

**TOWNSHIP OF AMARANTH**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**TOWNSHIP OF AMARANTH**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

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Chartered Accountants  
and Business Advisors

People Count.

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers of the Township of Amaranth

We have audited the accompanying financial statements of the Township of Amaranth, which comprise the consolidated statement of financial position as at December 31, 2013 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 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 Township of Amaranth as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Fergus, Ontario  
June 4, 2014

*RUB LLP*  
Chartered Accountants  
Licensed Public Accountants

**TOWNSHIP OF AMARANTH**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2013**

	2013	2012
<b>FINANCIAL ASSETS</b>		
Cash	\$ 965,561	\$ 870,811
Taxes receivable	843,310	800,049
Accounts receivable	178,423	175,398
Notes receivable (note 2)	121,395	145,016
Tile drainage loans receivable (note 3)	<u>150,288</u>	<u>147,821</u>
	<u>2,258,977</u>	<u>2,139,095</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	910,587	1,059,185
Tile drainage loan payable (note 3)	150,288	147,821
Deferred taxation revenue	45,192	57,394
Deferred revenue - Obligatory reserve funds (schedule 3)	584,421	419,228
Long term debt (note 4)	138,221	158,574
Landfill site closure and post-closure liability (note 5)	<u>120,816</u>	<u>120,816</u>
	<u>1,949,525</u>	<u>1,963,018</u>
<b>NET FINANCIAL ASSETS</b>	<u>309,452</u>	<u>176,077</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 2)	16,223,240	16,727,816
Inventory	<u>1,002,467</u>	<u>1,067,844</u>
	<u>17,225,707</u>	<u>17,795,660</u>
<b>ACCUMULATED SURPLUS</b> (schedule 4)	<u>\$ 17,535,159</u>	<u>\$ 17,971,737</u>

**TOWNSHIP OF AMARANTH**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>REVENUE</b>			
Taxation revenue	\$ 2,681,374	\$ 2,670,670	\$ 2,705,556
Fees and user charges	242,567	365,180	397,358
Canada grants	0	0	242
Ontario grants	358,057	357,814	395,076
Other income (note 6)	207,800	268,474	207,188
Obligatory reserve fund revenue recognized (schedule 3)	<u>84,000</u>	<u>84,023</u>	<u>182,586</u>
	<u>3,573,798</u>	<u>3,746,161</u>	<u>3,888,006</u>
<b>EXPENSES</b>			
General government	726,375	765,966	646,603
Protection services	770,999	745,801	736,478
Transportation services	2,007,006	1,938,134	2,065,735
Environmental services	241,122	249,429	351,532
Health services	7,800	7,418	7,583
Recreation and cultural services	273,278	257,705	263,268
Planning and development	<u>191,514</u>	<u>218,286</u>	<u>207,502</u>
	<u>4,218,094</u>	<u>4,182,739</u>	<u>4,278,701</u>
<b>ANNUAL DEFICIT</b>	<u>\$ (644,296)</u>	<u>\$ (436,578)</u>	<u>\$ (390,695)</u>
<b>ACCUMULATED SURPLUS, beginning of year</b>		\$ 17,971,737	\$ 18,362,432
Annual deficit		<u>(436,578)</u>	<u>(390,695)</u>
<b>ACCUMULATED SURPLUS, end of year</b>		<u>\$ 17,535,159</u>	<u>\$ 17,971,737</u>

TOWNSHIP OF AMARANTH  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 Budget	2013 Actual	2012 Actual
<b>Annual deficit</b>	\$ (644,296)	\$ (436,578)	\$ (390,695)
Acquisition of tangible capital assets	(262,175)	(423,677)	(858,900)
Amortization of tangible capital assets	1,012,666	928,075	1,012,666
(Gain) loss on disposal of assets	0	(19,892)	21,889
Proceeds on sale of tangible capital assets	0	20,070	18,269
Consumption of gravel inventory	<u>65,000</u>	<u>65,377</u>	<u>77,914</u>
	<u>815,491</u>	<u>569,953</u>	<u>271,838</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<u>\$ 171,195</u>	133,375	(118,857)
<b>NET FINANCIAL ASSETS, beginning of year</b>		<u>176,077</u>	<u>294,934</u>
<b>NET FINANCIAL ASSETS, end of year</b>		<u>\$ 309,452</u>	<u>\$ 176,077</u>

