

TOWNSHIP OF AMARANTH
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

TOWNSHIP OF AMARANTH
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YEAR ENDED DECEMBER 31, 2014

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Chartered Accountants
and Business Advisors

People Count.

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of the Township of Amaranth, which comprise the consolidated statement of financial position as at December 31, 2014 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 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 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 consolidated financial position of the Township of Amaranth as at December 31, 2014 and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Fergus, Ontario
July 15, 2015

Chartered Professional Accountants
Licensed Public Accountants

TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash	\$ 753,889	\$ 965,561
Taxes receivable	885,887	843,310
Accounts receivable	305,085	178,423
Notes receivable (note 2)	96,324	121,395
Tile drainage loans receivable (note 3)	<u>189,168</u>	<u>150,288</u>
	<u>2,230,353</u>	<u>2,258,977</u>
LIABILITIES		
Accounts payable and accrued liabilities	948,424	910,587
Tile drainage loan payable (note 3)	189,168	150,288
Deferred taxation revenue	50,358	45,192
Deferred revenue - Obligatory reserve funds (schedule 3)	449,266	584,421
Long term debt (note 4)	118,221	138,221
Landfill site closure and post-closure liability (note 5)	<u>120,816</u>	<u>120,816</u>
	<u>1,876,253</u>	<u>1,949,525</u>
NET FINANCIAL ASSETS	<u>354,100</u>	<u>309,452</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	15,873,498	16,223,240
Inventory	<u>933,353</u>	<u>1,002,467</u>
	<u>16,806,851</u>	<u>17,225,707</u>
ACCUMULATED SURPLUS (schedule 4)	<u>\$ 17,160,951</u>	<u>\$ 17,535,159</u>

TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 Budget	2014 Actual	2013 Actual
REVENUE			
Taxation revenue	\$ 2,700,088	\$ 2,676,529	\$ 2,670,670
Fees and user charges	266,140	364,094	365,180
Ontario grants	288,627	313,243	357,814
Other income (note 6)	210,300	215,494	268,474
Obligatory reserve fund revenue recognized (schedule 3)	<u>391,000</u>	<u>391,032</u>	<u>84,023</u>
	<u>3,856,155</u>	<u>3,960,392</u>	<u>3,746,161</u>
EXPENSES			
General government	753,448	763,282	765,966
Protection services	759,275	806,026	745,801
Transportation services	2,231,656	2,140,167	1,938,134
Environmental services	209,548	222,965	249,429
Health services	8,000	7,832	7,418
Recreation and cultural services	268,874	250,610	257,705
Planning and development	<u>198,412</u>	<u>143,718</u>	<u>218,286</u>
	<u>4,429,213</u>	<u>4,334,600</u>	<u>4,182,739</u>
ANNUAL DEFICIT	\$ <u>(573,058)</u>	\$ <u>(374,208)</u>	\$ <u>(436,578)</u>
ACCUMULATED SURPLUS, beginning of year		\$ 17,535,159	\$ 17,971,737
Annual deficit		<u>(374,208)</u>	<u>(436,578)</u>
ACCUMULATED SURPLUS, end of year		\$ <u>17,160,951</u>	\$ <u>17,535,159</u>

TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Annual deficit	\$ <u>(573,058)</u>	\$ <u>(374,208)</u>	\$ <u>(436,578)</u>
Acquisition of tangible capital assets	(480,219)	(694,527)	(423,677)
Amortization of tangible capital assets	928,075	1,008,089	928,075
Loss (gain) on disposal of assets	0	35,871	(19,892)
Proceeds on sale of tangible capital assets	0	308	20,070
Consumption of gravel inventory	<u>69,000</u>	<u>69,115</u>	<u>65,377</u>
	<u>516,856</u>	<u>418,856</u>	<u>569,953</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	\$ <u>(56,202)</u>	44,648	133,375
NET FINANCIAL ASSETS, beginning of year		<u>309,452</u>	<u>176,077</u>
NET FINANCIAL ASSETS, end of year		\$ <u>354,100</u>	\$ <u>309,452</u>

TOWNSHIP OF AMARANTH
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual deficit	\$ (374,208)	\$ (436,578)
Items not requiring an outlay of cash		
Amortization of tangible capital assets	1,008,089	928,075
Loss (gain) on disposal of assets	35,871	(19,892)
Consumption of gravel inventory	<u>69,115</u>	<u>65,377</u>
	<u>738,867</u>	<u>536,982</u>
Net changes in non-cash working capital		
Taxes receivable	(42,577)	(43,261)
Accounts receivable	(126,662)	(3,025)
Accounts payable and accrued liabilities	37,837	(148,598)
Deferred taxation revenue	5,166	(12,202)
Deferred revenue - Obligatory reserve funds	<u>(135,155)</u>	<u>165,193</u>
	<u>(261,391)</u>	<u>(41,893)</u>
	<u>477,476</u>	<u>495,089</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(694,527)	(423,677)
Proceeds on disposal of tangible capital assets	<u>308</u>	<u>20,070</u>
	<u>(694,219)</u>	<u>(403,607)</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Long term debt	(20,000)	(20,353)
Tile drainage payable	<u>38,880</u>	<u>2,467</u>
	<u>18,880</u>	<u>(17,886)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Change in long term receivables	(38,880)	(2,467)
Change in notes receivable	<u>25,071</u>	<u>23,621</u>
	<u>(13,809)</u>	<u>21,154</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(211,672)	94,750
CASH, beginning of year	<u>965,561</u>	<u>870,811</u>
CASH, end of year	<u>\$ 753,889</u>	<u>\$ 965,561</u>

