

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

	Page
<u>THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA</u>	
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 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
FINANCIAL STATEMENTS	
Statements of Continuity and Statements of Financial Position	19 - 20
Notes to the Financial Statements	21



INDEPENDENT AUDITOR'S REPORT

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

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, 2015 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these 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, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'RLB LLP'.

Fergus, Ontario
June 6, 2016

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	2015	2014
FINANCIAL ASSETS		
Cash and cash equivalents (note 10)	\$ 4,747,175	\$ 3,374,779
Taxes receivable	1,656,330	1,724,631
Accounts receivable	1,598,327	1,909,154
Due from revenue fund	2,517,963	807,474
Due from developers	<u>6,986</u>	<u>89,373</u>
	<u>10,526,781</u>	<u>7,905,411</u>
LIABILITIES		
Accounts payable and accrued liabilities	2,302,793	2,409,658
Due to reserve funds	2,517,963	807,474
Long term liabilities (note 3)	4,632,181	5,065,309
Deferred revenue - Obligatory reserve funds (note 5)	1,733,230	267,864
Deferred revenue - Other	<u>19,710</u>	<u>12,659</u>
	<u>11,205,877</u>	<u>8,562,964</u>
NET DEBT	<u>(679,096)</u>	<u>(657,553)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	86,457,320	87,523,216
Prepaid expenses	<u>8,832</u>	<u>11,850</u>
	<u>86,466,152</u>	<u>87,535,066</u>
ACCUMULATED SURPLUS (schedule 3)	<u>\$ 85,787,056</u>	<u>\$ 86,877,513</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 Budget (note 6)	2015 Actual	2014 Actual
REVENUES			
Taxation from ratepayers (net)	\$ 5,733,255	\$ 5,867,360	\$ 5,475,563
Taxation from other governments	10,577	73,164	82,927
Licences and permits	319,119	351,448	420,362
User charges	2,854,092	2,647,169	2,684,843
Province of Ontario	445,313	664,078	531,218
Other grants	35,000	35,000	35,000
Penalties and interest	299,000	338,679	360,563
Loss on disposal of tangible capital assets	0	(2,514)	(183,368)
Obligatory reserve fund revenue recognized (note 5)	<u>473,268</u>	<u>409,873</u>	<u>2,588,481</u>
	<u>10,169,624</u>	<u>10,384,257</u>	<u>11,995,589</u>
EXPENSES (schedule 1)			
General government	1,468,603	1,628,050	1,506,197
Protection services	1,249,789	1,437,436	1,278,772
Transportation services	2,739,045	4,195,954	4,444,337
Environmental services	1,491,149	2,274,082	1,874,204
Recreation and cultural services	1,456,938	1,702,005	1,481,066
Planning and development	<u>268,791</u>	<u>237,187</u>	<u>237,474</u>
	<u>8,674,315</u>	<u>11,474,714</u>	<u>10,822,050</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 1,495,309</u>	<u>\$ (1,090,457)</u>	<u>\$ 1,173,539</u>
ACCUMULATED SURPLUS at beginning of year		\$ 86,877,513	\$ 85,479,974
Net book value of tangible capital assets recorded		0	224,000
Annual (deficit) surplus		<u>(1,090,457)</u>	<u>1,173,539</u>
ACCUMULATED SURPLUS at end of year		<u>\$ 85,787,056</u>	<u>\$ 86,877,513</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 Budget (note 6)	2015 Actual	2014 Actual
ANNUAL SURPLUS (DEFICIT)	\$ 1,495,309	\$ (1,090,457)	\$ 1,173,539
Acquisition of tangible capital assets	(6,250,000)	(2,121,493)	(4,554,529)
Amortization of tangible capital assets	2,976,013	2,976,013	2,914,386
Loss on disposal of tangible capital assets	0	2,513	183,368
Proceeds on sale of tangible capital assets	0	208,863	65,994
Assumed tangible capital assets	0	0	224,000
	<u>(3,273,987)</u>	<u>1,065,896</u>	<u>(1,166,781)</u>
Additions to prepaid expenses	<u>0</u>	<u>3,018</u>	<u>27,094</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	<u>\$ (1,778,678)</u>	(21,543)	33,852
NET DEBT at beginning of year		<u>(657,553)</u>	<u>(691,405)</u>
NET DEBT at end of year		<u>\$ (679,096)</u>	<u>\$ (657,553)</u>

