

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

	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 Financial Assets (Debt)	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 15
Schedule of Segmented Disclosure	16
Schedule of Tangible Capital Assets	17
Schedule of Accumulated Surplus	18
<u>TRUST FUNDS</u>	
INDEPENDENT AUDITOR'S REPORT	19 - 20
FINANCIAL STATEMENTS	
Statements of Continuity and Statements of Financial Position	21 - 23
Notes to the Financial Statements	24

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, 2019 and the consolidated statements of changes in net financial assets (debt), operations and cash flows for the year then ended, and notes to the consolidated 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, 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 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.

Handwritten signature of RLB LLP in black ink.

Guelph, Ontario
May 19, 2020

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018 (note 12)
FINANCIAL ASSETS		
Cash and cash equivalents (note 3)	\$ 11,406,398	\$ 6,606,533
Taxes receivable	1,653,460	1,678,532
Accounts receivable	1,463,320	1,490,143
Due from developers	0	135,634
	<u>14,523,178</u>	<u>9,910,842</u>
LIABILITIES		
Accounts payable and accrued liabilities	4,997,910	2,341,535
Due to developers	20,600	0
Deferred revenue - Obligatory reserve funds (note 4)	1,737,184	1,457,473
Long term liabilities (note 5)	6,238,669	6,915,797
	<u>12,994,363</u>	<u>10,714,805</u>
NET FINANCIAL ASSETS (DEBT)	<u>1,528,815</u>	<u>(803,963)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	93,450,487	90,575,393
Prepaid expenses	31,499	39,543
	<u>93,481,986</u>	<u>90,614,936</u>
ACCUMULATED SURPLUS (schedule 3)	<u>\$ 95,010,801</u>	<u>\$ 89,810,973</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 Budget (note 6)	2019 Actual	2018 Actual (note 12)
REVENUES			
Taxation from ratepayers (net)	\$ 7,049,786	\$ 7,282,569	\$ 6,967,171
Taxation from other governments	26,243	72,534	52,490
User charges	3,791,437	3,885,666	3,536,305
Province of Ontario	1,636,429	1,189,847	719,586
Federal government	0	0	3,360
Other grants	92,487	106,911	25,000
Licences and permits	486,292	605,967	287,586
Penalties and interest	339,200	481,395	440,581
(Loss) gain on disposal of tangible capital assets	0	(61,568)	64,467
Obligatory reserve fund revenue recognized (note 4)	840,180	5,015,026	428,573
	<u>14,262,054</u>	<u>18,578,347</u>	<u>12,525,119</u>
EXPENSES (schedule 1)			
General government	1,836,133	1,962,532	1,879,837
Protection services	1,837,310	1,749,932	1,611,008
Transportation services	4,723,474	4,527,940	4,675,113
Environmental services	2,798,701	2,758,183	2,489,587
Recreation and cultural services	2,094,034	2,119,899	1,974,519
Planning and development	275,611	302,033	203,090
	<u>13,565,263</u>	<u>13,420,519</u>	<u>12,833,154</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 696,791</u>	<u>\$ 5,157,828</u>	<u>\$ (308,035)</u>
ACCUMULATED SURPLUS at beginning of year		\$ 89,810,973	\$ 90,119,008
Assumed tangible capital assets recorded		42,000	0
Annual surplus (deficit)		<u>5,157,828</u>	<u>(308,035)</u>
ACCUMULATED SURPLUS at end of year		<u>\$ 95,010,801</u>	<u>\$ 89,810,973</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 Budget (note 6)	2019 Actual	2018 Actual (note 12)
ANNUAL SURPLUS (DEFICIT)	\$ 696,791	\$ 5,157,828	\$ (308,035)
Acquisition of tangible capital assets	(7,964,400)	(6,205,894)	(2,831,128)
Amortization of tangible capital assets	3,240,798	3,249,828	3,240,800
Gain (loss) on disposal of tangible capital assets	0	61,568	(64,467)
Proceeds on sale of tangible capital assets	0	19,404	174,549
Assumed tangible capital assets	0	42,000	0
	<u>(4,723,602)</u>	<u>(2,833,094)</u>	<u>519,754</u>
Use of (additions to) prepaid expenses	<u>0</u>	<u>8,044</u>	<u>(11,956)</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	<u>\$ (4,026,811)</u>	2,332,778	199,763
NET DEBT at beginning of year		<u>(803,963)</u>	<u>(1,003,726)</u>
NET FINANCIAL ASSETS (DEBT) at end of year		<u>\$ 1,528,815</u>	<u>\$ (803,963)</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018 (note 12)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 5,157,828	\$ (308,035)
Items not requiring an outlay of cash		
Amortization	3,249,828	3,240,800
Gain (loss) on disposal of tangible capital assets	61,568	(64,467)
Assumed tangible capital assets	42,000	0
	<u>3,353,396</u>	<u>3,176,333</u>
	<u>8,511,224</u>	<u>2,868,298</u>
Net changes in non-cash working capital		
Taxes receivable	25,072	30,645
Accounts receivable	26,823	208,331
Prepaid expenses	8,044	(11,956)
Accounts payable and accrued liabilities	2,656,375	(579,039)
Due to/from developers	156,234	(32,314)
Deferred revenue - Obligatory reserve funds	279,711	969,487
	<u>3,152,259</u>	<u>585,154</u>
	<u>11,663,483</u>	<u>3,453,452</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(6,205,894)	(2,831,128)
Proceeds on disposal of tangible capital assets	19,404	174,549
	<u>(6,186,490)</u>	<u>(2,656,579)</u>
CASH USED IN FINANCING ACTIVITIES		
Net long term liabilities	<u>(677,128)</u>	<u>(666,128)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,799,865	130,745
CASH AND CASH EQUIVALENTS, beginning of year	<u>6,606,533</u>	<u>6,475,788</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 11,406,398</u>	<u>\$ 6,606,533</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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/ERAMOSA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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/ERAMOSA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 \$68,983 (2018 - \$65,151) 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	\$ 42,335	\$ 3,967,872	\$ 20,487	\$ (2,954,689)	\$ 1,076,005
Park in lieu	47,992	18,724	653	(67,000)	369
MOE SPMIF Funding	36,319	20,650	1,170	0	58,139
Main Street Revitalization	49,017	0	615	(48,702)	930
OCIF Funding	126,997	450,444	3,959	(488,000)	93,400
Federal gas tax	<u>1,154,813</u>	<u>791,601</u>	<u>18,562</u>	<u>(1,456,635)</u>	<u>508,341</u>
	<u>\$ 1,457,473</u>	<u>\$ 5,249,291</u>	<u>\$ 45,446</u>	<u>\$ (5,015,026)</u>	<u>\$ 1,737,184</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