TOWNSHIP OF AMARANTH  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Annual deficit	\$ (436,578)	\$ (390,695)
Items not requiring an outlay of cash		
Amortization of tangible capital assets	928,075	1,012,666
(Gain) loss on disposal of assets	(19,892)	21,889
Consumption of gravel inventory	<u>65,377</u>	<u>77,914</u>
	<u>536,982</u>	<u>721,774</u>
Net changes in non-cash working capital		
Taxes receivable	(43,261)	(16,468)
Accounts receivable	(3,025)	42,219
Accounts payable and accrued liabilities	(148,598)	(528,381)
Deferred taxation revenue	(12,202)	31,430
Deferred revenue - Obligatory reserve funds	<u>165,193</u>	<u>96,130</u>
	<u>(41,893)</u>	<u>(375,070)</u>
	<u>495,089</u>	<u>346,704</u>
<b>CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(423,677)	(858,900)
Proceeds on disposal of tangible capital assets	<u>20,070</u>	<u>18,269</u>
	<u>(403,607)</u>	<u>(840,631)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Long term debt	(20,353)	(20,000)
Tile drainage payable	<u>2,467</u>	<u>13,340</u>
	<u>(17,886)</u>	<u>(6,660)</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Change in long term receivables	(2,467)	(13,340)
Change in notes receivable	<u>23,621</u>	<u>28,145</u>
	<u>21,154</u>	<u>14,805</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	94,750	(485,782)
<b>CASH, beginning of year</b>	<u>870,811</u>	<u>1,356,593</u>
<b>CASH, end of year</b>	<u>\$ 965,561</u>	<u>\$ 870,811</u>

**TOWNSHIP OF AMARANTH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Corporation of the Township of Amaranth are the representation of management, prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) **BASIS OF CONSOLIDATION**

(i) These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures for the revenue fund, capital 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. The following boards and municipal enterprises owned or controlled by Council have been consolidated:

- (a) The Shelburne District Fire Board  
Proportionate consolidation: 13.6% in 2013; 14.0% in 2012.
- (b) The Grand Valley and District Fire Board  
Proportionate consolidation: operating - 24.0% in 2013; 26.0% in 2012,  
capital - 29.0% in 2013; 29.0% in 2012.

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of the interest income and expenditures on loans or advances between reserve funds and any other fund of the municipality.

- (ii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Dufferin 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 with the exception of principal and interest on long term liabilities which are charged against operations in the periods in which they are paid. The principal and 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 or capital funds transferred to other organizations, is reported on the Consolidated Schedule of Accumulated Surplus.



TOWNSHIP OF AMARANTH  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(d) AMOUNTS TO BE RECOVERED

Amounts to be recovered are reported in the municipal position on the Consolidated Schedule of Accumulated Surplus. The balance represents the outstanding principal portion of unmatured long term liabilities, liabilities not yet due, and other future expenditures not yet levied on the ratepayers.

(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 costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful life as follows:

Land improvements	15 to 20 years
Buildings	25 to 50 years
Vehicles	6 to 20 years
Furniture and equipment	2 to 20 years
Road bases	60 years
Road surfaces	2 to 15 years
Bridges and infrastructure	25 to 100 years

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 received 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.

**TOWNSHIP OF AMARANTH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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**2. NOTES RECEIVABLE**

	<b>2013</b>	<b>2012</b>
Water loan receivable for the capital costs of upgrades to provide water service to users of the system as set out in By-Law Number 50-2006	\$ <u>121,395</u>	\$ <u>145,016</u>

The loan receivable in the amount of \$72,309 (2012 - \$93,749) is due from 68 ratepayers, bears interest at 6% per annum and is recoverable in annual instalments of \$398, which commenced in April 2007 and will mature in April 2017. The loan receivable in the amount of \$49,086 (2012 - \$51,267) is due from 21 ratepayers, bears interest at 7.5% per annum and is recoverable in annual instalments of \$287, which commenced in April 2007 and will mature in April 2027.

**3. TILE DRAINAGE LOANS**

	<b>2013</b>	<b>2012</b>
The township is contingently liable for long term liabilities with respect to tile drainage loans. The total amount of loans outstanding at the end of the year is	\$ 150,288	\$ 147,821
The responsibility of the tile drainage loans for payment of principal and interest charges has been assumed by individuals. At the end of the year, the outstanding principal receivable from individuals is	<u>150,288</u>	<u>147,821</u>
	<u>\$ 0</u>	<u>\$ 0</u>

Future principal payments and recoveries from individuals are as follows:

2014	\$ 17,772
2015	18,838
2016	10,784
2017	10,784
2018	10,784
Thereafter	<u>81,326</u>
	<u>\$ 150,288</u>

**4. LONG TERM DEBT**

The balance of long term debt on the Consolidated Statement of Financial Position is made up of the following:

	<b>2013</b>	<b>2012</b>
Water operating loan - demand instalment loan maturing by December 2021, bearing interest at bank prime	\$ <u>138,221</u>	\$ <u>158,574</u>

TOWNSHIP OF AMARANTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

**5. LANDFILL SITE CLOSURE AND POST-CLOSURE LIABILITY**

	<b>2013</b>	<b>2012</b>
Landfill closure and post-closure liability	\$ <u>120,816</u>	\$ <u>120,816</u>

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of this landfill, removing of ground water and leachates, and ongoing environmental monitoring, site inspections and maintenance.