TOWNSHIP OF AMARANTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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: 13.22% in 2014; 13.60% in 2013
- (b) The Grand Valley and District Fire Board
Proportionate consolidation: operating - 24.00% in 2014; 24.00% in 2013
capital - 29.00% in 2014; 29.00% in 2013

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, 2014

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, 2014

2. NOTES RECEIVABLE

	2014	2013
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>96,324</u>	\$ <u>121,395</u>

Loans receivable in the amount of \$49,584 (2013 - \$72,309) are due from 68 ratepayers, bear interest at 6% per annum and are recoverable in annual instalments of \$398, which commenced in April 2006 and will mature in April 2016. Loans receivable in the amount of \$46,740 (2013 - \$49,086) are due from 21 ratepayers, bear interest at 7.5% per annum and are recoverable in annual instalments of \$287, which commenced in April 2006 and will mature in April 2026.

3. TILE DRAINAGE LOANS

	2014	2013
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	\$ 189,168	\$ 150,288
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>189,168</u>	<u>150,288</u>
	\$ <u>0</u>	\$ <u>0</u>

Future principal payments and recoveries from individuals are as follows:

2015	\$ 27,848
2016	20,334
2017	21,554
2018	21,869
2019	23,181
Thereafter	<u>74,382</u>
	\$ <u>189,168</u>

4. LONG TERM DEBT

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

	2014	2013
Water operating loan - demand instalment loan maturing by December 2021, bearing interest at bank prime	\$ <u>118,221</u>	\$ <u>138,221</u>

TOWNSHIP OF AMARANTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

5. LANDFILL SITE CLOSURE AND POST-CLOSURE LIABILITY

	2014	2013
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 2012 fiscal 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

	2014	2013
Penalties and interest on taxation	\$ 110,825	\$ 108,910
Licenses, permits and rents	100	100
Other fines and penalties	2,233	2,170
Investment income	18,329	20,588
Donations	1,574	3,627
(Loss) gain on sale of tangible capital assets	(35,871)	19,892
Water system insurance recovery	0	24,687
Annual turbine amenities agreement	88,000	88,000
Other	<u>30,304</u>	<u>500</u>
	\$ <u>215,494</u>	\$ <u>268,474</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:

	2014	2013
School boards	\$ 1,346,056	\$ 1,354,116
County of Dufferin	<u>2,154,572</u>	<u>2,095,916</u>
	\$ <u>3,500,628</u>	\$ <u>3,450,032</u>

8. TRUST FUNDS

The trust funds administered by the municipality amounting to \$14,842 (2013 - \$12,754) 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, 2014, the trust fund balances are as follows:

	2014	2013
Cemetery care funds	\$ <u>14,842</u>	\$ <u>12,754</u>

TOWNSHIP OF AMARANTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

9. TANGIBLE CAPITAL ASSETS

	Net 2014	Net 2013
General		
Land and land improvements	\$ 1,128,613	\$ 1,152,508
Buildings	1,081,549	1,148,475
Vehicles	973,515	924,668
Furniture and equipment	254,918	237,680
Infrastructure		
Roads	5,167,428	5,365,546
Bridges and infrastructure	<u>7,267,475</u>	<u>7,394,363</u>
	<u>\$ 15,873,498</u>	<u>\$ 16,223,240</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, 2014

Schedule 1

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2014	2013
EXPENSES									
Salaries and benefits	\$ 389,581	\$ 74,469	\$ 615,849	\$ 0	\$ 780	\$ 6,835	\$ 67,685	\$ 1,155,199	\$ 1,118,655
Materials	47,586	21,333	527,852	0	0	17,177	655	614,603	510,202
Contracted services	179,459	613,602	90,248	85,883	7,052	34,578	72,823	1,083,645	1,140,643
Rents and financial expenses	112,573	9,271	95,556	21,803	0	4,322	2,555	246,080	257,934
Interest on long term debt	0	0	0	3,911	0	0	0	3,911	4,158
Amortization	34,083	45,581	810,662	111,368	0	6,395	0	1,008,089	928,075
Other	<u>0</u>	<u>41,770</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>181,303</u>	<u>0</u>	<u>223,073</u>	<u>223,072</u>
	<u>\$ 763,282</u>	<u>\$ 806,026</u>	<u>\$ 2,140,167</u>	<u>\$ 222,965</u>	<u>\$ 7,832</u>	<u>\$ 250,610</u>	<u>\$ 143,718</u>	<u>\$ 4,334,600</u>	<u>\$ 4,182,739</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, 2014