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual (deficit) surplus	\$ (1,090,457)	\$ 1,173,539
Items not requiring an outlay of cash		
Amortization	2,976,013	2,914,386
Loss on disposal of tangible capital assets	2,513	183,368
Assumed tangible capital assets	0	224,000
	<u>2,978,526</u>	<u>3,321,754</u>
	<u>1,888,069</u>	<u>4,495,293</u>
Net changes in non-cash working capital		
Taxes receivable	68,301	169,576
Accounts receivable	310,827	(114,764)
Prepaid expenses	3,019	27,094
Accounts payable and accrued liabilities	(106,866)	(420,093)
Due from developers	82,387	47,822
Deferred revenue - Obligatory reserve funds	1,465,366	(1,247,256)
Deferred revenue - Other	7,051	(10,561)
	<u>1,830,085</u>	<u>(1,548,182)</u>
	<u>3,718,154</u>	<u>2,947,111</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(2,121,493)	(4,554,529)
Proceeds on disposal of tangible capital assets	208,863	65,994
	<u>(1,912,630)</u>	<u>(4,488,535)</u>
CASH USED IN FINANCING ACTIVITIES		
Net long term liabilities	(433,128)	(740,128)
NET INCREASE (DECREASE) IN CASH	1,372,396	(2,281,552)
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,374,779</u>	<u>5,656,331</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,747,175</u>	<u>\$ 3,374,779</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Corporation of the Township of Guelph/Eramosa are the representation and responsibility of management prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. Significant accounting policies adopted by The Corporation of the Township of Guelph/Eramosa are as follows:

(a) BASIS OF CONSOLIDATION

- (i) These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures for the revenue fund, reserve funds and reserves and include the activities of all committees of Council and the boards and municipal enterprises, which are under the control of Council. There are no local boards or municipal enterprises under the control of Council to be consolidated. These are also non-consolidated entities.

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.

(b) 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.
- (iii) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures transferred to other organizations, is reported on the Consolidated Statement of Financial Position.

(c) DEFERRED REVENUE

The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(e) TRUST FUNDS

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(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 are 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	0 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, 2015

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.

2. FINANCIAL INSTRUMENTS

The municipality's financial instruments consist of cash and cash equivalents, taxes receivable, accounts receivable, accounts payable and accrued liabilities, due from developers, and net long term liabilities. Unless otherwise noted, it is management's opinion that the municipality is not exposed to any significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

3. LONG TERM LIABILITIES

	2015	2014
County of Wellington debenture, due June 3, 2020, repayable in annual instalments of \$77,000 plus interest charged at 1.60 to 4.85%, unsecured	\$ 1,704,000	\$ 1,781,000
Infrastructure Ontario debenture, due September 17, 2022, repayable in semi-annual instalments of \$156,500 plus interest charged at 2.71%, unsecured	2,191,000	2,504,000
Internal loan, due to the General Fund, due 2022, repayable in annual instalments of \$43,128 principal only, unsecured	<u>737,181</u>	<u>780,309</u>
	<u>\$ 4,632,181</u>	<u>\$ 5,065,309</u>

Future minimum payments on long term obligations are as follows:

2016	\$ 436,128
2017	441,128
2018	444,128
2019	451,128
2020	1,712,128
Thereafter	<u>1,147,541</u>
	<u>\$ 4,632,181</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

