

THE TOWNSHIP OF ASSIGINACK

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2014

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Corporation of the Township of Assiginack ("the Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to these consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Freelandt Caldwell Reilly LLP, independent external auditors appointed by the Township. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.

Reeve

Clerk Administrator

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of The Township of Assiginack

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **The Corporation of the Township of Assiginack**, which comprise the consolidated statement of financial position as at **December 31, 2014**, and the consolidated statements of operations and changes in accumulated surplus, changes in net 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Assiginack as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 5, 2015

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Consolidated Statement of Financial Position****December 31, 2014 with comparative figures for 2013**

	2014	2013
	\$	\$
Financial Assets		
Cash	843,868	2,102,212
Term deposits	45,924	38,613
Taxes receivable (note 2)	367,798	348,945
User charges receivable	786,008	821,879
Grants receivable	-	71,247
Other accounts receivable	76,502	65,476
Investment in government business enterprise (note 3)	437,030	474,588
	<u>2,557,130</u>	<u>3,922,960</u>
Financial Liabilities		
Accounts payable and accrued liabilities	394,700	362,518
Deferred revenue	25,932	1,083,145
Deferred revenue - obligatory funds (note 4)	10,587	-
Long-term debt (note 5)	1,425,643	1,525,461
Landfill closure and post-closure liability (note 6)	203,386	144,066
	<u>2,060,248</u>	<u>3,115,190</u>
Net assets (note 7)	<u>496,882</u>	<u>807,770</u>
Non-financial Assets (note 8)		
Tangible capital assets (note 9)	17,387,678	15,583,876
Prepaid expenses	39,158	40,469
	<u>17,426,836</u>	<u>15,624,345</u>
Accumulated Surplus	<u>17,923,718</u>	<u>16,432,115</u>

Contingent liabilities (note 14)

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
Consolidated Statement of Operations and Changes in Accumulated Surplus
Year ended December 31, 2014 with comparative figures for 2013

	Budget	2014	2013
	\$	\$	\$
Revenues			
Taxation			
Residential and farm		2,219,767	2,202,968
Commercial, industrial and business		142,397	116,348
Other governments and agencies		12,907	13,258
	2,386,824	2,375,071	2,332,574
Deduct:			
Amounts raised on behalf of the school boards	330,275	332,346	320,760
	2,056,549	2,042,725	2,011,814
Government Transfers			
Government of Canada	961,074	50,550	269,840
Province of Ontario	1,549,930	2,780,345	988,596
Other municipalities	-	12,654	10,593
	2,511,004	2,843,549	1,269,029
User Charges			
Sewer and water charges	447,233	449,999	351,184
Fees and service charges	116,900	234,553	233,916
	564,133	684,552	585,100
Other			
Licences and permits	11,900	17,386	13,663
Investment income	2,000	9,728	2,473
Penalties and interest charges	45,750	81,426	66,765
Rents and other	46,045	30,552	19,564
	105,695	139,092	102,465
Total Revenues	5,237,381	5,709,918	3,968,408
Expenditures			
General government	632,750	652,064	542,360
Protection to persons and property	349,675	360,549	306,663
Transportation services	724,849	1,093,133	907,587
Environmental services	454,225	856,153	1,062,092
Health services	222,500	260,758	316,602
Social and family services	183,000	598,514	590,429
Recreation and cultural services	202,510	363,041	349,483
Planning and development	21,000	34,103	40,278
Total Expenditures	2,790,509	4,218,315	4,115,494
Annual surplus (deficit)	2,446,872	1,491,603	(147,086)
Accumulated surplus, beginning of year	16,432,115	16,432,115	16,579,201
Accumulated surplus, end of year	18,878,987	17,923,718	16,432,115

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
Consolidated Statement of Changes in Net Assets
Year ended December 31, 2014 with comparative figures for 2013

	Budget	2014	2013
	\$	Actual	Actual
		\$	\$
Annual surplus (deficit)	2,446,872	1,491,603	(147,086)
Acquisition of tangible capital assets	(3,023,554)	(2,536,055)	(368,210)
Amortization of tangible capital assets	-	583,587	540,448
Loss on disposal of tangible capital assets	-	148,666	-
Change in prepaid expenses	-	1,311	18,335
Change in net assets	(576,682)	(310,888)	43,487
Net assets, beginning of year	807,770	807,770	764,283
Net assets, end of year	231,088	496,882	807,770

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Consolidated Statement of Cashflows**