5. LONG TERM LIABILITIES

	2019	2018
County of Wellington debenture, due June 3, 2020, repayable in increasing annual instalments plus interest charged at 1.60 to 4.85%, unsecured	\$ 1,356,000	\$ 1,451,000
Infrastructure Ontario debenture, due September 17, 2022, repayable in semi-annual instalments of \$156,500 plus interest charged at 2.71%, unsecured	939,000	1,252,000
Internal loan, due to the General Fund, due 2032, repayable in annual instalments of \$43,128 principal only, unsecured	564,669	607,797
County of Wellington debenture, due November 30, 2026, repayable in increasing annual instalments plus interest charged at 1.15 to 2.45%, unsecured	<u>3,379,000</u>	<u>3,605,000</u>
	<u>\$ 6,238,669</u>	<u>\$ 6,915,797</u>

Future minimum payments on long term obligations are as follows:

2020	\$ 1,941,128
2021	589,128
2022	593,128
2023	285,128
2024	<u>289,128</u>
	3,697,640
Thereafter	<u>2,541,029</u>
	<u>\$ 6,238,669</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. The following chart reconciles the approved budget with the budget figures as presented in these consolidated financial statements:

REVENUE

Approved budget \$ 14,262,054

EXPENSES

Approved budget 22,338,972
Acquisition of tangible capital assets (7,964,400)
Debt principal repayments (702,851)
Amortization 3,240,798
Transfer to reserve funds, net (3,347,256)
13,565,263

ANNUAL SURPLUS

\$ 696,791

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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	\$ 5,463,935	\$ 16,290,245
Requisitions paid	<u>(5,463,935)</u>	<u>(16,290,245)</u>
Overlevies for the year	<u>\$ 0</u>	<u>\$ 0</u>

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 (2018 - 45) 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 2019 was \$305,938 (2018 - \$293,308). 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:

2020	\$ 67,269
2021	67,269
2022	67,269
2023	67,269
2024	<u>28,029</u>
	<u>\$ 297,105</u>

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:

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

10. SEGMENTED INFORMATION (continued)

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 29 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.

