

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA**  
**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

---

---

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Assets	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, 2023 and the consolidated statements of operations, change in net financial assets, 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, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis of Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Corporation of the Township of 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Guelph, Ontario  
May 21, 2024

Chartered Professional Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b> (note 11)
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (note 3)	\$ 15,141,647	\$ 14,631,515
Taxes receivable	1,898,599	1,699,975
Accounts receivable	1,458,837	1,896,448
Due from developers	148,944	91,506
	<u>18,648,027</u>	<u>18,319,444</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,851,197	5,132,417
Deferred revenue - Obligatory Reserve Funds (note 4)	1,669,177	2,540,637
Deferred revenue - Other	115,425	181,446
Long term liabilities (note 5)	3,180,500	3,505,000
	<u>8,816,299</u>	<u>11,359,500</u>
<b>NET FINANCIAL ASSETS</b>	<u>9,831,728</u>	<u>6,959,944</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 2)	104,585,202	103,149,065
Prepaid expenses	56,622	541,652
	<u>104,641,824</u>	<u>103,690,717</u>
<b>ACCUMULATED SURPLUS</b> (schedule 3)	<u>\$114,473,552</u>	<u>\$110,650,661</u>

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023 Budget (note 6)</b>	<b>2023 Actual</b>	<b>2022 Actual (note 11)</b>
<b>REVENUES</b>			
Taxation from ratepayers (net)	\$ 8,289,171	\$ 8,244,088	\$ 7,768,324
Taxation from other governments	42,400	109,749	82,575
User charges	4,799,293	4,954,682	5,610,144
Provincial grants	596,013	628,713	546,200
Federal grants	42,700	319,896	475,289
Other grants	35,115	36,510	25,000
Licences and permits	442,550	259,548	282,141
Penalties and interest	428,123	1,098,785	496,436
(Loss) gain on disposal of tangible capital assets	0	(214,717)	22,477
Obligatory Reserve Fund revenue recognized (note 4)	<u>2,329,987</u>	<u>2,465,242</u>	<u>1,726,805</u>
	<u>17,005,352</u>	<u>17,902,496</u>	<u>17,035,391</u>
<b>EXPENSES (schedule 1)</b>			
General government	2,010,003	1,941,123	1,941,845
Protection services	2,403,906	2,328,573	2,096,053
Transportation services	5,097,296	4,976,821	4,881,979
Environmental services	3,316,889	3,451,479	3,196,571
Recreation and cultural services	2,689,135	2,636,656	2,349,025
Planning and development	<u>174,632</u>	<u>129,864</u>	<u>157,993</u>
	<u>15,691,861</u>	<u>15,464,516</u>	<u>14,623,466</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 1,313,491</u>	<u>\$ 2,437,980</u>	<u>\$ 2,411,925</u>
<b>ACCUMULATED SURPLUS, beginning of year</b>		\$ 110,650,661	\$ 108,238,736
Contributed tangible capital assets		1,384,911	0
Annual surplus		<u>2,437,980</u>	<u>2,411,925</u>
<b>ACCUMULATED SURPLUS, end of year</b>		<u>\$ 114,473,552</u>	<u>\$ 110,650,661</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<b>2023 Budget (note 6)</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>ANNUAL SURPLUS</b>	\$ 1,313,491	\$ 2,437,980	\$ 2,411,925
Acquisition of tangible capital assets	(6,124,400)	(5,527,068)	(5,440,726)
Amortization of tangible capital assets	3,872,161	3,875,414	3,700,848
Loss (gain) on disposal of tangible capital assets	0	214,717	(22,477)
Proceeds on sale of tangible capital assets	0	800	86,317
Contributed tangible capital assets	0	1,384,911	0
	<u>(2,252,239)</u>	<u>(51,226)</u>	<u>(1,676,038)</u>
Use (acquisition) of prepaid expenses	<u>0</u>	<u>485,030</u>	<u>(501,111)</u>
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	<u>\$ (938,748)</u>	2,871,784	234,776
<b>NET FINANCIAL ASSETS, beginning of year</b>		<u>6,959,944</u>	<u>6,725,168</u>
<b>NET FINANCIAL ASSETS, end of year</b>		<u>\$ 9,831,728</u>	<u>\$ 6,959,944</u>

