

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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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, 2019 and the consolidated statements of 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, 2019 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](http://www.rlb.ca/additional-auditor-responsibilities-consolidated). This description forms part of our auditor's report.



Guelph, Ontario  
July 21, 2020

Chartered Professional Accountants  
Licensed Public Accountants

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,490,172	\$ 3,201,872
Investment	1,500,000	0
Taxes receivable	492,008	503,993
Accounts receivable	<u>1,142,302</u>	<u>473,681</u>
	<u>4,624,482</u>	<u>4,179,546</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,598,313	739,183
Deferred revenue (schedule 3)	<u>1,080,870</u>	<u>2,097,817</u>
	<u>2,679,183</u>	<u>2,837,000</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,945,299</u>	<u>1,342,546</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 2)	13,986,609	12,477,776
Inventory	4,027,919	4,061,471
Prepaid expenses	<u>33,459</u>	<u>44,693</u>
	<u>18,047,987</u>	<u>16,583,940</u>
<b>ACCUMULATED SURPLUS</b> (schedule 4)	<u>\$ 19,993,286</u>	<u>\$ 17,926,486</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>2019 Budget (note 2)</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>REVENUE</b>			
Taxation revenue	\$ 2,448,442	\$ 2,519,984	\$ 2,310,207
Taxation from other governments	10,469	10,469	10,469
Fees and user charges	238,700	268,740	210,033
Sewer and water service charges	49,233	47,022	47,318
Ontario grants	559,331	1,158,807	181,295
Other income (note 5)	120,000	218,370	243,720
Obligatory reserve fund revenue recognized (schedule 3)	1,345,817	1,250,603	95,829
Loss on disposal of tangible capital assets	<u>0</u>	<u>(588)</u>	<u>(239,457)</u>
	<u>4,771,992</u>	<u>5,473,407</u>	<u>2,859,414</u>
<b>EXPENSES (schedule 1)</b>			
General government	668,465	780,591	574,699
Protection services	649,604	669,198	655,285
Transportation services	1,546,936	1,638,768	1,583,602
Environmental services	42,567	38,812	49,953
Health services	11,980	9,483	9,144
Recreation services	136,029	164,283	132,594
Planning and development	<u>236,258</u>	<u>111,566</u>	<u>241,774</u>
	<u>3,291,839</u>	<u>3,412,701</u>	<u>3,247,051</u>
<b>NET SURPLUS (DEFICIT) for the year</b>	<u>1,480,153</u>	<u>2,060,706</u>	<u>(387,637)</u>
<b>Change in amounts to be recovered</b>			
Change in capital outlay to be recovered in future years	<u>0</u>	<u>6,094</u>	<u>5,944</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 1,480,153</u>	2,066,800	(381,693)
<b>ACCUMULATED SURPLUS, beginning of year</b>		<u>17,926,486</u>	<u>18,308,179</u>
<b>ACCUMULATED SURPLUS, end of year</b>		<u>\$ 19,993,286</u>	<u>\$ 17,926,486</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>2019 Budget (note 2)</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>1,480,153</u>	\$ <u>2,066,800</u>	\$ <u>(381,693)</u>
Acquisition of tangible capital assets	(2,146,515)	(2,043,389)	(280,541)
Amortization of tangible capital assets	522,822	533,968	522,822
Gain on disposal of tangible capital assets	0	588	239,457
Consumption of gravel inventory	40,000	33,552	35,998
Use of prepaid expense	<u>0</u>	<u>11,234</u>	<u>916</u>
	<u>(1,583,693)</u>	<u>(1,464,047)</u>	<u>518,652</u>
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	\$ <u><u>(103,540)</u></u>	602,753	136,959
<b>NET FINANCIAL ASSETS, beginning of year</b>		<u>1,342,546</u>	<u>1,205,587</u>
<b>NET FINANCIAL ASSETS, end of year</b>		\$ <u><u>1,945,299</u></u>	\$ <u><u>1,342,546</u></u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 2,066,800	\$ (381,693)
Items not requiring an outlay of cash		
Amortization of tangible capital assets	533,968	522,822
Gain on disposal of tangible capital assets	588	239,457
Consumption of gravel inventory	<u>33,552</u>	<u>35,998</u>
	<u>2,634,908</u>	<u>416,584</u>
Net changes in non-cash working capital		
Taxes receivable	11,985	21,823
Accounts receivable	(668,621)	(89,142)
Prepaid expenses	11,234	916
Accounts payable and accrued liabilities	859,130	(119,119)
Deferred revenue	<u>(1,016,947)</u>	<u>1,493,590</u>
	<u>(803,219)</u>	<u>1,308,068</u>
	<u>1,831,689</u>	<u>1,724,652</u>
<b>CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	<u>(2,043,389)</u>	<u>(280,541)</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Investments	<u>(1,500,000)</u>	<u>0</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,711,700)	1,444,111
<b>CASH, beginning of year</b>	<u>3,201,872</u>	<u>1,757,761</u>
<b>CASH, end of year</b>	<u>\$ 1,490,172</u>	<u>\$ 3,201,872</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**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 - 19% in 2019; 20% in 2018  
capital - 14% in 2019; 15% in 2018

- (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, 2019**

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**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) INVESTMENTS

The investments held by the municipality are recorded at cost.

