

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Changes in Net Debt	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 14
Schedule of Segmented Disclosure	15
Schedule of Tangible Capital Assets	16
Schedule of Accumulated Surplus	17
<u>TRUST FUNDS</u>	
INDEPENDENT AUDITOR'S REPORT	18 - 19
FINANCIAL STATEMENTS	
Statements of Continuity and Statements of Financial Position	20 - 22
Notes to the Financial Statements	23



INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of: The Corporation of the Township of
Guelph/Eramosa

Opinion

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Guelph/Eramosa, which comprise the consolidated statement of financial position as at December 31, 2018 and the consolidated statements of changes in net debt, operations 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 The Corporation of the Township of Guelph/Eramosa 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 The Corporation of the Township of Guelph/Eramosa 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
May 21, 2019

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash and cash equivalents (note 3)	\$ 6,606,533	\$ 6,475,788
Taxes receivable	1,678,532	1,709,177
Accounts receivable	1,490,143	1,698,474
Due from developers	<u>135,634</u>	<u>103,320</u>
	<u>9,910,842</u>	<u>9,986,759</u>
LIABILITIES		
Accounts payable and accrued liabilities	2,341,535	2,920,574
Deferred revenue - Obligatory reserve funds (note 4)	857,473	487,986
Long term liabilities (note 5)	<u>6,915,797</u>	<u>7,581,925</u>
	<u>10,114,805</u>	<u>10,990,485</u>
NET DEBT	<u>(203,963)</u>	<u>(1,003,726)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	90,575,393	91,095,147
Prepaid expenses	<u>39,543</u>	<u>27,587</u>
	<u>90,614,936</u>	<u>91,122,734</u>
ACCUMULATED SURPLUS (schedule 3)	<u>\$ 90,410,973</u>	<u>\$ 90,119,008</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget (note 6)	2018 Actual	2017 Actual
REVENUES			
Taxation from ratepayers (net)	\$ 6,553,245	\$ 6,967,171	\$ 6,833,147
Taxation from other governments	16,704	52,490	62,396
Licences and permits	342,650	287,586	356,829
User charges	3,535,880	3,536,305	3,300,627
Province of Ontario	1,156,000	719,586	702,742
Federal government	0	3,360	116,542
Other grants	25,000	25,000	200,876
Penalties and interest	285,950	440,581	333,428
Gain on disposal of tangible capital assets	0	64,467	342,377
Obligatory reserve fund revenue recognized (note 4)	686,028	1,028,573	4,031,463
	<u>12,601,457</u>	<u>13,125,119</u>	<u>16,280,427</u>
EXPENSES (schedule 1)			
General government	1,817,477	1,879,837	1,917,348
Protection services	1,850,253	1,611,008	1,559,575
Transportation services	4,763,740	4,675,113	4,497,030
Environmental services	2,637,787	2,489,587	2,328,843
Recreation and cultural services	1,918,262	1,974,519	1,792,333
Planning and development	257,453	203,090	239,753
	<u>13,244,972</u>	<u>12,833,154</u>	<u>12,334,882</u>
ANNUAL (DEFICIT) SURPLUS	<u>\$ (643,515)</u>	<u>\$ 291,965</u>	<u>\$ 3,945,545</u>
ACCUMULATED SURPLUS at beginning of year		\$ 90,119,008	\$ 86,173,463
Annual surplus		<u>291,965</u>	<u>3,945,545</u>
ACCUMULATED SURPLUS at end of year		<u>\$ 90,410,973</u>	<u>\$ 90,119,008</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget (note 6)	2018 Actual	2017 Actual
ANNUAL (DEFICIT) SURPLUS	\$ <u>(643,515)</u>	\$ <u>291,965</u>	\$ <u>3,945,545</u>
Acquisition of tangible capital assets	(5,960,360)	(2,831,128)	(5,338,033)
Amortization of tangible capital assets	3,240,800	3,240,800	3,010,211
Gain on disposal of tangible capital assets	0	(64,467)	(342,377)
Proceeds on sale of tangible capital assets	<u>0</u>	<u>174,549</u>	<u>342,377</u>
	<u>(2,719,560)</u>	<u>519,754</u>	<u>(2,327,822)</u>
Use of (additions to) prepaid expenses	<u>0</u>	<u>(11,956)</u>	<u>10,517</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	\$ <u><u>(3,363,075)</u></u>	799,763	1,628,240
NET DEBT at beginning of year		<u>(1,003,726)</u>	<u>(2,631,966)</u>
NET DEBT at end of year		\$ <u><u>(203,963)</u></u>	\$ <u><u>(1,003,726)</u></u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$ 291,965	\$ 3,945,545
Items not requiring an outlay of cash		
Amortization	3,240,800	3,010,211
Gain on disposal of tangible capital assets	<u>(64,467)</u>	<u>(342,377)</u>
	3,176,333	2,667,834
	<u>3,468,298</u>	<u>6,613,379</u>
Net changes in non-cash working capital		
Taxes receivable	30,645	20,882
Accounts receivable	208,331	522,752
Prepaid expenses	(11,956)	10,517
Accounts payable and accrued liabilities	(579,039)	(507,063)
Due from developers	(32,314)	(63,943)
Deferred revenue - Obligatory reserve funds	369,487	(2,597,973)
Deferred revenue - Other	0	(36,413)
	<u>(14,846)</u>	<u>(2,651,241)</u>
	<u>3,453,452</u>	<u>3,962,138</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(2,831,128)	(5,338,033)
Proceeds on disposal of tangible capital assets	<u>174,549</u>	<u>342,377</u>
	<u>(2,656,579)</u>	<u>(4,995,656)</u>
CASH USED IN FINANCING ACTIVITIES		
Net long term liabilities	<u>(666,128)</u>	<u>(661,128)</u>
NET INCREASE (DECREASE) IN CASH	130,745	(1,694,646)
CASH AND CASH EQUIVALENTS, beginning of year	<u>6,475,788</u>	<u>8,170,434</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 6,606,533</u>	<u>\$ 6,475,788</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
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 Guelph/Eramosa are the representation of management prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board of CPA Canada. Significant accounting policies adopted by The Corporation of the Township of Guelph/Eramosa are as follows:

(a) **ACKNOWLEDGEMENT OF RESPONSIBILITY**

The management of The Corporation of the Township of Guelph/Eramosa acknowledges its responsibility for the creation and compilation of the consolidated financial statements and the following significant accounting policy decisions and 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.

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 Wellington 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. The 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.

(d) **CREDIT RISK MANAGEMENT**

The municipality is exposed to credit risk on the taxes receivable from its ratepayers.

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

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) REVENUE RECOGNITION

Taxation revenue is recognized in the period in which the tax is levied.

Fees and user charges are recognized when the related service is provided.

Obligatory reserve fund revenues are recognized based on the terms of the grant or in the year that the related expenses occur.

Other income is recognized when receivable and collection is reasonably assured.

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

Land improvements	10 to 50 years
Facilities	15 to 95 years
Vehicles (Rolling Stock)	7 to 20 years
Equipment	
Non-Pooled	5 to 25 years
General Government pooled	7 to 15 years
Transportation Services pooled	10 years
Recreation and Cultural Services pooled	5 to 10 years
Protection Services pooled	5 to 30 years
Infrastructure - Environmental	
Sanitary Mains/Force Mains	50 to 85 years
Water Mains	50 to 85 years
Water Meters	25 years
Hydrants	35 years
Infrastructure - Transportation	
Roads	1 to 50 years
Bridges and structures	35 to 75 years
Streetlights	40 to 70 years
Signs	10 years
Sidewalks	15 to 30 years

None of the annual amortization is charged in the year of acquisition and a full year's amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
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)**

(ii) **Contributions of tangible capital assets**
Tangible capital assets received as contributions are recorded at their fair value at the date of receipt 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 tangible capital assets. Actual results could differ from those estimates.