	Land and Land Improvements	Buildings	Vehicles	Roads	Furniture and Equipment	Bridges and Infrastructure	Assets under Construction	2014	2013
COST									
Balance, beginning of year	\$ 1,887,215	\$ 2,472,227	\$ 2,869,441	\$ 11,727,671	\$ 896,661	\$ 10,373,577	\$ 0	\$ 30,226,792	\$ 30,112,441
Additions during the year	0	0	230,526	393,939	57,826	12,236	0	694,527	423,677
Disposals during the year	0	0	(20,143)	(349,835)	(9,369)	(2,220)	0	(381,567)	(309,326)
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>3,079,824</u>	<u>11,771,775</u>	<u>945,118</u>	<u>10,383,593</u>	<u>0</u>	<u>30,539,752</u>	<u>30,226,792</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	734,707	1,323,752	1,944,773	6,362,125	658,981	2,979,214	0	14,003,552	13,384,625
Amortization	23,895	66,926	181,679	557,942	39,416	138,231	0	1,008,089	928,075
Accumulated amortization on disposals	0	0	(20,143)	(315,720)	(8,197)	(1,327)	0	(345,387)	(309,148)
Balance, end of year	<u>758,602</u>	<u>1,390,678</u>	<u>2,106,309</u>	<u>6,604,347</u>	<u>690,200</u>	<u>3,116,118</u>	<u>0</u>	<u>14,666,254</u>	<u>14,003,552</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	<u>\$ 1,128,613</u>	<u>\$ 1,081,549</u>	<u>\$ 973,515</u>	<u>\$ 5,167,428</u>	<u>\$ 254,918</u>	<u>\$ 7,267,475</u>	<u>\$ 0</u>	<u>\$ 15,873,498</u>	<u>\$ 16,223,240</u>

TOWNSHIP OF AMARANTH

CONSOLIDATED SCHEDULE OF DEFERRED REVENUE -
OBLIGATORY RESERVE FUNDS

Schedule 3

FOR THE YEAR ENDED DECEMBER 31, 2014

	Dec. 31, 2013	Contributions Received	Investment Income	Revenue Recognized	Dec. 31, 2014
Obligatory Reserve Funds					
Development charges	\$ 428,401	\$ 129,713	\$ 6,358	\$ (208,200)	\$ 356,272
Federal gas tax funding	143,514	117,901	569	(182,832)	79,152
Recreational land	<u>12,506</u>	<u>1,250</u>	<u>86</u>	<u>0</u>	<u>13,842</u>
	<u>\$ 584,421</u>	<u>\$ 248,864</u>	<u>\$ 7,013</u>	<u>\$ (391,032)</u>	<u>\$ 449,266</u>

TOWNSHIP OF AMARANTH
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2014

Schedule 4

	2014	2013
SURPLUSES		
Invested in tangible capital assets	\$ 15,873,498	\$ 16,223,240
Waterworks systems	(35,428)	(29,685)
Shelburne and District Fire Department	8,702	9,715
Grand Valley and District Fire Department	23,086	10,879
General revenue fund	656,195	855,580
Unfunded		
Landfill closure and post-closure costs (note 5)	<u>(120,816)</u>	<u>(120,816)</u>
	<u>16,405,237</u>	<u>16,948,913</u>
RESERVES		
Working Capital Reserves		
Working funds	313,710	287,500
Capital Reserves		
Capital purposes	<u>327,115</u>	<u>231,908</u>
	<u>640,825</u>	<u>519,408</u>
RESERVE FUNDS		
Capital purposes	<u>114,889</u>	<u>66,838</u>
	<u>\$ 17,160,951</u>	<u>\$ 17,535,159</u>



Chartered Accountants
and Business Advisors

People Count.

INDEPENDENT AUDITOR'S REPORT

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, 2014 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.

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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, 2014 and the continuity of the trust funds for the year then ended in accordance with Canadian public sector accounting standards.

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

Fergus, Ontario
July 15, 2015

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Licensed Public Accountants

TOWNSHIP OF AMARANTH
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	2014	2013
ASSETS		
Cash	\$ <u>14,842</u>	\$ <u>12,754</u>
FUND BALANCE		
Fund balance	\$ <u>14,842</u>	\$ <u>12,754</u>

TOWNSHIP OF AMARANTH
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
BALANCE, beginning of year	\$ 12,754	\$ 12,661
Plot sales	2,000	0
Interest earned	<u>88</u>	<u>93</u>
BALANCE, end of year	<u>\$ 14,842</u>	<u>\$ 12,754</u>

TOWNSHIP OF AMARANTH - TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the trust funds 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 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.