Year ended December 31, 2014 with comparative figures for 2013

	2014	2013
	\$	\$
Cash flows from operations		
Annual surplus (deficit)	1,491,603	(147,086)
Items not involving cash		
Amortization of tangible capital assets	583,587	540,448
Loss on the disposal of tangible capital assets	148,666	-
Decrease in investment in government business enterprise	37,558	36,207
Landfill site closure and post-closure liability	59,320	59,192
	2,320,734	488,761
Changes in non-cash assets and liabilities		
Taxes receivable	(18,853)	(35,959)
User charges receivable	35,871	9,886
Grants receivable	71,247	710,157
Other receivables	(11,026)	29,175
Accounts payable and accrued liabilities	32,182	(133,002)
Deferred revenue	(1,057,213)	999,789
Deferred revenue - obligatory reserve funds	10,587	(206,634)
Prepaid expenses	1,311	18,335
	1,384,840	1,880,508
Capital transactions		
Cash used to acquire tangible capital assets	(2,536,055)	(368,210)
Investing transactions		
Change in term deposits	(7,311)	(366)
Financing transactions		
Repayment of long-term debt	(99,818)	(102,923)
Increase (decrease) in cash	(1,258,344)	1,409,009
Cash, beginning of year	2,102,212	693,203
Cash, end of year	843,868	2,102,212

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Township are the representation of management. The financial statements are prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of the accounting policies adopted by the Township are as follows:

a) Basis of Consolidation

i) Local Boards

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the Township and include the activities of all committees of Council and the following local boards which are under the control of Council:

Assignack Library Board
Assignack Museum Board
Hilly Grove Cemetery Board

ii) Joint Local Boards

These consolidated financial statements reflect contributions to the following joint local boards, which are not under the direct control of council, as expenses in the consolidated statement of operations:

Sudbury and District Health Unit
Manitoulin-Sudbury District Services Board

The assets, liabilities, revenues and expenses of the joint local boards have not been proportionally consolidated in these financial statements.

iii) Proportionally Consolidated Entities

These consolidated statements reflect proportionally the Township's share of the assets, liabilities, revenues and expenses of the following joint local boards:

Manitoulin Centennial Manor
Manitoulin Planning Board

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (continued)**iv) Investment in Government Business Enterprise**

The Manitoulin East Municipal Airport Commission Inc. is a government business enterprise and is accounted for using the modified equity method. Each year the Township's share of income from government business enterprise is recognized in the consolidated financial statements and the investment in the government business enterprise is adjusted to reflect the change in equity occurring during the year.

v) Accounting for School Board Transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

vi) Trust Funds

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the Trust Funds financial statements.

b) Basis of Accounting**i) Accrual Accounting**

The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses 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.

ii) Tangible Capital Assets

Tangible capital assets are recorded at cost. The Township provides for amortization using the straight-line method designed to amortize the cost, less any residual value, of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

	<u>Years</u>
Buildings	20-60
Roads and bridges	20-40
Automotive equipment	10-25
Furniture and equipment	5
Water and sewer	5-80

Additions are amortized at one half of the annual rate in the year of acquisition.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)**iii) Revenue Recognition**

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes.

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessments. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings. Supplementary taxation revenues are recorded at the time these bills are issued.

Assessments and related property taxes are subject to appeal by ratepayers. Tax adjustments as a result of appeals are recorded when the result of the appeal is known.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the accounts in the period the interest and penalties are levied.

Government transfers are recognized in the period that the events giving rise to the transfer have occurred as long as: the transfer is authorized; the eligibility criteria, if any, have been met; and, the amount can be reasonably estimated. Government transfers received before these criteria have been met are recorded in the accounts as deferred revenue and are recognized as revenue in the period in which all of these criteria are met.

Revenue from user charges and rents are recognized in the period in which the goods or services are provided

iv) Deferred Revenue – Obligatory Reserve Funds

The Township receives certain contributions under the authority of federal and provincial legislation. These contributions are restricted in their use and, until spent on qualifying projects or expenses, are recorded as deferred revenue.

v) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these consolidated financial statements include the estimated useful lives of tangible capital assets and estimated landfill site closure and post-closure liability.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)**vi) Financial Instruments**

The Township initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Township subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the statement of operations in the period they occur.

Financial assets measured at amortized cost include cash, term deposits, taxes receivable, user charges receivable and other account receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

2. TAXES RECEIVABLE

The components of taxes receivable are as follows:

	2014	2013
	\$	\$
Taxes receivable	335,312	322,327
Interest receivable on outstanding tax balances	32,486	26,618
	367,798	348,945

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2014**

3. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE

The Manitoulin East Municipal Airport Commission Inc. is 1/3 owned by the Township. As this corporation is a business enterprise, it is accounted for using the modified equity method, as follows:

	2014	2013
	\$	\$
Long-term investment, beginning of year	474,588	510,795
The Township's share of operating loss for the year	(37,558)	(36,207)
Long-term investment, end of year	437,030	474,588

The loss is included in Other revenues, Rents and other on the consolidated statements of operations.

4. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of Canadian public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserves funds of the Township are summarized below:

	2014	2013
	\$	\$
Deferred revenue, beginning of year	-	206,634
Contributions received during the year	57,103	56,074
Amounts recognized as revenue during year	(46,516)	(262,708)
Deferred revenue, end of year	10,587	-
Deferred revenue - obligatory reserve consists of the following:		
Federal gas tax revenue	10,587	-

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2014**

5. LONG-TERM DEBT

	2014	2013
	\$	\$
BMO Bank of Montreal demand term loan, repayable in monthly instalments of \$4,517 plus interest at the bank's prime rate of interest of 2.90% per annum, unsecured, maturing July 2033	1,007,276	1,061,478
BMO Bank of Montreal demand term loan, repayable in monthly instalments of \$1,701, plus interest at the bank's prime rate of interest per annum, unsecured, maturing December 2034	418,367	438,776
Daimler Chrysler Truck Financial fixed rate loan, repayable in blended monthly instalments of \$2,605 including interest at 7.26% per annum, repaid in full October 2014	-	25,207
	<u>1,425,643</u>	<u>1,525,461</u>

Principal payments on the long-term debt over the next 5 years, assuming renewal of the debt at maturity under similar terms and conditions, are payable as follows:

2014	74,612
2015	74,612
2016	74,612
2017	74,612
2018	74,612
Thereafter	1,052,583
	<u>1,425,643</u>

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2014**

6. LANDFILL SITE CLOSURE AND POST-CLOSURE LIABILITY

Under the environment law in the province of Ontario, there is a requirement for the Township to provide for closure and post-closure care of all active and inactive solid waste landfill sites. Accounting standards require that the costs associated with this requirement are provided for in the accounts over the service life of the landfill site based on its usage on a volumetric basis. The reported liability is based on estimates and assumptions regarding future events using the best information available to management. Actual results will vary from the estimated amounts and the change in the estimate will be recognized on a prospective basis as a change in accounting estimate in the year the change is determined.

The liability for closure and post-closure care represents the discounted future cash flows of estimated closure and post-closure care costs using the following rates and assumptions.

Remaining capacity	58,900 m ³
Remaining life	28 years
Closure and acquisition costs	\$400,000
Monitoring period post-closure	25 years
Annual monitoring costs	\$7,000
Total estimated liability	\$414,514
Current estimated liability	\$203,386
Amount remaining to be recognized	\$211,128

Future cash flows have been discounted using a long-term interest rate of 4% and an estimated inflation rate of 3%.

7. NET ASSETS (DEBT)

The balance on the consolidated statement of financial position of net assets from at the end of the year is comprised of the following:

	2014	2013
	\$	\$
To be used:		
- for the general increase in taxation and user charges	(2,808,427)	(2,876,711)
- to be recovered from tax and user charges for the repayment of long-debt and landfill liability	1,629,029	1,669,527
- for the general operations of joint and local boards	466,826	532,824
- for reserves and reserve funds	1,209,454	1,482,130
	496,882	807,770

8. NON-FINANCIAL ASSETS

Tangible capital assets and other non-financial assets are accounted for as assets by the Township because they can be used to provide services to residents and ratepayers of the Township in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2014

9. TANGIBLE CAPITAL ASSETS

	Land \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water Treatment and Sewer \$	2014 Total \$
Cost							
Balance, beginning of year	643,077	9,497,564	4,960,889	1,289,286	1,884	9,606,521	25,999,221
Additions	181,612	139,824	2,104,693	49,952	109	59,865	2,536,055
Disposals	-	-	(200,701)	-	-	-	(200,701)
Balance, end of year	824,689	9,637,388	6,864,881	1,339,238	1,993	9,666,386	28,334,575
Accumulated Amortization							
Balance, beginning of year	-	2,053,137	4,061,740	778,252	1,417	3,520,799	10,415,345
Disposals	-	-	(52,035)	-	-	-	(52,035)
Amortization expense	-	180,569	89,970	84,046	119	228,883	583,587
Balance, end of year	-	2,233,706	4,099,675	862,298	1,536	3,749,682	10,946,897
Net book value	824,689	7,403,682	2,765,206	476,940	457	5,916,704	17,387,678