2. TRUST FUNDS

The trust funds administered by the municipality amounting to \$247,246 (2017 - \$231,652) have not been included in the Consolidated Statement of Financial Position, nor have the operations been included in the Consolidated Statement of Operations.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include a One Bond Fund which is a near liquid investment and has been recorded at estimated fair market value.

4. DEFERRED REVENUE

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ (624,181)	\$ 365,775	\$ (20,661)	\$ (278,598)	\$ (557,665)
Park in lieu	7,159	255,900	1,933	(217,000)	47,992
MOE SPMIF Funding	(2,006)	37,910	415	0	36,319
Main Street Revitalization	0	49,017	0	0	49,017
OCIF Funding	0	291,713	2,094	(166,810)	126,997
Federal gas tax	1,107,014	394,315	19,649	(366,165)	1,154,813
	<u>\$ 487,986</u>	<u>\$ 1,394,630</u>	<u>\$ 3,430</u>	<u>\$ (1,028,573)</u>	<u>\$ 857,473</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

5. LONG TERM LIABILITIES

	2018	2017
County of Wellington debenture, due June 3, 2020, repayable in annual instalments of \$88,000 plus interest charged at 1.60 to 4.85%, unsecured	\$ 1,451,000	\$ 1,539,000
Infrastructure Ontario debenture, due September 17, 2022, repayable in semi-annual instalments of \$156,500 plus interest charged at 2.71%, unsecured	1,252,000	1,565,000
Internal loan, due to the General Fund, due 2022, repayable in annual instalments of \$43,128 principal only, unsecured	607,797	650,925
County of Wellington debenture, due November 30, 2026, repayable in annual instalments of \$222,000 plus interest charged at 1.15 to 2.45%, unsecured	<u>3,605,000</u>	<u>3,827,000</u>
	<u>\$ 6,915,797</u>	<u>\$ 7,581,925</u>

Future minimum payments on long term obligations are as follows:

2019	\$ 677,128
2020	1,941,128
2021	589,128
2022	593,128
2023	<u>285,128</u>
	4,085,640
Thereafter	<u>2,830,157</u>
	<u>\$ 6,915,797</u>

6. BUDGET AMOUNTS

The budgeted figures are presented for comparison purposes as prepared and approved by council, reclassified to conform to the current financial statement presentation. The budget figures were prepared on a cash basis of accounting and have been restated to conform to the accrual basis of accounting on which actual figures are reported.

7. OPERATIONS OF THE SCHOOL BOARDS AND THE COUNTY OF WELLINGTON

Further to note 1(a)(ii), the taxation, other revenues, expenditures and underlevies of the school boards and the County of Wellington are comprised of the following:

	SCHOOL BOARDS	COUNTY
Taxation and user charges	\$ 5,388,087	\$ 15,669,861
Requisitions paid	<u>(5,388,087)</u>	<u>(15,669,861)</u>
Overlevies for the year	<u>\$ 0</u>	<u>\$ 0</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

8. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement Systems (OMERS), which is a multi-employer plan, on behalf of 45 (2017 - 43) members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2018 was \$293,308 (2017 - \$270,991). Amounts paid for current service have been included as an expenditure on the Consolidated Statement of Operations.

There are no past service contribution obligations.

9. COMMITMENTS

The municipality leases equipment under an operating lease. Future minimum lease payments are as follows:

2019	\$ <u>21,816</u>
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10. SEGMENTED INFORMATION

The Corporation of the Township of Guelph/Eramosa is a diversified municipal government institution that provides a wide range of services to its citizens. 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.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Protection Services

The municipality contracts with the City of Guelph for fire services. The former Township of Eramosa is serviced by one permanent part time Deputy Fire Chief and volunteer fire fighters based at the Rockwood fire station. In 2017, the municipality hired a part time By-Law Enforcement/Property Standards Officer to serve the needs of the community. This service is not shared with neighbouring municipalities. This position is responsible for the investigation and enforcement of municipal by-laws related to property standards, zoning, signs, open air burning, dumping, dog control and parking. The Building Department is regulated through the Ontario Building Code Act and is responsible for the safe construction of all buildings constructed throughout the municipality. They assist the public through the building permit process for all buildings, sheds, pools, decks and demolitions, as well as for septic installations.