(e) 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 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.

(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, 2019**

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**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. COMMITMENTS**

The corporation has an operating lease for their premises. Future minimum lease payments are as follows:

2020	\$	23,670
2021		23,670
2022		23,670
2023		23,670
2024		23,670
Thereafter		<u>355,050</u>
	\$	<u>473,400</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**3. FINANCIAL INSTRUMENTS**

Unless otherwise noted, it is management's opinion that the corporation is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from its financial instruments.

The extent of the corporation's exposure to these risks did not change in 2019 compared to the previous period.

The corporation does not have a significant exposure to any individual customer or counterpart.

Transacting in financial instruments exposes the corporation to certain financial risks and uncertainties. These risks include:

Liquidity risk

Liquidity risk is the risk that the corporation will encounter difficulty in meeting obligations associated with financial liabilities. The corporation is exposed to liquidity risk as a result of accounts payable. The corporation controls liquidity risk by management of working capital and cash flows.

**4. 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 2019 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.

**Revenue**

Approved Budget	\$ 5,828,377
Transfer from reserve funds, net	<u>(1,056,385)</u>

**Total revenues** **\$ 4,771,992**

**Expenses**

Approved Budget	5,850,772
Acquisition of tangible capital assets	(2,289,515)
Amortization	522,822
Contribution to Operating from Capital Fund, Reserves and Reserve Funds	<u>(792,240)</u>

**Total expenses** **\$ 3,291,839**

**5. OTHER INCOME**

	<b>2019</b>	<b>2018</b>
Penalties and interest on taxation	\$ 74,957	\$ 71,210
Licenses and permits	4,930	5,170
Investment income	27,448	29,373
Legal and other expense recovery	109,891	135,000
Other	<u>1,144</u>	<u>2,967</u>
	<b>\$ <u>218,370</u></b>	<b>\$ <u>243,720</u></b>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**6. 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:

	<b>2019</b>	<b>2018</b>
School boards	\$ 1,128,990	\$ 998,435
County of Dufferin	<u>2,096,159</u>	<u>1,967,344</u>
	<u>\$ 3,225,149</u>	<u>\$ 2,965,779</u>

**7. TRUST FUNDS**

The trust funds administered by the municipality amounting to \$11,259 (2018 - \$11,070) have not been included in the consolidated statement of financial position, nor have the operations been included in the consolidated statement of operations.

**8. PRICE'S CORNER UNION CEMETERY**

Price's Corner Union Cemetery cash and net accumulated surplus of \$3,961 (2018 - \$3,914) are included within the consolidated statement of financial position. During the year, the bank account earned \$47 (2018 - \$30) of interest, which is included in the consolidated statement of operations.

**9. 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, 2019**

*Schedule 1*

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation Services	Planning and Development	2019	2018
<b>EXPENSES</b>									
Salaries and benefits	\$ 445,991	\$ 32,804	\$ 575,208	\$ 0	\$ 0	\$ 0	\$ 33,820	\$ 1,087,823	\$ 1,125,548
Materials	32,872	20,819	522,966	0	6,303	69,836	13,983	666,779	533,054
Contracted services	216,635	553,178	30,502	24,745	0	0	63,453	888,513	829,319
Rents and financial expenses	73,181	4,631	35,850	0	0	0	0	113,662	106,524
Amortization	10,814	23,445	474,242	14,067	0	11,400	0	533,968	522,822
Other	<u>1,098</u>	<u>34,321</u>	<u>0</u>	<u>0</u>	<u>3,180</u>	<u>83,047</u>	<u>310</u>	<u>121,956</u>	<u>129,784</u>
	<u>\$ 780,591</u>	<u>\$ 669,198</u>	<u>\$ 1,638,768</u>	<u>\$ 38,812</u>	<u>\$ 9,483</u>	<u>\$ 164,283</u>	<u>\$ 111,566</u>	<u>\$ 3,412,701</u>	<u>\$ 3,247,051</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, 2019**