The liability is expected to be funded through budget allocations over the remaining life of the landfill, however during the prior year, the County of Dufferin assumed garbage collection and disposal responsibility and the landfill site ceased to be used for a significant volume of garbage. At year end, the township was undertaking a process of considering various options for the site, which would impact the timeline to close the site. Accordingly, the liability has not been adjusted due to the uncertainty of the outcome of this process.

**6. OTHER INCOME**

	<b>2013</b>	<b>2012</b>
Penalties and interest on taxation	\$ 108,910	\$ 111,213
Licenses, permits and rents	100	2,600
Other fines and penalties	2,170	1,578
Investment income	20,588	20,707
Donations	3,627	4,979
Gain (loss) on sale of tangible capital assets	19,892	(21,889)
Water system insurance recovery	24,687	0
Annual turbine amenities agreement	88,000	88,000
Other	<u>500</u>	<u>0</u>
	\$ <u>268,474</u>	\$ <u>207,188</u>

**7. OPERATIONS OF THE SCHOOL BOARDS AND THE COUNTY OF DUFFERIN**

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Dufferin:

	<b>2013</b>	<b>2012</b>
School boards	\$ 1,354,116	\$ 1,323,125
County of Dufferin	<u>2,095,916</u>	<u>1,888,992</u>
	\$ <u>3,450,032</u>	\$ <u>3,212,117</u>

**8. TRUST FUNDS**

The trust funds administered by the municipality amounting to \$12,754 (2012 - \$12,661) have not been included in the Consolidated Statement of Financial Position, nor have the operations been included in the Consolidated Statement of Operations. At December 31, 2013, the trust fund balances are as follows:

	<b>2013</b>	<b>2012</b>
Cemetery care funds	\$ <u>12,754</u>	\$ <u>12,661</u>

TOWNSHIP OF AMARANTH  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

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9. TANGIBLE CAPITAL ASSETS

	Net 2013	Net 2012
General		
Land and land improvements	\$ 1,152,508	\$ 1,176,403
Buildings	1,148,475	1,215,400
Vehicles	924,668	939,347
Furniture and equipment	237,680	228,510
Infrastructure		
Roads	5,365,546	5,638,940
Bridges and infrastructure	<u>7,394,363</u>	<u>7,529,216</u>
	<u>\$ 16,223,240</u>	<u>\$ 16,727,816</u>

10. SEGMENTED INFORMATION

The Township of Amaranth is a diversified municipal government institution that provides a wide range of services to its citizens, including Government and Administration services, Protective Services (i.e. building inspection, fire and emergency services, bylaw enforcement, animal control), Public Works (i.e. roadways, streetlighting, sidewalks, and municipal drinking water), Environmental Services (i.e. stormwater management and source water protection), Recreation and Parks, and Planning and Community Development Services. 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.

TOWNSHIP OF AMARANTH

CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE

FOR THE YEAR ENDED DECEMBER 31, 2013

Schedule 1

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2013	2012
<b>EXPENSES</b>									
Salaries and benefits	\$ 373,488	\$ 73,711	\$ 598,313	\$ 0	\$ 840	\$ 6,999	\$ 65,304	\$ 1,118,655	\$ 1,108,630
Materials	42,154	23,335	429,990	228	0	13,777	718	510,202	524,258
Contracted services	204,637	550,279	75,607	109,681	6,578	43,662	150,199	1,140,643	1,081,692
Rents and financial expenses	107,173	10,257	109,095	23,993	0	5,351	2,065	257,934	283,378
Interest on long term debt	0	0	0	4,158	0	0	0	4,158	8,565
Amortization	38,514	46,668	725,129	111,369	0	6,395	0	928,075	1,012,666
Other	0	41,551	0	0	0	181,521	0	223,072	259,512
	<u>\$ 765,966</u>	<u>\$ 745,801</u>	<u>\$ 1,938,134</u>	<u>\$ 249,429</u>	<u>\$ 7,418</u>	<u>\$ 257,705</u>	<u>\$ 218,286</u>	<u>\$ 4,182,739</u>	<u>\$ 4,278,701</u>