Transportation Services

The Roads Department maintains over 200 kilometres of road and 28 structures with a span over three metres and operates two garages (Bruceedale and Marden) performing regular routine road patrols throughout the year and nightly winter patrols during the winter season from mid November to mid April. The Roads Department currently operates with four tandem axle and two single axle combination snowplow/sanders, a one ton plow/sander, front end loader, loader/backhoe, grader, asphalt grinder, line painter, wood chipper, two sidewalk snow plows, and five pickup trucks.

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

10. SEGMENTED INFORMATION (continued)

Environmental Services

The Water/Wastewater Department operates two separate water distribution systems. One is located in Rockwood, which has two pump houses (Parkinson Dr. and Station St.) and a standpipe with a booster station on Hampson Cres. The other is located in the Hamilton Drive subdivision, which also has two pump houses (Cross Creek Blvd. and Wellington Rd. 38) and a standpipe also on Wellington Rd. 38. The wastewater system in Rockwood consists of four lift stations (Valley Rd., MacLennan St., Ridge Rd. and Lou's Blvd.) and one transfer station on Alma St. The Water/Wastewater Department performs daily checks and weekly bacterial checks on both water systems, and also performs the bi-weekly checks and inspections on five other small municipal non-residential systems within the municipality. In addition, the municipality owns a water distribution and sanitary collection system referred to as Gazer Mooney, which is operated by the City of Guelph.

Recreation and Cultural Services

The Parks and Recreation Department maintains municipal parks varying from 1.5 to 64 acres including ball diamonds, soccer pitches, outdoor skating rinks, walking trails, picnic pavilions, community centres, small meeting rooms, and the Marden recreation facility.

Planning and Development

Planning is regulated under the Ontario Planning Act. The department helps the municipality to set goals about how it will grow and develop and to work out ways of reaching those goals while keeping important social, economic and environmental concerns in mind. It balances the interests of individual property owners with the wider interest and objectives of the whole community.

11. CONTINGENT LIABILITIES

In the normal course of its operations, the municipality is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time. However, the municipality's management believes that the ultimate disposition of these matters will not have a material adverse effect on its financial position.

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA

SCHEDULE OF SEGMENTED DISCLOSURE

FOR THE YEAR ENDED DECEMBER 31, 2018

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation Services	Planning and Development	2018	2017
EXPENSES								
Salaries and benefits	\$ 1,041,292	\$ 642,596	\$ 1,239,270	\$ 638,886	\$ 962,265	\$ 76,992	\$ 4,601,301	\$ 4,359,685
Materials	582,263	254,250	1,284,962	484,732	556,902	14,893	3,178,002	3,136,604
Contracted services	169,963	360,018	66,190	623,719	46,307	111,205	1,377,402	1,378,778
Rents and financial expenses	4,197	0	45,905	0	13,060	0	63,162	66,177
Interest on long term debt	12,019	5,845	57,808	64,691	72,211	0	212,574	207,908
Amortization	70,103	188,386	1,980,978	677,559	323,774	0	3,240,800	3,010,211
Other	0	159,913	0	0	0	0	159,913	175,519
	<u>\$ 1,879,837</u>	<u>\$ 1,611,008</u>	<u>\$ 4,675,113</u>	<u>\$ 2,489,587</u>	<u>\$ 1,974,519</u>	<u>\$ 203,090</u>	<u>\$12,833,154</u>	<u>\$12,334,882</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA

SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2018

Schedule 2

	Land	Land Improvements	Facilities	Vehicles	Equipment	Infrastructure:		2018	2017
						Transportation	Environmental		
COST									
Balance, beginning of year	\$ 5,078,981	\$ 5,262,343	\$ 25,365,966	\$ 4,139,118	\$ 2,422,783	\$ 80,210,265	\$ 21,382,222	\$143,861,678	\$139,031,746
Additions during the year	0	1,288,118	44,276	370,336	246,154	575,810	306,434	2,831,128	5,338,033
Disposals during the year	0	0	(17,950)	(227,695)	(104,520)	(319,393)	(13,798)	(683,356)	(508,101)
Balance, end of year	<u>5,078,981</u>	<u>6,550,461</u>	<u>25,392,292</u>	<u>4,281,759</u>	<u>2,564,417</u>	<u>80,466,682</u>	<u>21,674,858</u>	<u>146,009,450</u>	<u>143,861,678</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	0	1,684,004	6,560,363	1,895,113	1,273,957	34,377,531	6,975,563	52,766,531	50,264,421
Amortization	0	124,227	593,986	233,038	165,897	1,830,621	293,031	3,240,800	3,010,211
Accumulated amortization on disposals	0	0	(8,975)	(208,115)	(104,520)	(237,866)	(13,798)	(573,274)	(508,101)
Balance, end of year	<u>0</u>	<u>1,808,231</u>	<u>7,145,374</u>	<u>1,920,036</u>	<u>1,335,334</u>	<u>35,970,286</u>	<u>7,254,796</u>	<u>55,434,057</u>	<u>52,766,531</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 5,078,981</u>	<u>\$ 4,742,230</u>	<u>\$ 18,246,918</u>	<u>\$ 2,361,723</u>	<u>\$ 1,229,083</u>	<u>\$ 44,496,396</u>	<u>\$ 14,420,062</u>	<u>\$ 90,575,393</u>	<u>\$ 91,095,147</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA

SCHEDULE OF ACCUMULATED SURPLUS

Schedule 3

AS AT DECEMBER 31, 2018

	2018	2017
SURPLUSES		
Invested in tangible capital assets	\$ 83,705,105	\$ 83,540,747
RESERVE FUNDS		
Park purposes	13,310	42,913
Rockwood Hydro	612,923	547,953
Protection services	1,075	1,056
Environmental services	2,228,323	2,841,559
Infrastructure renewal	418,309	258,142
	<u>3,273,940</u>	<u>3,691,623</u>
RESERVES		
Capital Reserves		
Administration department	280,024	255,024
Fire department	339,029	159,827
Roads department	882,154	980,767
Streetlights	32,062	15,448
	<u>1,533,269</u>	<u>1,411,066</u>
Special Purpose Reserves		
Cemetery	1,500	0
Working capital	1,137,293	916,246
Environmental services	401,994	162,712
Emergency measures	25,000	22,500
Parks and recreation	332,872	374,114
	<u>1,898,659</u>	<u>1,475,572</u>
	<u>3,431,928</u>	<u>2,886,638</u>
	<u>\$ 90,410,973</u>	<u>\$ 90,119,008</u>



Chartered
Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of: The Corporation of the Township of Guelph/Eramosa

Opinion

We have audited the accompanying financial statements of the trust funds of The Corporation of the Township of Guelph/Eramosa, which comprise the statement of financial position of the trust funds as at December 31, 2018 and the statement of continuity of the trust funds 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 The Corporation of the Township of Guelph/Eramosa as at December 31, 2018 and the results of their operations and their 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 The Corporation of the Township of Guelph/Eramosa 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 funds' 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 funds' 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.

Handwritten signature of RLB LLP in black ink.