	Land \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water Treatment and Sewer \$	2013 Total \$
Cost							
Balance, beginning of year	564,241	9,347,165	4,960,889	1,289,286	1,413	9,468,017	25,631,011
Additions	78,836	150,399	-	-	471	138,504	368,210
Disposals	-	-	-	-	-	-	-
Balance, end of year	643,077	9,497,564	4,960,889	1,289,286	1,884	9,606,521	25,999,221
Accumulated Amortization							
Balance, beginning of year	-	1,875,470	3,996,891	699,201	1,267	3,302,068	9,874,897
Amortization expense	-	177,667	64,849	79,051	150	218,731	540,448
Balance, end of year	-	2,053,137	4,061,740	778,252	1,417	3,520,799	10,415,345
Net book value	643,077	7,444,427	899,149	511,034	467	6,085,722	15,583,876

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2014**

10. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT LOCAL BOARDS

Further to note 1(a) (ii), the following contributions were made by the Township to these joint local boards:

	2014	2013
	\$	\$
Manitoulin-Sudbury District Services Board	331,461	355,270
Sudbury & District Health Unit	30,312	29,804
Long-term investment, end of year	361,773	385,074

The Township's share of the assets, liabilities, revenue and expenses of these joint local boards are as follows:

	2014	2013
	%	%
Manitoulin-Sudbury District Services Board	3.573	3.291
Sudbury and District Health Unit	0.460	0.459

11. TRUST FUNDS

Trust funds administered by the Township amounting to \$170,023 (2013 - \$163,771) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statements of operations.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2014

12. SEGMENTED DISCLOSURE

The Township is a diversified municipal government institution that provides a wide range of services to citizens. Services include water, roads, fire, police, waste management, recreation programs, economic development, land use planning and health and social 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.

Township services are provided by departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information, along with the services they provide, and are as follows:

General Government

General government consists of: Office of the Mayor, Council expenses, administrative services (including clerks, elections, communications, legal and information technology services), human resources and financial departments. Areas within the general government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues, relating to governance, strategic planning and service delivery.

Protection Services

This section consists of: fire, police, and animal control, building services, emergency measures and management of Provincial Offences Act. Police services ensure the safety of the lives and property of citizens; preserve peace and order; prevent crimes from occurring, detect offenders and enforce the law. Fire Services is responsible to provide fire suppression service; fire prevention programs, training and education related to prevention, detection and extinguishment of fires. The building services division processes permit applications and ensure compliance with the Ontario Building Code and with By-Laws enacted by Council.

Transportation Services

This area is responsible for management of roadways including bridges, traffic and winter control.

Environmental Services

In addition to the management of waterworks, this area is responsible for waste collection, waste disposal and recycling facilities and programs. This section is responsible for providing clean, potable water meeting all regulatory requirements and responsible for repairing breaks and leaks in the water system.

Health and Social Services

This section consists of assistance to aged persons, cemetery services as well as the Township's contribution to the Sudbury and District Health Unit and Manitoulin-Sudbury District Services Board.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2014

12. SEGMENTED DISCLOSURE (continued)

Recreation and Cultural Services

This section provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure service and provides management of arenas and leisure facilities. This section also contributes to the information needs of the Township's citizens through the provision of library and cultural services and by preserving local history and managing archived data.

Planning and Development

The goal of this section is to offer coordinated development services in order to maximize economic development opportunities, and to ensure that the Township is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles.

Certain allocation methodologies are employed in the preparation of segmented financial information.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2014

12. SEGMENTED DISCLOSURE (continued)

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health and Social Services \$	Recreation and Cultural Services \$	Planning and Development \$	2014 Total \$	2013 Total \$
Revenues									
Taxation	2,042,725	-	-	-	-	-	-	2,042,725	2,011,814
Grants	660,374	12,676	1,792,963	65,591	291,605	17,812	2,528	2,843,549	1,269,029
User fees and service charges	15,999	3,060	-	455,398	159,981	41,826	8,288	684,552	585,100
Other	111,512	17,386	(37,558)	40,034	7,551	-	167	139,092	102,465
	2,830,610	33,122	1,755,405	561,023	459,137	59,638	10,983	5,709,918	3,968,408
Expenditures									
Salaries, wages and benefits	317,024	68,305	319,274	37,202	16,303	119,815	-	877,923	776,224
Purchase of goods and materials	275,787	43,902	578,609	494,777	476,919	156,016	34,103	2,060,113	2,105,302
Contracts and services	40,625	221,756	-	-	-	-	-	262,381	220,615
Amortization	18,628	26,586	167,875	293,091	4,277	73,130	-	583,587	540,296
Financial expenses	-	-	-	-	-	1,200	-	1,200	1,687
Interest on long-term debt	-	-	846	31,083	-	12,880	-	44,809	60,283
Other transfers	-	-	26,529	-	361,773	-	-	388,302	411,087
	652,064	360,549	1,093,133	856,153	859,272	363,041	34,103	4,218,315	4,115,494
Excess (deficiency) of revenues over expenditures	2,178,546	(327,427)	662,272	(295,130)	(400,135)	(303,403)	(23,120)	1,491,603	(147,086)