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b> (note 11)
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Annual surplus	\$ 2,437,980	\$ 2,411,925
Items not requiring an outlay of cash		
Amortization	3,875,414	3,700,848
Loss (gain) on disposal of tangible capital assets	214,717	(22,477)
Contributed tangible capital assets	1,384,911	0
	<u>5,475,042</u>	<u>3,678,371</u>
	<u>7,913,022</u>	<u>6,090,296</u>
Net changes in non-cash working capital		
Taxes receivable	(198,624)	(35,218)
Accounts receivable	437,611	(970,491)
Prepaid expenses	485,030	(501,111)
Accounts payable and accrued liabilities	(1,281,220)	533,593
Due from developers	(57,438)	(156,211)
Deferred revenue - Obligatory Reserve Funds	(871,460)	44,593
Deferred revenue - Other	(66,021)	49,935
	<u>(1,552,122)</u>	<u>(1,034,910)</u>
	<u>6,360,900</u>	<u>5,055,386</u>
<b>CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(5,527,068)	(5,440,726)
Proceeds on disposal of tangible capital assets	800	86,317
	<u>(5,526,268)</u>	<u>(5,354,409)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Repayment of long term liabilities	(324,500)	(550,000)
Increase in long term liabilities	0	825,000
	<u>(324,500)</u>	<u>275,000</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	510,132	(24,023)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>14,631,515</u>	<u>14,655,538</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 15,141,647</u>	<u>\$ 14,631,515</u>



**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

---

---

**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) **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.

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

Licences and permits, other income, and penalties and interest are recognized when receivable and collection is reasonably assured.

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(e) **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	
Storm Sewer	50 to 85 years
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.

(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.

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(f) **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.

(g) **FINANCIAL INSTRUMENTS**

The municipality classifies all of its financial instruments at amortized cost, except for cash and cash equivalents, which are recorded at fair value. The maximum exposure to credit risk is the carrying value of the financial instruments. These financial instruments include accounts receivable, accounts payable and accrued liabilities, and long term liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument. Writedowns of financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net realizable value with the writedown being recognized in the consolidated statement of operations.

**2. TRUST FUNDS**

The trust funds administered by the municipality amounting to \$110,539 (2022 - \$96,661) 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 of \$2,664,116 (2022 - \$2,541,988).

**4. DEFERRED REVENUE**

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
<b>Obligatory Reserve Funds</b>					
Development charges	\$ 1,183,289	\$ 191,878	\$ 63,216	\$ (528,071)	\$ 910,312
Park in lieu	150,147	53,340	11,649	(19,767)	195,369
MOE SPMIF Funding	144,124	2,650	7,344	(17,000)	137,118
OCIF Funding	859,345	781,145	48,158	(1,345,404)	343,244
Federal gas tax	<u>203,732</u>	<u>425,391</u>	<u>9,011</u>	<u>(555,000)</u>	<u>83,134</u>
	<u>\$ 2,540,637</u>	<u>\$ 1,454,404</u>	<u>\$ 139,378</u>	<u>\$ (2,465,242)</u>	<u>\$ 1,669,177</u>

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

---

**5. LONG TERM LIABILITIES**

	<b>2023</b>	<b>2022</b> (note 11)
County of Wellington debenture, due June 2, 2032, repayable in annual instalments of \$82,500 plus interest charged at 2.80 to 3.85%, unsecured	742,500	825,000
County of Wellington debenture, due November 30, 2026, repayable in increasing annual instalments plus interest charged at 1.15 to 2.45%, unsecured	<u>2,438,000</u>	<u>2,680,000</u>
	<u>\$ 3,180,500</u>	<u>\$ 3,505,000</u>

Future minimum payments on long term obligations are as follows:

