)</u>
	<u>201,693</u>	<u>(509,682)</u>
	<u>437,619</u>	<u>99,708</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(173,266)	(974,742)
Proceeds on disposal of tangible capital assets	<u>3,040</u>	<u>47,073</u>
	<u>(170,226)</u>	<u>(927,669)</u>
NET INCREASE (DECREASE) IN CASH	267,393	(827,961)
CASH, beginning of year	<u>1,490,368</u>	<u>2,318,329</u>
CASH, end of year	<u>\$ 1,757,761</u>	<u>\$ 1,490,368</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 2017; 24% in 2016

capital - 15% in 2017; 15% in 2016

(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, 2017

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

Revenues are recognized in the period in which the transactions or events occur that give rise to the revenues. 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.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that the transfer 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.

(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

Assets under construction are not amortized until the asset is available for productive use.

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) NON-FINANCIAL ASSETS (continued)

(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 2017 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

	2017	2016
Penalties and interest on taxation	\$ 91,022	\$ 98,302
Licenses and permits	5,074	5,225
Investment income	12,595	9,384
Other	<u>1,120</u>	<u>3,647</u>
	<u>\$ 109,811</u>	<u>\$ 116,558</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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:

	2017	2016
School boards	\$ 997,578	\$ 1,009,277
County of Dufferin	<u>1,877,866</u>	<u>1,854,369</u>
	<u>\$ 2,875,444</u>	<u>\$ 2,863,646</u>

5. TRUST FUNDS

The trust funds administered by the municipality amounting to \$10,928 (2016 - \$10,862) 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. CORRESPONDING FIGURES

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

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 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, 2017

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation Services	Planning and Development	2017	2016
EXPENSES									
Salaries and benefits	\$ 385,474	\$ 32,592	\$ 563,748	\$ 0	\$ 0	\$ 0	\$ 50,460	\$ 1,032,274	\$ 939,690
Materials	39,035	21,718	471,885	0	6,436	32,943	12,480	584,497	514,210
Contracted services	91,669	447,595	53,832	29,596	0	0	205,535	828,227	777,925
Rents and financial expenses	78,463	4,010	34,081	0	0	0	4,529	121,083	67,383
Amortization	8,242	18,952	456,278	7,915	0	13,720	0	505,107	567,332
Other	<u>1,657</u>	<u>35,741</u>	<u>0</u>	<u>0</u>	<u>3,100</u>	<u>72,254</u>	<u>550</u>	<u>113,302</u>	<u>112,685</u>
	<u>\$ 604,540</u>	<u>\$ 560,608</u>	<u>\$ 1,579,824</u>	<u>\$ 37,511</u>	<u>\$ 9,536</u>	<u>\$ 118,917</u>	<u>\$ 273,554</u>	<u>\$ 3,184,490</u>	<u>\$ 2,979,225</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

	Land and land improvements	Facilities	Vehicles	Transportation infrastructure	Equipment	Environmental infrastructure	Assets under construction	2017	2016
COST									
Balance, beginning of year	\$ 1,764,541	\$ 611,406	\$ 2,183,437	\$ 13,275,850	\$ 445,342	\$ 968,810	\$ 0	\$ 19,249,386	\$ 18,930,763
Additions during the year	0	16,679	0	105,623	50,964	0	0	173,266	974,742
Disposals during the year	0	0	0	(65,109)	(11,686)	0	0	(76,795)	(656,119)
Other	0	0	0	0	0	0	0	0	0
Balance, end of year	<u>1,764,541</u>	<u>628,085</u>	<u>2,183,437</u>	<u>13,316,364</u>	<u>484,620</u>	<u>968,810</u>	<u>0</u>	<u>19,345,857</u>	<u>19,249,386</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	186,757	386,123	1,123,371	4,104,161	333,851	269,558	0	6,403,821	6,374,696
Amortization	17,162	11,117	108,093	333,714	20,473	14,548	0	505,107	567,332
Accumulated amortization on disposals	0	0	0	(64,773)	(8,149)	0	0	(72,922)	(538,207)
Balance, end of year	<u>203,919</u>	<u>397,240</u>	<u>1,231,464</u>	<u>4,373,102</u>	<u>346,175</u>	<u>284,106</u>	<u>0</u>	<u>6,836,006</u>	<u>6,403,821</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	<u>\$ 1,560,622</u>	<u>\$ 230,845</u>	<u>\$ 951,973</u>	<u>\$ 8,943,262</u>	<u>\$ 138,445</u>	<u>\$ 684,704</u>	<u>\$ 0</u>	<u>\$ 12,509,851</u>	<u>\$ 12,845,565</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, 2017