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2014**

13. PENSION PLAN

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of eight 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 2014 was \$39,344 (2013 - \$37,651) for current service and is included as an expenditure on the consolidated statement of operations.

At December 31, 2014, the OMERS pension plan had total assets of \$94.3 billion (2013 - \$83.1 billion) and an accumulated deficit of \$5.3 billion (2013 - \$8.3 billion).

14. CONTINGENT LIABILITY

The Township receives transfers from the governments of Canada and Ontario. Some government transfers are subject to audit by the transferring government with adjustments, if any, repayable to the transferring government. Audit adjustments, if any, are recorded in the accounts in the year in which they become known.

15. COMMITMENT

The Township has entered into a management services agreement with the Ontario Clean Water Agency (OCWA) to operate and maintain the Town's water treatment plant and distribution system. The agreement is for a five year period ending December 31, 2017, at an annual cost before consumer price index adjustment (years two through five) as follows:

	<u>\$</u>
2015	217,100
2016	220,282
2017	223,511

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2014**

16. BUDGET

The budget adopted by Council was not prepared on a basis consistent with that used to report actual results in these consolidated financial statements. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require the full accrual basis. The budget figures include a transfer of the anticipated annual surplus to reserves. In addition, the budget expenses all tangible capital acquisitions and does not include a provision for amortization expense. As a result, the budget figures presented in the consolidated statements of operations and changes in accumulated surplus represent the budget adopted by Council, adjusted as follows:

	2014	2013
	\$	\$
Budget surplus approved by Council	-	-
Less: Budgeted transfers to (from) reserves and reserve funds	(576,682)	274,572
Add: Budgeted tangible capital asset additions	3,023,554	664,523
Budget surplus per consolidated financial statements	2,446,872	939,095

17. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party financial risk. The Township is exposed to the following risks associated with financial instruments and transactions it is a party to:

a) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Township is exposed to this risk relating to its cash and accounts receivable.

The Township holds its cash accounts with large reputable financial institutions, from which management believes the risk of loss due to credit risk to be remote.

The Township is exposed to credit risk in accounts receivable which includes rate payers, government and other receivables. The Township measures its exposure to credit risk with respect to accounts receivable based on how long the amounts have been outstanding and management's analysis of accounts. Risk is minimized through managements' ongoing analysis and monitoring of outstanding accounts receivable.

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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2014**

17. FINANCIAL INSTRUMENTS (continued)**b) Liquidity risk**

Liquidity risk is the risk that an entity cannot repay its obligations when they become due to its creditors. The Township is exposed to this risk relating to its accounts payable and accrued liabilities.

The Township reduces its exposure to liquidity risk by monitoring cash activities and expected outflow through extensive budgeting and maintaining enough cash to repay trade creditors as payables become due.

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

c) 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 Township is exposed to this risk mainly in respect of its bank credit facilities.

The Township has minimal interest rate exposure on its bank credit facilities, which are variable based on the bank's prime rates. Interest expense incurred on the credit facilities is \$44,809 (2013 - \$60,283).

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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Schedule of Continuity of Reserves

December 31, 2014

	Total \$	Working Fund \$	Contingencies \$	Fire Department \$	Library Board \$	Water Works System \$	Emergency \$	Sunsite Water \$	CAP \$	Microfit \$	Marina Beach Stairs Gas Pumps \$	Parklands \$	Elections \$	BWT Concert Series \$	Nelson Street \$	Planning \$	Water Main \$	Post Office Building \$	DSSAB \$	
RESERVES																				
Balance, beginning of year	1,482,133	123,488	53,812	227,588	2,683	265,511	200	72,626	2,887	8,725	3,665	22,062	8,308	4,899	-	-	10,000	-	-	
Appropriations from operations	326,650	44,162	6,472	33,022	-	39,441	-	20,116	-	6,901	-	11,031	-	-	5,780	8,000	-	10,000		29,782
Appropriations to operations	(599,329)	(83,825)	-	(38,237)	-	(104,913)	-	(16,109)	(2,887)	(15,626)	(1,971)	(33,093)	(8,308)	-	(5,780)	-	-	-	-	(29,782)
Balance, end of year	1,209,454	83,825	60,284	222,373	2,683	200,039	200	76,633	-	-	1,694	-	-	4,899	-	8,000	10,000	10,000		-