See notes to the consolidated financial statements

TOWNSHIP OF AMARANTH

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 2

FOR THE YEAR ENDED DECEMBER 31, 2013

	Land and Land Improvements	Buildings	Vehicles	Roads	Furniture and Equipment	Bridges and Infrastructure	Assets under Construction	2013	2012
<b>COST</b>									
Balance, beginning of year	\$ 1,887,215	\$ 2,472,227	\$ 2,813,649	\$ 11,713,582	\$ 854,639	\$ 10,371,129	\$ 0	\$ 30,112,441	\$ 29,828,931
Additions during the year	0	0	151,287	217,841	51,370	3,179	0	423,677	858,900
Disposals during the year	0	0	(95,495)	(203,752)	(9,348)	(731)	0	(309,326)	(575,390)
Other	0	0	0	0	0	0	0	0	0
Balance, end of year	<u>1,887,215</u>	<u>2,472,227</u>	<u>2,869,441</u>	<u>11,727,671</u>	<u>896,661</u>	<u>10,373,577</u>	<u>0</u>	<u>30,226,792</u>	<u>30,112,441</u>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	710,812	1,256,827	1,874,302	6,074,642	626,129	2,841,913	0	13,384,625	12,907,191
Amortization	23,895	66,925	165,966	491,235	42,022	138,032	0	928,075	1,012,666
Accumulated amortization on disposals	0	0	(95,495)	(203,752)	(9,170)	(731)	0	(309,148)	(535,232)
Balance, end of year	<u>734,707</u>	<u>1,323,752</u>	<u>1,944,773</u>	<u>6,362,125</u>	<u>658,981</u>	<u>2,979,214</u>	<u>0</u>	<u>14,003,552</u>	<u>13,384,625</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 1,152,508</u>	<u>\$ 1,148,475</u>	<u>\$ 924,668</u>	<u>\$ 5,365,546</u>	<u>\$ 237,680</u>	<u>\$ 7,394,363</u>	<u>\$ 0</u>	<u>\$ 16,223,240</u>	<u>\$ 16,727,816</u>

See notes to the consolidated financial statements

TOWNSHIP OF AMARANTH

CONSOLIDATED SCHEDULE OF DEFERRED REVENUE -  
OBLIGATORY RESERVE FUNDS

Schedule 3

FOR THE YEAR ENDED DECEMBER 31, 2013

	Dec. 31, 2012	Contributions Received	Investment Income	Revenue Recognized	Dec. 31, 2013
<b>Obligatory Reserve Funds</b>					
Development charges	\$ 385,677	\$ 120,395	\$ 6,329	\$ (84,000)	\$ 428,401
Federal gas tax funding	25,367	117,945	225	(23)	143,514
Recreational land	<u>8,184</u>	<u>4,250</u>	<u>72</u>	<u>0</u>	<u>12,506</u>
	<u>\$ 419,228</u>	<u>\$ 242,590</u>	<u>\$ 6,626</u>	<u>\$ (84,023)</u>	<u>\$ 584,421</u>

## TOWNSHIP OF AMARANTH

## CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS

Schedule 4

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
<b>SURPLUSES</b>		
Invested in tangible capital assets	\$ 16,223,240	\$ 16,727,816
Waterworks systems	(29,685)	(59,652)
Shelburne and District Fire Department	9,715	7,234
Grand Valley and District Fire Department	10,879	5,718
General revenue fund	855,580	923,914
<b>Unfunded</b>		
Landfill closure and post-closure costs (note 5)	(120,816)	(120,816)
	<u>16,948,913</u>	<u>17,484,214</u>
<b>RESERVES</b>		
<b>Working Capital Reserves</b>		
Working funds	287,500	221,430
<b>Capital Reserves</b>		
Capital purposes	<u>231,908</u>	<u>210,651</u>
	<u>519,408</u>	<u>432,081</u>
<b>RESERVE FUNDS</b>		
Capital purposes	<u>66,838</u>	<u>55,442</u>
	<u>\$ 17,535,159</u>	<u>\$ 17,971,737</u>





Chartered Accountants  
and Business Advisors

People Count.

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers of the Township of Amaranth

We have audited the accompanying financial statements of the trust funds of the Township of Amaranth, which comprise the statement of financial position as at December 31, 2013 and the statement of continuity 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 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 Township of Amaranth as at December 31, 2013 and the continuity of the trust funds for the year then ended in accordance with Canadian public sector accounting standards.

Fergus, Ontario  
June 4, 2014

*RLB LLP*

Chartered Accountants  
Licensed Public Accountants

TOWNSHIP OF AMARANTH  
TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2013

	2013	2012
<b>ASSETS</b>		
Cash	\$ <u>12,754</u>	\$ <u>12,661</u>
<b>FUND BALANCE</b>		
Fund balance	\$ <u>12,754</u>	\$ <u>12,661</u>

TOWNSHIP OF AMARANTH  
TRUST FUNDS  
STATEMENT OF CONTINUITY  
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
<b>BALANCE, beginning of year</b>	\$ 12,661	\$ 12,184
Plot sales	0	400
Interest earned	<u>93</u>	<u>77</u>
<b>BALANCE, end of year</b>	<u>\$ 12,754</u>	<u>\$ 12,661</u>