4. COMMITMENTS

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

2016	\$ 48,274
2017	47,113
2018	43,631
2019	<u>21,816</u>
	<u>\$ 160,834</u>

5. DEFERRED REVENUE

	Opening	Contributions Received	Investment Income	Revenue Recognized	2015 Ending	2014
Obligatory Reserve Funds						
Development charges	\$ (215,841)	\$ 1,416,429	\$ 3,161	\$ (345,177)	\$ 858,572	\$ (215,841)
Park in lieu	22,918	0	378	0	23,296	22,918
Lot levies	11,737	0	194	0	11,931	11,737
MOE SPMIF Funding	0	42,978	628	(49,581)	(5,975)	0
Seniors Community Funding	0	38,004	23	(10,353)	27,674	0
OSRCF Funding	0	6,400	1	(4,762)	1,639	0
Federal gas tax	<u>449,050</u>	<u>358,468</u>	<u>8,575</u>	<u>0</u>	<u>816,093</u>	<u>449,050</u>
	<u>\$ 267,864</u>	<u>\$ 1,862,279</u>	<u>\$ 12,960</u>	<u>\$ (409,873)</u>	<u>\$ 1,733,230</u>	<u>\$ 267,864</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	\$ 5,135,871	\$ 13,806,624
Requisitions paid	<u>(5,135,871)</u>	<u>(13,806,624)</u>
Overlevies for the year	<u>\$ 0</u>	<u>\$ 0</u>

8. TRUST FUNDS

The trust funds administered by the municipality amounting to \$89,446 (2014 - \$89,071) have not been included in the Consolidated Statement of Financial Position, nor have the operations been included in the Consolidated Statement of Operations.

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

9. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement Systems (OMERS), which is a multi-employer plan, on behalf of 45 (2014 - 44) 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 2015 was \$263,630 (2014 - \$221,180). Amounts paid for current service have been included as an expenditure on the Consolidated Statement of Operations.

There are no past service contribution obligations.

10. 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.

11. TANGIBLE CAPITAL ASSETS

	Net 2015	Net 2014
General		
Land	\$ 4,995,852	\$ 4,881,809
Land improvements	2,467,130	2,439,047
Facilities	13,177,980	13,313,515
Vehicles	1,856,364	1,634,793
Equipment	1,381,442	1,261,544
Infrastructure		
Transportation	46,902,124	48,013,188
Environmental	<u>15,676,428</u>	<u>15,979,320</u>
	<u>\$ 86,457,320</u>	<u>\$ 87,523,216</u>

12. 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/ERAMOSIA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

12. 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. The balance of the Township is serviced through agreements with neighbouring municipalities. The municipality employs a By-Law Enforcement/Property Standards Officer on a part-time basis to serve the needs of the community. 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, deck 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 weekly 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, trackless (sidewalk machine), asphalt grinder, line painter, wood chipper, and four 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.

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

13. 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.

14. COMPARATIVE FIGURES

Certain of the prior year comparative figures have been reclassified to conform to the current year presentation.

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation Services	Planning and Development	2015	2014
EXPENSES								
Salaries and benefits	\$ 968,922	\$ 647,104	\$ 1,070,397	\$ 577,041	\$ 777,638	\$ 171,263	\$ 4,212,365	\$ 3,831,037
Materials	404,709	219,806	1,063,204	466,096	473,674	11,452	2,638,941	2,676,190
Contracted services	162,185	249,524	71,239	683,508	47,753	54,472	1,268,681	1,006,976
Rents and financial expenses	7,511	0	48,010	0	5,613	0	61,134	50,888
Interest on long term debt	19,716	0	46,004	0	82,632	0	148,352	176,933
Amortization	65,007	151,774	1,897,100	547,437	314,695	0	2,976,013	2,914,386
Other	<u>0</u>	<u>169,228</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>169,228</u>	<u>165,640</u>
	<u>\$ 1,628,050</u>	<u>\$ 1,437,436</u>	<u>\$ 4,195,954</u>	<u>\$ 2,274,082</u>	<u>\$ 1,702,005</u>	<u>\$ 237,187</u>	<u>\$11,474,714</u>	<u>\$10,822,050</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule 2