	Sewer Mains \$	Gas Tax \$	Landfill / Recycling \$	Norisle Removal \$	Public Works \$	Inactive Cemeteries \$	Marina Docks \$	Cenotaph Restoration \$	IT \$	Tax Sales \$	Queen Street \$	WTP Capital Twp. Lots \$	Assiginack Business Association \$	Fischer Norisle Donations \$	Fire Hydrants \$	Library Expansion \$	Municipal Building \$	Medical Clinic \$	
RESERVE FUNDS																			
Balance, beginning of year	10,000	-	328,604	-	159,078	3,122	37,960	918	10,000	-	57,697	-	1,674	3,256	27,450	35,920	-	-	
Appropriations from operations	-	57,103	-	4,089	8,953	-	-	-	-	9,231	-	2,567	-	-	-	10,000	10,000	10,000	
Appropriations to operations	-	(46,516)	-	(4,089)	(89,952)	-	(37,960)	-	-	(9,231)	(57,697)	(2,567)	-	(786)	-	-	-	-	(10,000)
Balance, end of year	10,000	10,587	328,604	-	78,079	3,122	-	918	10,000	-	-	-	1,674	2,470	27,450	45,920	10,000		-

INDEPENDENT AUDITORS' REPORT

**To the Members of Council, Inhabitants and Ratepayers of the Corporation of
the Township of Assiginack**

Report on the Financial Statements

We have audited the accompanying financial statements of the **Trust Funds of the Corporation of the Township of Assiginack**, which comprise the statement of financial position as at **December 31, 2014**, and the statement of operations and changes in net assets 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Township of Assiginack as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 5, 2015

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
TRUST FUNDS

Statement of Financial Position
 December 31, 2014

	Sick Room Equipment \$	Hinds Hewson Cemetery \$	Airport \$	McLean's Park \$	Hilly Grove Perpetual Care \$	Hilly Grove Monument \$	Total \$
Assets							
Cash	174	15,582	57,581	9,610	62,660	18,066	163,673
Due from Township	-	-	-	-	4,000	2,350	6,350
Net Assets	174	15,582	57,581	9,610	66,660	20,416	170,023

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

TRUST FUNDS

Statement of Operations and Changes in Net Assets
Year ended December 31, 2014

	Hinds						Total
	Sick Room Equipment	Hewson Cemetery	Airport	McLean's Park	Hilly Grove Perpetual Care	Hilly Grove Monument	
	\$	\$	\$	\$	\$	\$	\$
Net assets, beginning of year	228	15,629	57,581	9,610	62,658	18,065	163,771
Revenues							
Plot sales	-	-	-	-	4,000	2,350	6,350
Interest income	-	-	-	-	2	1	3
	-	-	-	-	4,002	2,351	6,353
Expenditures							
Interest and bank charges	54	47	-	-	-	-	101
Net assets, end of year	174	15,582	57,581	9,610	66,660	20,416	170,023

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
TRUST FUNDS

Notes to the Financial Statements
December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Consolidation

The Trust Funds have not been consolidated with the financial statements of the Township of Assiginack.

ii) Basis of Accounting

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) Financial Instruments

The Trust Funds initially measure its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Trust Funds subsequently measure its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash.

2. CASH FLOW STATEMENT

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Assiginack

Report on the Financial Statements

We have audited the accompanying financial statements of the **Assiginack Public Library Board of the Corporation of the Township of Assiginack**, which comprise the statement of financial position as at **December 31, 2014**, and the statement of operations and changes in net assets 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 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 Assiginack Public Library Board of the Corporation of the Township of Assiginack as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 5, 2015

ASSIGINACK PUBLIC LIBRARY BOARD
Statement of Financial Position
December 31, 2014 with comparative figures for 2013

	2014	2013
	\$	\$
Financial Assets		
Cash	17,854	11,459
Guaranteed investment certificates	35,054	34,834
	52,908	46,293
Financial Liabilities		
Accounts payable and accrued liabilities	17,206	10,382
	17,206	10,382
Net assets (note 2)	35,702	35,911

The accompanying notes are an integral part of these financial statements.