2024	\$ 328,500
2025	334,500
2026	2,022,500
2027	82,500
2028	<u>82,500</u>
	2,850,500
Thereafter	<u>330,000</u>
	<u>\$ 3,180,500</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	\$ 22,169,162
Transfer from reserve funds, net	<u>(5,163,810)</u>
	<u>17,005,352</u>

**EXPENSES**

Approved budget	22,169,162
Acquisition of tangible capital assets	(6,124,400)
Debt principal repayments	(396,080)
Amortization	3,872,161
Transfer to reserve funds, net	<u>(3,828,982)</u>
	<u>15,691,861</u>

**ANNUAL SURPLUS**

\$ 1,313,491

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

---

**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:

	<b>SCHOOL BOARDS</b>	<b>COUNTY</b>
Taxation and user charges	\$ 5,658,204	\$ 19,301,233
Requisitions paid	<u>(5,658,204)</u>	<u>(19,301,233)</u>
Underlevies 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 74 (2022 - 53) 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 2023 was \$394,854 (2022 - \$328,302). Amounts paid for current service have been included as an expenditure on the Consolidated Statement of Operations. There are no past service contribution obligations.

The OMERS financial statements reported \$128.8 billion in net assets available for benefits (2022 - \$124.4 billion), \$134.6 billion as the defined benefit accrued pension obligation (2022 - \$128.8 billion) and a defined benefit funding deficit of \$4.2 billion (2022 - \$6.7 billion).

**9. FINANCIAL INSTRUMENT RISK MANAGEMENT**

Credit Risk

The municipality is exposed to credit risk through the possibility of non-collection of accounts receivable. The majority of its receivables are from ratepayers and government entities. For accounts receivable, the municipality measures impairment based on how long the amounts have been outstanding. For amounts outstanding greater than 91 days, an impairment allowance may be set up. The amounts outstanding at year end, which is the municipality's maximum exposure to credit risk related to accounts receivable, were as follows:

	0 - 30 days	31 - 90 days	91 - 365 days	1 - 2 years	3 - 5 years
Accounts receivable	\$ 1,246,626	\$ 26,889	\$ 108,118	\$ 37,782	\$ 39,422
Taxes receivable	<u>0</u>	<u>0</u>	<u>1,249,201</u>	<u>601,127</u>	<u>48,271</u>
Total	<u>\$ 1,246,626</u>	<u>\$ 26,889</u>	<u>\$ 1,357,319</u>	<u>\$ 638,909</u>	<u>\$ 87,693</u>

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The municipality is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of the long term debentures.

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSIA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

---

**9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)**

Liquidity Risk

Liquidity risk is the risk that the municipality will not be able to meet its financial obligations as they fall due. The municipality undertakes a planning and budgeting process to help determine the funds required to support the municipality's normal operating requirements on an ongoing basis. The municipality ensures that there are sufficient funds to meet its short term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain an available line of credit balance as approved by the appropriate borrowing bylaw to meet, at a minimum, expected requirements for a period of at least 90 days. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	0 - 30 days	31 - 90 days	91 - 365 days	1 - 5 years	6 years and later
Accounts payable and accrued liabilities	\$ 3,851,197	\$ 0	\$ 0	\$ 0	\$ 0
Long term debt	<u>0</u>	<u>0</u>	<u>328,500</u>	<u>2,357,000</u>	<u>495,000</u>
Total	<u>\$ 3,851,197</u>	<u>\$ 0</u>	<u>\$ 328,500</u>	<u>\$ 2,357,000</u>	<u>\$ 495,000</u>

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure risks.

**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 Funds. 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 Fire Chief and volunteer fire fighters based at the Rockwood Fire Station. The municipality has a full time By-Law officer 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. In 2022 and 2023, the Township of Guelph/Eramosa entered into a shared service agreement with a neighbouring agreement for Chief Building Official Services.