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. SUBSEQUENT EVENTS

Subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the organization's assets and its future ability to deliver all services.

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

12. COMPARATIVE FIGURES

During the review of the 2018 financial information return, it was requested that the municipality correct its deferred revenue - Obligatory reserve funds as one of the development charges balances was in a debit position. The deferred revenue - Obligatory reserve funds, along with the Obligatory reserve fund revenue recognized have been restated for 2018 in the current year financial statements. The net effect of this adjustment to the deferred revenue - Obligatory reserve funds and accumulated surplus at December 31, 2018 is an increase of \$600,000. The net effect of this adjustment to the annual surplus at December 31, 2018 is \$600,000.

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA

SCHEDULE OF SEGMENTED DISCLOSURE

Schedule 1

FOR THE YEAR ENDED DECEMBER 31, 2019

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation Services	Planning and Development	2019	2018
EXPENSES								
Salaries and benefits	\$ 1,068,131	\$ 726,313	\$ 1,211,705	\$ 737,304	\$ 1,064,268	\$ 84,175	\$ 4,891,896	\$ 4,601,301
Materials	603,446	253,446	1,166,755	655,554	578,971	6,830	3,265,002	3,178,002
Contracted services	205,715	413,225	65,440	619,488	62,902	211,028	1,577,798	1,377,402
Rents and financial expenses	4,864	0	57,879	0	13,972	0	76,715	63,162
Interest on long term debt	9,086	5,415	49,887	63,001	67,999	0	195,388	212,574
Amortization	71,290	187,641	1,976,274	682,836	331,787	0	3,249,828	3,240,800
Other	0	163,892	0	0	0	0	163,892	159,913
	<u>\$ 1,962,532</u>	<u>\$ 1,749,932</u>	<u>\$ 4,527,940</u>	<u>\$ 2,758,183</u>	<u>\$ 2,119,899</u>	<u>\$ 302,033</u>	<u>\$13,420,519</u>	<u>\$12,833,154</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA

SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 2

FOR THE YEAR ENDED DECEMBER 31, 2019

	Land	Land Improvements	Facilities	Vehicles	Equipment	Infrastructure: Transportation	Infrastructure: Environmental	2019	2018
COST									
Balance, beginning of year	\$ 5,078,981	\$ 6,550,461	\$ 25,392,292	\$ 4,281,759	\$ 2,564,417	\$ 80,466,682	\$ 21,674,858	\$146,009,450	\$143,861,678
Additions during the year	0	839,706	1,814,826	188,007	180,246	2,361,393	821,716	6,205,894	2,831,128
Disposals during the year	0	(216,933)	(105,473)	(29,111)	(266,024)	(393,122)	(57,246)	(1,067,909)	(683,356)
Balance, end of year	<u>5,078,981</u>	<u>7,173,234</u>	<u>27,101,645</u>	<u>4,440,655</u>	<u>2,478,639</u>	<u>82,434,953</u>	<u>22,439,328</u>	<u>151,147,435</u>	<u>146,009,450</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	0	1,808,231	7,145,374	1,920,036	1,335,334	35,970,286	7,254,796	55,434,057	52,766,531
Amortization	0	126,498	592,786	245,438	166,829	1,822,194	296,083	3,249,828	3,240,800
Accumulated amortization on disposals	0	(216,933)	(99,614)	(26,200)	(249,262)	(344,144)	(50,784)	(986,937)	(573,274)
Balance, end of year	<u>0</u>	<u>1,717,796</u>	<u>7,638,546</u>	<u>2,139,274</u>	<u>1,252,901</u>	<u>37,448,336</u>	<u>7,500,095</u>	<u>57,696,948</u>	<u>55,434,057</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	<u>\$ 5,078,981</u>	<u>\$ 5,455,438</u>	<u>\$ 19,463,099</u>	<u>\$ 2,301,381</u>	<u>\$ 1,225,738</u>	<u>\$ 44,986,617</u>	<u>\$ 14,939,233</u>	<u>\$ 93,450,487</u>	<u>\$ 90,575,393</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA

SCHEDULE OF ACCUMULATED SURPLUS

Schedule 3

AS AT DECEMBER 31, 2019

	2019	2018 (note 12)
SURPLUSES		
Invested in tangible capital assets	\$ 87,254,946	\$ 83,705,105
RESERVE FUNDS		
Environmental services	2,605,519	1,628,323
Rockwood Hydro	682,884	612,923
General government	603,203	0
Infrastructure renewal	584,672	418,309
Protection services	1,101	1,075
Park purposes	<u>(226,754)</u>	<u>13,310</u>
	<u>4,250,625</u>	<u>2,673,940</u>
RESERVES		
Capital Reserves		
Roads department	681,537	882,154
Fire department	545,529	339,029
Administration department	336,824	280,024
Streetlights	<u>59,539</u>	<u>32,062</u>
	<u>1,623,429</u>	<u>1,533,269</u>
Special Purpose Reserves		
Working capital	1,106,663	1,137,293
Building department	298,179	108,086
Parks and recreation	209,914	332,872
Environmental services	168,045	293,908
Economic development	40,000	0
Protection services	28,000	0
Emergency measures	27,500	25,000
Cemetery	<u>3,500</u>	<u>1,500</u>
	<u>1,881,801</u>	<u>1,898,659</u>
	<u>3,505,230</u>	<u>3,431,928</u>
	<u>\$ 95,010,801</u>	<u>\$ 89,810,973</u>

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 statements of financial position of the trust funds as at December 31, 2019 and the statements 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, 2019 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 19, 2020

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, 2019

	PARKINSON CEMETERY TRUST FUND 2019	PARKINSON CEMETERY TRUST FUND 2018
BALANCE at beginning of year	\$ 17,186	\$ 16,885
CAPITAL RECEIPTS		
Interest income	528	301
CAPITAL DISBURSEMENTS		
Disbursements	<u>0</u>	<u>0</u>
BALANCE at end of year	<u>\$ 17,714</u>	<u>\$ 17,186</u>

STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2019

	2019	2018
ASSETS		
Cash and cash equivalents	<u>\$ 20,714</u>	<u>\$ 20,186</u>
LIABILITIES AND FUND BALANCES		
Due to revenue fund	\$ 3,000	\$ 3,000
Fund balance - capital	<u>17,714</u>	<u>17,186</u>
	<u>\$ 20,714</u>	<u>\$ 20,186</u>

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

	ROCKWOOD CEMETERY CHAPEL 2019	ROCKWOOD CEMETERY CHAPEL 2018
BALANCE at beginning of year (note 3)	\$ 35,865	\$ 34,441
CAPITAL RECEIPTS		
Interest income	1,642	1,424
CAPITAL DISBURSEMENTS		
Disbursements	0	0
BALANCE at end of year	\$ 37,507	\$ 35,865

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 69,706	\$ 69,706
LIABILITIES AND FUND BALANCES		
Due to revenue fund	\$ 32,199	\$ 33,841
Fund balance	37,507	35,865
	\$ 69,706	\$ 69,706

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2019**

	ROCKWOOD CEMETERY TRUST FUND 2019	ROCKWOOD CEMETERY TRUST FUND 2018
BALANCE at beginning of year	\$ 12,100	\$ 3,583
CAPITAL RECEIPTS		
Internment rights and fees	9,990	20,540
Other income	5,507	3,739
Interest income	4,459	4,488
Care and maintenance	<u>2,831</u>	<u>7,225</u>
	22,787	35,992
CAPITAL DISBURSEMENTS		
Disbursements	<u>21,125</u>	<u>27,475</u>
BALANCE at end of year	<u>\$ 13,762</u>	<u>\$ 12,100</u>

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

	2019	2018
ASSETS		
Cash and cash equivalents	<u>\$ 166,379</u>	<u>\$ 157,354</u>
LIABILITIES AND FUND BALANCES		
Accounts payable	\$ 3,773	\$ 3,256
Government remittances payable	397	791
Perpetual care trust	148,447	141,207
Fund balance	<u>13,762</u>	<u>12,100</u>
	<u>\$ 166,379</u>	<u>\$ 157,354</u>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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.