

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
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YEAR ENDED DECEMBER 31, 2017

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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 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, 2017 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Guelph, Ontario
May 7, 2018

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash and cash equivalents (note 3)	\$ 6,475,788	\$ 8,170,434
Taxes receivable	1,709,177	1,730,059
Accounts receivable	1,698,474	2,221,226
Due from developers	103,320	39,377
	<u>9,986,759</u>	<u>12,161,096</u>
LIABILITIES		
Accounts payable and accrued liabilities	2,920,574	3,427,637
Deferred revenue - Obligatory reserve funds (note 4)	487,986	3,085,959
Deferred revenue - Other	0	36,413
Long term liabilities (note 5)	7,581,925	8,243,053
	<u>10,990,485</u>	<u>14,793,062</u>
NET DEBT	<u>(1,003,726)</u>	<u>(2,631,966)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	91,095,147	88,767,325
Prepaid expenses	27,587	38,104
	<u>91,122,734</u>	<u>88,805,429</u>
ACCUMULATED SURPLUS (schedule 3)	<u>\$ 90,119,008</u>	<u>\$ 86,173,463</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 Budget (note 6)	2017 Actual	2016 Actual
REVENUES			
Taxation from ratepayers (net)	\$ 6,446,427	\$ 6,833,147	\$ 6,350,954
Taxation from other governments	10,786	62,396	63,772
Licences and permits	312,300	356,829	452,076
User charges	3,220,614	3,300,627	3,315,294
Province of Ontario	1,186,139	702,742	587,683
Federal government	162,598	116,542	0
Other grants	264,874	200,876	25,000
Penalties and interest	281,683	333,428	312,205
Gain on disposal of tangible capital assets	0	342,377	95,699
Obligatory reserve fund revenue recognized (note 4)	376,391	4,031,463	1,465,222
	<u>12,261,812</u>	<u>16,280,427</u>	<u>12,667,905</u>
EXPENSES (schedule 1)			
General government	1,695,953	1,917,348	1,777,767
Protection services	1,711,841	1,559,575	1,441,754
Transportation services	4,566,780	4,497,030	4,431,642
Environmental services	2,421,465	2,328,843	2,228,502
Recreation and cultural services	1,764,319	1,792,333	1,731,150
Planning and development	248,256	239,753	273,286
	<u>12,408,614</u>	<u>12,334,882</u>	<u>11,884,101</u>
ANNUAL (DEFICIT) SURPLUS	<u>\$ (146,802)</u>	<u>\$ 3,945,545</u>	<u>\$ 783,804</u>
ACCUMULATED SURPLUS at beginning of year		\$ 86,173,463	\$ 85,148,659
Assumed tangible capital assets recorded		0	241,000
Annual surplus		<u>3,945,545</u>	<u>783,804</u>
ACCUMULATED SURPLUS at end of year		<u>\$ 90,119,008</u>	<u>\$ 86,173,463</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 Budget (note 6)	2017 Actual	2016 Actual
ANNUAL (DEFICIT) SURPLUS	\$ <u>(146,802)</u>	\$ <u>3,945,545</u>	\$ <u>783,804</u>
Acquisition of tangible capital assets	(9,186,860)	(5,338,033)	(5,992,063)
Amortization of tangible capital assets	3,010,211	3,010,211	2,971,620
Gain on disposal of tangible capital assets	0	(342,377)	(95,699)
Proceeds on sale of tangible capital assets	0	342,377	167,740
Assumed tangible capital assets	0	0	241,000
	<u>(6,176,649)</u>	<u>(2,327,822)</u>	<u>(2,707,402)</u>
Use of (additions to) prepaid expenses	<u>0</u>	<u>10,517</u>	<u>(29,272)</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	\$ <u>(6,323,451)</u>	1,628,240	(1,952,870)
NET DEBT at beginning of year		<u>(2,631,966)</u>	<u>(679,096)</u>
NET DEBT at end of year		\$ <u>(1,003,726)</u>	\$ <u>(2,631,966)</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$ 3,945,545	\$ 783,804
Items not requiring an outlay of cash		
Amortization	3,010,211	2,971,620
Gain on disposal of tangible capital assets	(342,377)	(95,699)
Assumed tangible capital assets	0	241,000
	<u>2,667,834</u>	<u>3,116,921</u>
	<u>6,613,379</u>	<u>3,900,725</u>
Net changes in non-cash working capital		
Taxes receivable	20,882	(73,729)
Accounts receivable	522,752	(622,899)
Prepaid expenses	10,517	(29,272)
Accounts payable and accrued liabilities	(507,063)	1,124,844
Due from developers	(63,943)	(32,391)
Deferred revenue - Obligatory reserve funds	(2,597,973)	1,352,729
Deferred revenue - Other	(36,413)	16,703
	<u>(2,651,241)</u>	<u>1,735,985</u>
	<u>3,962,138</u>	<u>5,636,710</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(5,338,033)	(5,992,063)
Proceeds on disposal of tangible capital assets	342,377	167,740
	<u>(4,995,656)</u>	<u>(5,824,323)</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Net long term liabilities	<u>(661,128)</u>	<u>3,610,872</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,694,646)</u>	<u>3,423,259</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>8,170,434</u>	<u>4,747,175</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 6,475,788</u>	<u>\$ 8,170,434</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Corporation of the Township of 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.