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

---

---

**10. SEGMENTED INFORMATION (continued)**

Transportation Services

The Roads Department maintains over 200 kilometres of road and 30 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 three pump houses (Parkinson Drive, Station Street, and Milne Place) 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. CORRESPONDING FIGURES**

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA

SCHEDULE OF SEGMENTED DISCLOSURE

Schedule 1

FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation Services	Planning and Development	2023	2022
<b>EXPENSES</b>								
Salaries and benefits	\$ 1,287,889	\$ 878,557	\$ 1,417,934	\$ 892,408	\$ 1,229,349	\$ 98,412	\$ 5,804,549	\$ 5,336,192
Materials	312,048	290,708	1,234,637	732,497	858,989	16,153	3,445,032	3,409,007
Contracted services	221,462	696,871	47,281	932,301	62,483	11,196	1,971,594	1,802,046
Rents and financial expenses	8,469	0	69,792	0	12,588	0	90,849	88,217
Interest on long term debt	0	30,687	5,748	54,451	0	4,103	94,989	110,670
Amortization	111,255	249,661	2,201,429	839,822	473,247	0	3,875,414	3,700,848
Other	0	182,089	0	0	0	0	182,089	176,486
	<u>\$ 1,941,123</u>	<u>\$ 2,328,573</u>	<u>\$ 4,976,821</u>	<u>\$ 3,451,479</u>	<u>\$ 2,636,656</u>	<u>\$ 129,864</u>	<u>\$15,464,516</u>	<u>\$14,623,466</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, 2023

	Land	Land Improvements	Facilities	Vehicles	Equipment	Infrastructure: Transportation	Infrastructure: Environmental	2023	2022
<b>COST</b>									
Balance, beginning of year	\$ 5,078,981	\$ 7,416,068	\$ 28,535,339	\$ 6,953,844	\$ 3,369,524	\$ 95,465,277	\$ 24,891,900	\$171,710,933	\$166,566,252
Additions during the year	82,000	377,525	117,504	406,246	626,150	3,732,014	185,629	5,527,068	5,440,726
Disposals during the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>(44,008)</u>	<u>(278,083)</u>	<u>(971,165)</u>	<u>0</u>	<u>(1,293,256)</u>	<u>(296,045)</u>
Balance, end of year	<u>5,160,981</u>	<u>7,793,593</u>	<u>28,652,843</u>	<u>7,316,082</u>	<u>3,717,591</u>	<u>98,226,126</u>	<u>25,077,529</u>	<u>175,944,745</u>	<u>171,710,933</u>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	0	2,373,994	9,681,123	2,361,013	1,594,352	43,894,343	8,657,043	68,561,868	65,093,222
Amortization	0	230,965	688,974	384,543	230,025	2,005,659	335,248	3,875,414	3,700,848
Accumulated amortization on disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>(44,008)</u>	<u>(278,083)</u>	<u>(755,648)</u>	<u>0</u>	<u>(1,077,739)</u>	<u>(232,202)</u>
Balance, end of year	<u>0</u>	<u>2,604,959</u>	<u>10,370,097</u>	<u>2,701,548</u>	<u>1,546,294</u>	<u>45,144,354</u>	<u>8,992,291</u>	<u>71,359,543</u>	<u>68,561,868</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>									
	<u>\$ 5,160,981</u>	<u>\$ 5,188,634</u>	<u>\$ 18,282,746</u>	<u>\$ 4,614,534</u>	<u>\$ 2,171,297</u>	<u>\$ 53,081,772</u>	<u>\$ 16,085,238</u>	<u>\$104,585,202</u>	<u>\$103,149,065</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA

SCHEDULE OF ACCUMULATED SURPLUS

Schedule 3

AS AT DECEMBER 31, 2023

	2023	2022 (note 11)
<b>SURPLUSES</b>		
Invested in tangible capital assets	\$ 101,404,702	\$ 99,644,065
<b>RESERVE FUNDS</b>		
Environmental services	4,818,425	3,875,467
General government	2,304,312	2,193,272
Rockwood Hydro	870,365	799,737
Infrastructure renewal	343,079	327,548
Protection services	1,209	1,149
Park purposes	60,044	4,193
	<u>8,397,434</u>	<u>7,201,366</u>
<b>RESERVES</b>		
<b>Capital Reserves</b>		
Roads department	1,286,903	595,329
Fire department	308,910	238,917
Administration department	329,063	268,063
Streetlights	162,547	131,965
	<u>2,087,423</u>	<u>1,234,274</u>
<b>Special Purpose Reserves</b>		
Working capital	1,105,245	945,583
Building department	195,413	361,884
Environmental services	327,761	451,702
Parks and recreation	539,162	465,922
General government	120,960	101,960
Economic development	160,252	144,005
Protection services	83,400	53,600
Emergency measures	37,500	35,000
Cemetery	14,300	11,300
	<u>2,583,993</u>	<u>2,570,956</u>
	<u>4,671,416</u>	<u>3,805,230</u>
	<u>\$ 114,473,552</u>	<u>\$ 110,650,661</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 as at December 31, 2023 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, 2023 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 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 trust funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Guelph, Ontario  
May 21, 2024

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, 2023

	PARKINSON CEMETERY TRUST FUND 2023	PARKINSON CEMETERY TRUST FUND 2022
<b>BALANCE, beginning of year</b>	\$ 19,927	\$ 19,061
<b>CAPITAL RECEIPTS</b>		
Interest income	948	866
<b>CAPITAL DISBURSEMENTS</b>		
Disbursements	<u>2,360</u>	<u>0</u>
<b>BALANCE, end of year</b>	<u>\$ 18,515</u>	<u>\$ 19,927</u>

STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$ 18,515</u>	<u>\$ 20,566</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Due to revenue fund	\$ 0	\$ 639
Fund balance	<u>18,515</u>	<u>19,927</u>
	<u>\$ 18,515</u>	<u>\$ 20,566</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA  
TRUST FUNDS  
STATEMENT OF CONTINUITY  
FOR THE YEAR ENDED DECEMBER 31, 2023

	ROCKWOOD CEMETERY CHAPEL 2023	ROCKWOOD CEMETERY CHAPEL 2022
<b>BALANCE, beginning of year</b> (note 3)	\$ 40,250	\$ 38,872
<b>CAPITAL RECEIPTS</b>		
Interest income	3,622	1,378
<b>CAPITAL DISBURSEMENTS</b>		
Disbursements	<u>0</u>	<u>0</u>
<b>BALANCE, end of year</b>	<u>\$ 43,872</u>	<u>\$ 40,250</u>

STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$ 43,872</u>	<u>\$ 69,706</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Due to revenue fund	\$ 0	\$ 29,456
Fund balance	<u>43,872</u>	<u>40,250</u>
	<u>\$ 43,872</u>	<u>\$ 69,706</u>

THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA  
TRUST FUNDS  
STATEMENT OF CONTINUITY  
FOR THE YEAR ENDED DECEMBER 31, 2023

	ROCKWOOD CEMETERY TRUST FUND 2023	ROCKWOOD CEMETERY TRUST FUND 2022
<b>BALANCE, beginning of year</b>	\$ <u>36,484</u>	\$ <u>22,135</u>
<b>CAPITAL RECEIPTS</b>		
Internment rights and fees	16,873	24,047
Other income	4,112	11,321
Interest income	8,935	5,399
Care and maintenance	<u>5,348</u>	<u>12,683</u>
	<u>35,268</u>	<u>53,450</u>
<b>CAPITAL DISBURSEMENTS</b>		
Disbursements	<u>23,600</u>	<u>39,101</u>
<b>BALANCE, end of year</b>	\$ <u><u>48,152</u></u>	\$ <u><u>36,484</u></u>

STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ <u><u>238,983</u></u>	\$ <u><u>225,271</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Accounts payable	\$ 12,281	\$ 18,021
Perpetual care trust	178,550	170,766
Fund balance	<u>48,152</u>	<u>36,484</u>
	\$ <u><u>238,983</u></u>	\$ <u><u>225,271</u></u>

**THE CORPORATION OF THE TOWNSHIP OF GUELPH/ERAMOSA**  
**TRUST FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

---

---

**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.