*Schedule 2*

	Land and land improvements	Facilities	Vehicles	Transportation infrastructure	Equipment	Environmental infrastructure	2019	2018
<b>COST</b>								
Balance, beginning of year	\$ 1,974,747	\$ 631,111	\$ 2,263,064	\$ 13,359,052	\$ 325,153	\$ 968,810	\$ 19,521,937	\$ 19,795,520
Additions during the year	94,590	0	564	1,936,451	11,784	0	2,043,389	280,541
Disposals during the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>(72,355)</u>	<u>0</u>	<u>0</u>	<u>(72,355)</u>	<u>(554,124)</u>
Balance, end of year	<u>2,069,337</u>	<u>631,111</u>	<u>2,263,628</u>	<u>15,223,148</u>	<u>336,937</u>	<u>968,810</u>	<u>21,492,971</u>	<u>19,521,937</u>
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	218,330	408,962	1,356,124	4,581,610	180,962	298,173	7,044,161	6,836,006
Amortization	14,411	10,688	109,886	363,812	21,104	14,067	533,968	522,822
Accumulated amortization on disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>(71,767)</u>	<u>0</u>	<u>0</u>	<u>(71,767)</u>	<u>(314,667)</u>
Balance, end of year	<u>232,741</u>	<u>419,650</u>	<u>1,466,010</u>	<u>4,873,655</u>	<u>202,066</u>	<u>312,240</u>	<u>7,506,362</u>	<u>7,044,161</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 1,836,596</u>	<u>\$ 211,461</u>	<u>\$ 797,618</u>	<u>\$ 10,349,493</u>	<u>\$ 134,871</u>	<u>\$ 656,570</u>	<u>\$ 13,986,609</u>	<u>\$ 12,477,776</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, 2019**

*Schedule 3*

	<b>Dec.31, 2018</b>	<b>Contributions Received</b>	<b>Investment Income</b>	<b>Revenue Recognized</b>	<b>Dec.31, 2019</b>
<b>Obligatory Reserve Funds</b>					
Development charges	\$ 297,284	\$ 92,999	\$ 938	\$ (79,544)	\$ 311,677
Federal gas tax funding	174,557	162,430	3,821	0	340,808
Main Street grant	39,927	0	0	(1,476)	38,451
OCIF Top Up grant	1,054,015	0	16,562	(1,045,000)	25,577
Recreational land	361,816	5,000	2,124	(124,583)	244,357
Roads	100,000	0	0	0	100,000
Water system	20,000	0	0	0	20,000
	<u>2,047,599</u>	<u>260,429</u>	<u>23,445</u>	<u>(1,250,603)</u>	<u>1,080,870</u>
<b>Other</b>					
OCIF grant	47,025	0	0	(47,025)	0
Library grant	3,193	0	0	(3,193)	0
	<u>50,218</u>	<u>0</u>	<u>0</u>	<u>(50,218)</u>	<u>0</u>
	<u>\$ 2,097,817</u>	<u>\$ 260,429</u>	<u>\$ 23,445</u>	<u>\$ (1,300,821)</u>	<u>\$ 1,080,870</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS**  
**AS AT DECEMBER 31, 2019**

*Schedule 4*

	<b>2019</b>	<b>2018</b>
<b>SURPLUSES</b>		
Invested in tangible capital assets	\$ 13,986,609	\$ 12,477,776
Grand Valley and District Fire Board	(1,499)	(7,386)
General revenue fund	4,060,553	4,030,381
<b>Unfunded</b>		
Capital outlay to be recovered in future years	<u>(14,527)</u>	<u>(20,621)</u>
	<u>18,031,136</u>	<u>16,480,150</u>
<b>RESERVES</b>		
<b>Working Capital Reserves</b>		
Working funds	<u>113,300</u>	<u>17,300</u>
<b>Capital Reserves</b>		
Capital purposes	137,252	142,252
Transportation	972,172	849,683
Water system	209,740	191,358
Building	43,103	37,103
Planning	83,000	48,000
Recreation	<u>331,940</u>	<u>94,464</u>
	<u>1,777,207</u>	<u>1,362,860</u>
	<u>1,890,507</u>	<u>1,380,160</u>
<b>RESERVE FUNDS</b>		
Grand Valley and District Fire Board capital	<u>71,643</u>	<u>66,176</u>
	<u>\$ 19,993,286</u>	<u>\$ 17,926,486</u>



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## INDEPENDENT AUDITOR'S REPORT

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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, 2019 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, 2019 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](http://www.rlb.ca/additional-auditor-responsibilities). This description forms part of our auditor's report.



Guelph, Ontario  
July 21, 2020

Chartered Professional Accountants  
Licensed Public Accountants

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**TRUST FUNDS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash	\$ <u>11,259</u>	\$ <u>11,070</u>
<b>FUND BALANCE</b>		
Municipal position	\$ <u>11,259</u>	\$ <u>11,070</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**TRUST FUNDS**  
**STATEMENT OF CONTINUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>MUNICIPAL POSITION, beginning of year</b>	\$ 11,070	\$ 10,928
Interest earned	<u>189</u>	<u>142</u>
<b>MUNICIPAL POSITION, end of year</b>	<u>\$ 11,259</u>	<u>\$ 11,070</u>

**CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA**  
**TRUST FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**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.