(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.

(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, 2017

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, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) **NON-FINANCIAL ASSETS (continued)**

(ii) **Contributions of tangible capital assets**
Tangible capital assets received as contributions are recorded at their fair value at the date 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 \$231,652 (2016 - \$89,618) 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	\$ 1,868,533	\$ 1,002,329	\$ 18,162	\$ (3,513,205)	\$ (624,181)
Park in lieu	23,961	7,005	93	(23,900)	7,159
Lot levies	12,014	0	48	(12,062)	0
MOE SPMIF Funding	(22,482)	20,650	(174)	0	(2,006)
Seniors Community Funding	3,287	0	28	(3,315)	0
Federal gas tax	1,200,646	383,055	2,294	(478,981)	1,107,014
	<u>\$ 3,085,959</u>	<u>\$ 1,413,039</u>	<u>\$ 20,451</u>	<u>\$ (4,031,463)</u>	<u>\$ 487,986</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

5. LONG TERM LIABILITIES

	2017	2016
County of Wellington debenture, due June 3, 2020, repayable in annual instalments of \$85,000 plus interest charged at 1.60 to 4.85%, unsecured	\$ 1,539,000	\$ 1,624,000
Infrastructure Ontario debenture, due September 17, 2022, repayable in semi-annual instalments of \$156,500 plus interest charged at 2.71%, unsecured	1,565,000	1,878,000
Internal loan, due to the General Fund, due 2022, repayable in annual instalments of \$43,128 principal only, unsecured	650,925	694,053
County of Wellington debenture, due November 30, 2026, repayable in annual instalments of \$220,000 plus interest charged at 1.15 to 2.45%, unsecured	<u>3,827,000</u>	<u>4,047,000</u>
	<u>\$ 7,581,925</u>	<u>\$ 8,243,053</u>

Future minimum payments on long term obligations are as follows:

2018	\$ 666,128
2019	677,128
2020	1,941,128
2021	589,128
2022	<u>593,128</u>
	4,466,640
Thereafter	<u>3,115,285</u>
	<u>\$ 7,581,925</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	\$ 5,263,580	\$ 15,083,489
Requisitions paid	<u>(5,263,580)</u>	<u>(15,083,489)</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, 2017

8. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement Systems (OMERS), which is a multi-employer plan, on behalf of 43 (2016 - 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 2017 was \$270,991 (2016 - \$261,982). 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:

2018	\$ 43,631
2019	<u>21,816</u>
	<u>\$ 65,447</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:

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. In 2017, the municipality had a shared service agreement for a full time By-Law Enforcement/Property Standards Officer with a neighbouring municipality 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, decks and demolitions, as well as for septic installations.