Schedule 3

	Dec.31, 2016	Contributions Received	Investment Income	Revenue Recognized	Dec.31, 2017
Obligatory Reserve Funds					
Development charges	\$ 370,529	\$ 53,629	\$ 1,186	\$ (100,000)	\$ 325,344
Federal gas tax funding	9,910	80,293	274	0	90,477
Recreational land	49,965	1,500	267	0	51,732
Roads	100,000	0	0	0	100,000
Water system	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
	<u>550,404</u>	<u>135,422</u>	<u>1,727</u>	<u>(100,000)</u>	<u>587,553</u>
Other					
Source water protection grant	7,771	17,260	0	(25,031)	0
OCIF grant	0	50,000	80	(36,599)	13,481
Library grant	<u>0</u>	<u>3,193</u>	<u>0</u>	<u>0</u>	<u>3,193</u>
	<u>7,771</u>	<u>70,453</u>	<u>80</u>	<u>(61,630)</u>	<u>16,674</u>
	<u>\$ 558,175</u>	<u>\$ 205,875</u>	<u>\$ 1,807</u>	<u>\$ (161,630)</u>	<u>\$ 604,227</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
AS AT DECEMBER 31, 2017**

Schedule 4

	2017	2016
SURPLUSES		
Invested in tangible capital assets	\$ 12,509,851	\$ 12,845,565
Grand Valley and District Fire Board	5,180	5,043
General revenue fund	3,939,812	4,052,558
Unfunded		
Capital outlay to be recovered in future years	<u>(26,565)</u>	<u>(32,362)</u>
	<u>16,428,278</u>	<u>16,870,804</u>
RESERVES		
Working Capital Reserves		
Working funds	<u>22,300</u>	<u>72,300</u>
Capital Reserves		
Capital purposes	72,252	53,252
Transportation	683,063	513,063
Water system	179,926	156,186
Building	31,103	25,103
Planning	68,000	68,000
Recreation	<u>314,464</u>	<u>351,214</u>
	<u>1,348,808</u>	<u>1,166,818</u>
	<u>1,371,108</u>	<u>1,239,118</u>
RESERVE FUNDS		
Grand Valley and District Fire Board capital	<u>59,130</u>	<u>55,088</u>
	<u>\$ 17,858,516</u>	<u>\$ 18,165,010</u>



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, 2017 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, 2017 and the continuity of the trust funds for the year then ended in accordance with Canadian public sector accounting standards.

Guelph, Ontario
October 10, 2018

Chartered Professional Accountants
Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016
ASSETS		
Cash	\$ <u>10,928</u>	\$ <u>10,862</u>
FUND BALANCE		
Municipal position	\$ <u>10,928</u>	\$ <u>10,862</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
MUNICIPAL POSITION, beginning of year	\$ 10,862	\$ 10,821
Interest earned	<u>66</u>	<u>41</u>
MUNICIPAL POSITION, end of year	<u>\$ 10,928</u>	<u>\$ 10,862</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

We have audited the accompanying financial statements of Price's Corner Union Cemetery, which comprise the statement of financial position as at December 31, 2017 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, 2017 and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

Guelph, Ontario
October 10, 2018

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, 2017**

	2017	2016
A S S E T S		
Cash	\$ <u>3,884</u>	\$ <u>3,861</u>
M U N I C I P A L P O S I T I O N		
Municipal position	\$ <u>3,884</u>	\$ <u>3,861</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
PRICE'S CORNER UNION CEMETERY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
REVENUE		
Interest income	\$ <u>23</u>	\$ <u>4</u>
EXPENDITURES	<u>0</u>	<u>0</u>
CHANGE IN FUND BALANCE for the year	23	4
MUNICIPAL POSITION, beginning of year	<u>3,861</u>	<u>3,857</u>
MUNICIPAL POSITION, end of year	\$ <u>3,884</u>	\$ <u>3,861</u>

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA
PRICE'S CORNER UNION CEMETERY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.