ASSIGINACK PUBLIC LIBRARY BOARD
Statement of Operations and Changes in Net Assets
Year ended December 31, 2014 with comparative figures 2013

	Budget	2014 (Actual)	2013 (Actual)
	\$	\$	\$
Revenues			
Municipal contribution	35,650	35,600	35,650
Province of Ontario	3,483	3,519	3,963
Federal Grant	1,000	1,155	1,105
Donations and miscellaneous	300	482	1,017
Interest and fines	200	319	256
Total Revenues	40,633	41,075	41,991
Expenditure			
Wages and employee benefits	30,605	30,653	29,466
Books and other library materials	4,050	4,103	4,385
Office supplies	2,658	2,428	3,620
Rent	1,200	1,200	1,200
Membership and conference	700	1,139	1,098
Telephone	960	861	878
Miscellaneous	260	732	389
Insurance	200	168	168
Total Expenditures	40,633	41,284	41,204
Annual surplus (deficit)	-	(209)	787
Net assets, beginning of year	35,911	35,911	35,124
Net assets, end of year	35,911	35,702	35,911

The accompanying notes are an integral part of these financial statements.

ASSIGINACK PUBLIC LIBRARY BOARD**Notes to the Financial Statements****December 31, 2014**

1. ACCOUNTING POLICIES

The financial statements of the Assiginack Public Library Board are the representation of management prepared in accordance with Canadian public sector accounting standards. Since precise determination of assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximation. These have been made using careful judgement.

a) Basis of Accounting**i) Accrual Accounting**

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes the 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 legal obligation to pay.

ii) Inventories of books and supplies

No value is attached to inventories for municipal reporting purposes. Expenditures on books and supplies are charged to operations as they are incurred.

iii) Financial Instruments

The Board initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Board subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and guaranteed investment certificates.

Financial liabilities measured at amortized cost include bank indebtedness and accounts payable and accrued liabilities.

ASSIGINACK PUBLIC LIBRARY BOARD**Notes to the Financial Statements****December 31, 2014**

2. NET ASSETS

The balance on the statement of financial position of net assets at the end of the year is comprised of the following:

	2014	2013
	\$	\$
To be used:		
- for the general reduction of user charges	33,019	33,228
- for the reserve fund	2,683	2,683
	<u>35,702</u>	<u>35,911</u>

3. CASH FLOW STATEMENT

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Assiginack

Report on the Financial Statements

We have audited the accompanying financial statements of the **Assiginack Museum Board of the Corporation of the Township of Assiginack**, which comprise the statement of financial position as at **December 31, 2014**, and the statement of operations and changes in net assets 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 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 Assiginack Museum Board of the Corporation of the Township of Assiginack as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 5, 2015

ASSIGINACK MUSEUM BOARD
Statement of Financial Position
December 31, 2014 with comparative figures for 2013

	2014	2013
	\$	\$
Financial Assets		
Cash	38,827	26,692
Financial Liabilities		
Accounts payable and accrued liabilities	30,535	15,075
Net assets (note 2)	8,292	11,617

The accompanying notes are an integral part of these financial statements.

ASSIGINACK MUSEUM BOARD**Statement of Operations and Changes in Net Assets****Year ended December 31, 2014 with comparative figures for 2013**

	2014	2014	2013
	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Municipal grant	16,000	16,000	16,000
Province of Ontario	3,422	3,496	4,052
Admission and sales	2,630	2,380	1,758
Total Revenues	22,052	21,876	21,810
Expenditure			
Wages	14,818	16,171	14,391
Utilities	4,983	5,211	4,727
Repairs and maintenance	700	2,746	1,249
Telephone	800	765	781
Advertising and memberships	425	214	429
Operating supplies and materials	402	94	-
Total Expenditures	22,128	25,201	21,577
Annual surplus (deficit)	(76)	(3,325)	233
Net assets, beginning of year	11,617	11,617	11,384
Net assets, end of year	11,541	8,292	11,617

The accompanying notes are an integral part of these financial statements.

ASSIGINACK MUSEUM BOARD**Notes to the Financial Statements****December 31, 2014**

1. ACCOUNTING POLICIES

The financial statements of the Assiginack Museum Board are the representation of management prepared in accordance with Canadian public sector accounting standards. Since precise determination of assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximation. These have been made using careful judgement.

a) Basis of Accounting**i) Accrual Accounting**

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes the 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 legal obligation to pay.

ii) Financial Instruments

The Board initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Board subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

2. CASH FLOW STATEMENT

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of the Hilly Grove Cemetery Board

Report on the Financial Statements

We have audited the accompanying financial statements of the **Hilly Grove Cemetery Board**, which comprise the statement of financial position as at **December 31, 2014**, and the statement of operations and changes in net debt 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 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 Hilly Grove Cemetery Board as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 5, 2015

HILLY GROVE CEMETERY BOARD**Statement of Financial Position****December 31, 2014 with comparative figures for 2013**

	2014	2013
	\$	\$
Financial Assets		
Cash	73,483	67,633
Accounts receivable	135	135
Total Assets	73,618	67,768
Financial Liabilities		
Due to Township of Assiginack	81,457	66,626
Due to Perpetual Care Trust	4,000	10,100
Due to Monument Trust	2,350	2,150
Total Liabilities	87,807	78,876
Net Debt	(14,189)	(11,108)

The accompanying notes are an integral part of these financial statements.