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

10. SEGMENTED INFORMATION (continued)

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.

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.

12. 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/ERAMOSA
 SCHEDULE OF SEGMENTED DISCLOSURE
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation Services	Planning and Development	2017	2016
EXPENSES								
Salaries and benefits	\$ 1,031,870	\$ 649,891	\$ 1,176,999	\$ 608,128	\$ 817,726	\$ 75,071	\$ 4,359,685	\$ 4,333,526
Materials	640,776	230,363	1,228,557	496,682	529,160	11,066	3,136,604	2,952,445
Contracted services	150,001	329,956	70,428	633,253	41,524	153,616	1,378,778	1,246,507
Rents and financial expenses	7,608	0	45,015	0	13,554	0	66,177	71,292
Interest on long term debt	14,581	6,224	44,877	66,186	76,040	0	207,908	136,930
Amortization	72,512	167,622	1,931,154	524,594	314,329	0	3,010,211	2,971,620
Other	0	175,519	0	0	0	0	175,519	171,781
	<u>\$ 1,917,348</u>	<u>\$ 1,559,575</u>	<u>\$ 4,497,030</u>	<u>\$ 2,328,843</u>	<u>\$ 1,792,333</u>	<u>\$ 239,753</u>	<u>\$ 12,334,882</u>	<u>\$ 11,884,101</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, 2017

Schedule 2

	Land	Land Improvements	Facilities	Vehicles	Equipment	Infrastructure: Transportation	Infrastructure: Environmental	2017	2016
COST									
Balance, beginning of year	\$ 4,992,942	\$ 4,110,292	\$ 24,567,766	\$ 3,790,425	\$ 2,398,563	\$ 78,890,978	\$ 20,280,780	\$139,031,746	\$133,599,308
Additions during the year	86,039	1,152,051	798,200	407,449	68,641	1,502,109	1,323,544	5,338,033	5,992,063
Disposals during the year	0	0	0	58,756	44,421	182,822	222,102	508,101	559,625
Balance, end of year	<u>5,078,981</u>	<u>5,262,343</u>	<u>25,365,966</u>	<u>4,139,118</u>	<u>2,422,783</u>	<u>80,210,265</u>	<u>21,382,222</u>	<u>143,861,678</u>	<u>139,031,746</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	0	1,577,275	6,331,797	1,740,827	1,150,379	32,779,360	6,684,783	50,264,421	47,780,385
Amortization	0	106,729	228,566	213,042	167,999	1,780,993	512,882	3,010,211	2,971,620
Accumulated amortization on disposals	0	0	0	58,756	44,421	182,822	222,102	508,101	487,584
Balance, end of year	<u>0</u>	<u>1,684,004</u>	<u>6,560,363</u>	<u>1,895,113</u>	<u>1,273,957</u>	<u>34,377,531</u>	<u>6,975,563</u>	<u>52,766,531</u>	<u>50,264,421</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 5,078,981</u>	<u>\$ 3,578,339</u>	<u>\$ 18,805,603</u>	<u>\$ 2,244,005</u>	<u>\$ 1,148,826</u>	<u>\$ 45,832,734</u>	<u>\$ 14,406,659</u>	<u>\$ 91,095,147</u>	<u>\$ 88,767,325</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA

SCHEDULE OF ACCUMULATED SURPLUS

Schedule 3

AS AT DECEMBER 31, 2017

	2017	2016
SURPLUSES		
Invested in tangible capital assets	\$ 83,540,747	\$ 80,506,875
Internally financed capital (unfunded capital)	<u>0</u>	<u>(85,584)</u>
	<u>83,540,747</u>	<u>80,421,291</u>
RESERVE FUNDS		
Park purposes	42,913	15,494
Rockwood Hydro	547,953	803,977
Protection services	1,056	1,053
Environmental services	2,841,559	2,614,840
Infrastructure renewal	<u>258,142</u>	<u>114,651</u>
	<u>3,691,623</u>	<u>3,550,015</u>
RESERVES		
Capital Reserves		
Administration department	255,024	215,024
Fire department	159,827	328,206
Roads department	969,767	663,747
Streetlights	15,448	102,471
Environmental services	<u>11,000</u>	<u>11,000</u>
	<u>1,411,066</u>	<u>1,320,448</u>
Special Purpose Reserves		
Working capital	916,246	505,135
Environmental services	162,712	60,090
Emergency measures	22,500	20,000
Parks and recreation	<u>374,114</u>	<u>296,484</u>
	<u>1,475,572</u>	<u>881,709</u>
	<u>2,886,638</u>	<u>2,202,157</u>
	<u>\$ 90,119,008</u>	<u>\$ 86,173,463</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 statement of financial position of the trust funds of The Corporation of the Township of Guelph/Eramosa as at December 31, 2017 and the statement 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, 2017 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'.

Guelph, Ontario
May 7, 2018

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, 2017

	PARKINSON CEMETERY TRUST FUND 2017	PARKINSON CEMETERY TRUST FUND 2016
BALANCE at beginning of year	\$ 16,912	\$ 16,740
CAPITAL RECEIPTS		
Interest (expense) income	(27)	172
CAPITAL DISBURSEMENTS		
Disbursements	0	0
TRANSFERS FROM TRUST	<u>0</u>	<u>0</u>
BALANCE at end of year	<u>\$ 16,885</u>	<u>\$ 16,912</u>

STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2017

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 19,885	\$ 19,912
Receivable from General Fund	<u>0</u>	<u>0</u>
	<u>\$ 19,885</u>	<u>\$ 19,912</u>
LIABILITIES AND FUND BALANCES		
Due to revenue fund	\$ 3,000	\$ 3,000
Fund balance - capital	<u>16,885</u>	<u>16,912</u>
	<u>\$ 19,885</u>	<u>\$ 19,912</u>

the accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
 TRUST FUNDS
 STATEMENT OF CONTINUITY
 FOR THE YEAR ENDED DECEMBER 31, 2017

	ROCKWOOD CEMETERY CHAPEL 2017	ROCKWOOD CEMETERY CHAPEL 2016
BALANCE at beginning of year (note 3)	\$ 35,554	\$ 34,804
CAPITAL RECEIPTS		
Interest income	871	959
CAPITAL DISBURSEMENTS		
Disbursements	(1,984)	(209)
TRANSFERS FROM TRUST	0	0
BALANCE at end of year	\$ 34,441	\$ 35,554

STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2017

	2017	2016
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	\$ 35,265	\$ 34,152
Fund balance	34,441	35,554
	\$ 69,706	\$ 69,706

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA
 TRUST FUNDS
 STATEMENT OF CONTINUITY
 FOR THE YEAR ENDED DECEMBER 31, 2017

	ROCKWOOD CEMETERY TRUST FUND 2017
BALANCE at beginning of year	\$ 4,626
CAPITAL RECEIPTS	
Internment rights and fees	22,053
Care and maintenance	10,041
Other income	4,063
Interest income	<u>3,246</u>
	39,403
CAPITAL DISBURSEMENTS	
Disbursements	40,446
TRANSFERS FROM TRUST	<u>0</u>
BALANCE at end of year	<u>\$ 3,583</u>

STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2017

	2017
ASSETS	
Cash and cash equivalents	\$ 142,060
Accounts receivable	<u>848</u>
	<u>\$ 142,908</u>
LIABILITIES AND FUND BALANCES	
Accounts payable	\$ 5,912
Perpetual care trust	133,413
Fund balance	<u>3,583</u>
	<u>\$ 142,908</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, 2017

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

During the year, 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.