



Grant Thornton

Independent auditor's report on compliance with agreement

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To the Association of Municipalities of Ontario

We have audited the **Corporation of the Town of Fort Erie's** compliance as at December 31, 2013 with the criteria established by the terms and conditions described in sections 3.1, 5.1, 5.4, 6.2, 6.5 to 6.9, 7.1 a to g, 7.2, 8.1 to 8.3, 9.1, 9.2 and 10.2 of the Municipal Funding Agreement for the Transfer of Federal Gas Tax Revenues Under the New Deal for Cities and Communities dated April 26, 2010 between the Association of Municipalities of Ontario and the Corporation of the Town of Fort Erie. Compliance with the criteria established by the provisions of the agreement is the responsibility of the management of the Corporation of the Town of Fort Erie. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the Corporation of the Town of Fort Erie complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, as at December 31, 2013, the Corporation of the Town of Fort Erie is in compliance, in all material respects, with the criteria established by the terms and provisions described in sections 3.1, 5.1, 5.4, 6.2, 6.5 to 6.9, 7.1 a to g, 7.2, 8.1 to 8.3, 9.1, 9.2 and 10.2 of this agreement.

Grant Thornton LLP

Port Colborne, Canada
March 27, 2014

Chartered Accountants
Licensed Public Accountants



Federal Gas Tax Funds 2013
Municipal Aggregate Annual Expenditures Report - December 31, 2013

| | Annual \$ | Cumulative \$ |
|-----------------------------------------------|------------------|----------------------|
| Opening Balance of Unspent Funding | 1,466,091.54 | |
| Received from AMO (including receivables) | 917,949.38 | 5,960,989.26 |
| PLUS: Received from Other Eligible Recipient | - | - |
| LESS: Transferred to Other Eligible Recipient | - | - |
| Interest Earned | 25,431.63 | 145,001.90 |
| LESS: Administration Costs | - | - |
| LESS: Expenditures on Eligible Projects | | |
| Capacity Building | | |
| Community Energy Systems | | |
| Local Roads and Bridges | 144,334.00 | 1,784,552.00 |
| Public Transit | | |
| Solid Waste | | |
| Wastewater | 55,994.00 | 1,779,935.34 |
| Water | | 332,359.27 |
| Closing Balance of Unspent Funding | 2,209,144.55 | |