HILLY GROVE CEMETERY BOARD**Statement of Operations and Changes in Net Debt****Year Ended December 31, 2014 with comparative figures for 2013**

	2014	2013
	\$	\$
Revenues		
Municipal contributions	9,000	9,000
Plot and monument sales	8,350	10,234
Opening and closing	4,400	5,489
Donations	269	-
Interest and other	30	33
Total Revenues	22,049	24,756
Expenditure		
Wages and benefits	16,052	17,887
Plot and monument sales	6,350	7,450
Miscellaneous	1,835	496
Repairs and maintenance	448	497
Hydro and fuel	445	447
Total Expenditures	25,130	26,777
Annual deficit	(3,081)	(2,021)
Net debt, beginning of year	(11,108)	(9,087)
Net debt, end of year	(14,189)	(11,108)

The accompanying notes are an integral part of these financial statements.

HILLY GROVE CEMETERY BOARD

Note to the Financial Statements

December 31, 2014

1. ACCOUNTING POLICIES

The financial statements of the **Hilly Grove Cemetery Board** are the representation of management prepared in accordance with Canadian public sector accounting standards. Since precise determination of assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximation. These have been made using careful judgement.

a) Basis of Accounting

i) Accrual Accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes the 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 legal obligation to pay.

ii) Financial Instruments

The Board initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Board subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and account receivables.

Financial liabilities measured at amortized cost include amounts due to the Township of Assiginack, Perpetual Care Trust and Monument Trust.

2. TRUST FUNDS

Trust funds administered by the Board amounting to \$87,076 (2013- \$80,723) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Current Fund Operations.

3. CASH FLOW STATEMENT

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the financial statements



INDEPENDENT AUDITORS' REPORT

To the Members of the Hilly Grove Cemetery Board

Report on the Financial Statements

We have audited the accompanying financial statements of the **Hilly Grove Cemetery Board - Trust Funds of the Corporation of the Township of Assiginack**, which comprise the statement of financial position as at **December 31, 2014**, and the statement of operations and changes in net assets 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 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 Hilly Grove Cemetery Board – Trust Funds of the Corporation of the Township of Assiginack as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 5, 2015

HILLY GROVE CEMETERY BOARD
TRUST FUNDS
Statement of Financial Position
December 31, 2014 with comparative figures for 2013

	Perpetual Care	Monuments	2014	2013
	\$	\$	\$	\$
Assets				
Cash	62,660	18,066	80,726	68,473
Due from Cemetery Board	4,000	2,350	6,350	12,250
Total Assets	66,660	20,416	87,076	80,723
Net Assets	66,660	20,416	87,076	80,723

The accompanying notes are an integral part of these financial statements.

HILLY GROVE CEMETERY BOARD**TRUST FUNDS****Statement of Operations and Changes in Net Assets****Year ended December 31, 2014 with comparative figures for 2013**

	Perpetual Care	Monuments	2014	2013
	\$	\$	\$	\$
Net assets, beginning of year	62,658	18,065	80,723	73,266
Receipts				
Sales	4,000	2,350	6,350	7,450
Interest earned	2	1	3	7
	4,002	2,351	6,353	7,457
Expenditure	-	-	-	-
Net assets, end of year	66,660	20,416	87,076	80,723

The accompanying notes are an integral part of these financial statements.

HILLY GROVE CEMETERY BOARD**TRUST FUNDS****Notes to the Financial Statements****December 31, 2014**

1. ACCOUNTING POLICIES

The financial statements of the **Hilly Grove Cemetery Board - Trust Funds** are the representation of management prepared in accordance with Canadian public sector accounting standards. Since precise determination of assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximation. These have been made using careful judgement.

a) Basis of Accounting**i) Accrual Accounting**

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes the 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 legal obligation to pay.

ii) Financial Instruments

The Trust Funds initially measure its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Trust Funds subsequently measure its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash.

2. CASH FLOW STATEMENT

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the financial statements.