	Land	Land Improvements	Facilities	Vehicles	Equipment	Infrastructure: Transportation	Infrastructure: Environmental	2015	2014
COST									
Balance, beginning of year	\$ 4,881,809	\$ 3,816,255	\$ 18,853,103	\$ 3,379,600	\$ 2,160,523	\$ 77,182,984	\$ 22,057,977	\$132,332,251	\$129,147,915
Additions during the year	224,000	58,382	60,313	319,829	274,556	640,139	65,413	1,642,632	3,777,688
Disposals during the year	109,957	0	0	330,939	108,561	2,703	0	552,160	1,370,193
Assets under construction	0	75,888	32,086	183,510	20,627	0	166,751	478,862	776,841
Balance, end of year	<u>4,995,852</u>	<u>3,950,525</u>	<u>18,945,502</u>	<u>3,552,000</u>	<u>2,347,145</u>	<u>77,820,420</u>	<u>22,290,141</u>	<u>133,901,585</u>	<u>132,332,251</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	0	1,377,208	5,539,588	1,744,807	898,979	29,169,796	6,078,657	44,809,035	43,015,480
Amortization	0	106,187	227,934	195,455	160,178	1,751,203	535,056	2,976,013	2,914,386
Accumulated amortization on disposals	0	0	0	244,626	93,454	2,703	0	340,783	1,120,831
Balance, end of year	<u>0</u>	<u>1,483,395</u>	<u>5,767,522</u>	<u>1,695,636</u>	<u>965,703</u>	<u>30,918,296</u>	<u>6,613,713</u>	<u>47,444,265</u>	<u>44,809,035</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	<u>\$ 4,995,852</u>	<u>\$ 2,467,130</u>	<u>\$ 13,177,980</u>	<u>\$ 1,856,364</u>	<u>\$ 1,381,442</u>	<u>\$ 46,902,124</u>	<u>\$ 15,676,428</u>	<u>\$ 86,457,320</u>	<u>\$ 87,523,216</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule 3

	2015	2014
SURPLUSES		
Invested in tangible capital assets	\$ 81,782,016	\$ 82,414,779
Internally financed capital (unfunded capital)	(846,913)	0
	<u>80,935,103</u>	<u>82,414,779</u>
RESERVE FUNDS		
Park purposes	2,806	2,760
Rockwood Hydro	949,073	833,101
Protection services	1,046	29,006
Environmental services	2,269,416	2,066,026
	<u>3,222,341</u>	<u>2,930,893</u>
	<u>84,157,444</u>	<u>85,345,672</u>
RESERVES		
Capital Reserves		
Administration department	147,524	163,624
Fire department	144,706	12,206
Parks and recreation	248,322	217,493
Roads department	785,918	730,878
Streetlights	130,301	176,980
	<u>1,456,771</u>	<u>1,301,181</u>
Special Purpose Reserves		
Building department	15,379	(49,060)
Working capital	416,079	319,453
Environmental services	(276,117)	(54,733)
Emergency measures	17,500	15,000
	<u>172,841</u>	<u>230,660</u>
	<u>1,629,612</u>	<u>1,531,841</u>
	<u>\$ 85,787,056</u>	<u>\$ 86,877,513</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:

We have audited the statements of financial position of the trust funds of The Corporation of the Township of Guelph/Eramosa as at December 31, 2015 and the statements of continuity of the trust funds for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the Township of Guelph/Eramosa as at December 31, 2015 and the continuity of the trust funds for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'RLB LLP'.

Fergus, Ontario
June 6, 2016

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

	PARKINSON CEMETERY TRUST FUND 2015	PARKINSON CEMETERY TRUST FUND 2014
BALANCE at beginning of year	\$ 16,365	\$ 15,677
CAPITAL RECEIPTS		
Interest income	375	688
CAPITAL DISBURSEMENTS		
Disbursements	0	0
TRANSFERS FROM TRUST	<u>0</u>	<u>0</u>
BALANCE at end of year	<u>\$ 16,740</u>	<u>\$ 16,365</u>

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 19,740	\$ 19,365
Receivable from General Fund	<u>0</u>	<u>0</u>
	<u>\$ 19,740</u>	<u>\$ 19,365</u>
LIABILITIES AND FUND BALANCES		
Due to revenue fund	\$ 3,000	\$ 3,000
Fund balance - capital	<u>16,740</u>	<u>16,365</u>
	<u>\$ 19,740</u>	<u>\$ 19,365</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, 2015

	ROCKWOOD CEMETERY CHAPEL 2015	ROCKWOOD CEMETERY CHAPEL 2014
BALANCE at beginning of year (note 3)	\$ 33,981	\$ 32,718
CAPITAL RECEIPTS		
Interest income	1,023	1,447
CAPITAL DISBURSEMENTS		
Disbursements	(200)	(184)
TRANSFERS FROM TRUST	0	0
BALANCE at end of year	\$ 34,804	\$ 33,981

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	2015	2014
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	\$ 34,902	\$ 35,725
Fund balance	34,804	33,981
	\$ 69,706	\$ 69,706

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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.