Guelph, Ontario
May 21, 2019

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
 TRUST FUNDS
 STATEMENT OF CONTINUITY
 FOR THE YEAR ENDED DECEMBER 31, 2018

	PARKINSON CEMETERY TRUST FUND 2018	PARKINSON CEMETERY TRUST FUND 2017
BALANCE at beginning of year	\$ 16,885	\$ 16,912
CAPITAL RECEIPTS		
Interest income (expense)	301	(27)
CAPITAL DISBURSEMENTS		
Disbursements	0	0
TRANSFERS FROM TRUST	<u>0</u>	<u>0</u>
BALANCE at end of year	<u>\$ 17,186</u>	<u>\$ 16,885</u>

STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2018

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 20,186	\$ 19,885
Receivable from General Fund	<u>0</u>	<u>0</u>
	<u>\$ 20,186</u>	<u>\$ 19,885</u>
LIABILITIES AND FUND BALANCES		
Due to revenue fund	\$ 3,000	\$ 3,000
Fund balance - capital	<u>17,186</u>	<u>16,885</u>
	<u>\$ 20,186</u>	<u>\$ 19,885</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
 TRUST FUNDS
 STATEMENT OF CONTINUITY
 FOR THE YEAR ENDED DECEMBER 31, 2018

	ROCKWOOD CEMETERY CHAPEL 2018	ROCKWOOD CEMETERY CHAPEL 2017
BALANCE at beginning of year (note 3)	\$ 34,441	\$ 35,554
CAPITAL RECEIPTS		
Interest income	1,424	871
CAPITAL DISBURSEMENTS		
Disbursements	0	(1,984)
TRANSFERS FROM TRUST	0	0
BALANCE at end of year	\$ 35,865	\$ 34,441

STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2018

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 69,706	\$ 69,706
Receivable from General Fund	0	0
	\$ 69,706	\$ 69,706
LIABILITIES AND FUND BALANCES		
Due to revenue fund	\$ 33,841	\$ 35,265
Fund balance	35,865	34,441
	\$ 69,706	\$ 69,706

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

	ROCKWOOD CEMETERY TRUST FUND 2018	ROCKWOOD CEMETERY TRUST FUND 2017
BALANCE at beginning of year	\$ 3,583	\$ 4,626
CAPITAL RECEIPTS		
Internment rights and fees	20,540	22,053
Care and maintenance	7,225	10,041
Other income	3,739	4,063
Interest income	<u>4,488</u>	<u>3,246</u>
	35,992	39,403
CAPITAL DISBURSEMENTS		
Disbursements	27,475	40,446
TRANSFERS FROM TRUST	<u>0</u>	<u>0</u>
BALANCE at end of year	<u>\$ 12,100</u>	<u>\$ 3,583</u>

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 157,354	\$ 142,060
Accounts receivable	<u>0</u>	<u>848</u>
	<u>\$ 157,354</u>	<u>\$ 142,908</u>
LIABILITIES AND FUND BALANCES		
Accounts payable	\$ 3,256	\$ 5,912
Government remittances payable	791	0
Perpetual care trust	141,207	133,413
Fund balance	<u>12,100</u>	<u>3,583</u>
	<u>\$ 157,354</u>	<u>\$ 142,908</u>

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. ACCOUNTING POLICIES

These statements have been prepared using the accrual basis of accounting for expenditures and revenues.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of cash on deposit and short term investments that are easily converted to cash or that hold a maturity date within the next fiscal year.

3. ROCKWOOD CEMETERY CHAPEL TRUST

On November 11, 2007, the Corporation of the Township of Guelph/Eramosa received \$75,631 from the Guelph Cemetery Commission as a transfer of control of the Rockwood Cemetery Chapel Trust Fund. The Township will maintain the Rockwood Cemetery Chapel Trust Fund on a go-forward basis under the provisions of the *Municipal Act, 2001* relating to the oversight of Trust Funds.

4. ROCKWOOD CEMETERY TRUST

In 2017, the Corporation of the Township of Guelph/Eramosa took over the management and administration of the Rockwood Cemetery from the Woodlawn Cemetery board. The Township maintains the Rockwood Cemetery Trust Funds under the provisions of the *Municipal Act, 2001* relating to the oversight of Trust Funds.