

THE TOWNSHIP OF ASSIGINACK

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

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, 2015, 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, 2015, 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 3, 2016

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Consolidated Statement of Financial Position****December 31, 2015 with comparative figures for 2014**

	2015	2014
	\$	\$
Financial Assets		
Cash	791,107	843,868
Term deposits	46,258	45,924
Taxes receivable (note 2)	347,015	367,798
User charges receivable	738,970	786,008
Other accounts receivable	82,169	76,502
Investment in government business enterprise (note 3)	403,242	437,030
	2,408,761	2,557,130
Financial Liabilities		
Accounts payable and accrued liabilities	338,441	394,700
Deferred revenue	8,068	25,932
Deferred revenue - obligatory funds (note 4)	-	10,587
Long-term debt (note 5)	1,368,059	1,425,643
Landfill closure and post-closure liability (note 6)	218,841	203,386
	1,933,409	2,060,248
Net assets (note 7)	475,352	496,882
Non-financial Assets (note 8)		
Tangible capital assets (note 9)	17,444,963	17,387,678
Prepaid expenses	32,513	39,158
	17,477,476	17,426,836
Accumulated Surplus	17,952,828	17,923,718

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, 2015 with comparative figures for 2014

	Budget	2015	2014
	\$	\$	\$
Revenues			
Taxation			
Residential and farm		2,496,379	2,219,767
Commercial, industrial and business		115,619	142,397
Other governments and agencies		13,945	12,907
	2,654,441	2,625,943	2,375,071
Deduct:			
Amounts raised on behalf of the school boards	343,430	343,650	332,346
	2,311,011	2,282,293	2,042,725
Government Transfers			
Government of Canada	55,594	79,290	50,550
Province of Ontario	684,630	986,328	2,780,345
Other municipalities	-	-	12,654
	740,224	1,065,618	2,843,549
User Charges			
Sewer and water charges	450,683	451,493	449,999
Fees and service charges	117,450	245,753	234,553
	568,133	697,246	684,552
Other			
Licences and permits	16,600	9,998	17,386
Investment income	6,000	9,160	9,728
Penalties and interest charges	53,300	75,872	81,426
Rents and other	79,809	107,310	30,552
	155,709	202,340	139,092
Total Revenues	3,775,077	4,247,497	5,709,918
Expenditures			
General government	726,089	710,631	652,064
Protection to persons and property	393,961	415,958	360,549
Transportation services	843,205	878,631	1,093,133
Environmental services	471,947	851,083	856,153
Health services	223,435	275,008	260,758
Social and family services	169,404	610,114	598,514
Recreation and cultural services	222,355	442,983	363,041
Planning and development	13,000	33,979	34,103
Total Expenditures	3,063,396	4,218,387	4,218,315
Annual surplus	711,681	29,110	1,491,603
Accumulated surplus, beginning of year	17,923,718	17,923,718	16,432,115
Accumulated surplus, end of year	18,635,399	17,952,828	17,923,718

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, 2015 with comparative figures for 2014**

	Budget	2015	2014
	\$	Actual	Actual
		\$	\$
Annual surplus	711,681	29,110	1,491,603
Acquisition of tangible capital assets	(463,930)	(683,075)	(2,536,055)
Amortization of tangible capital assets	-	625,790	583,587
Loss on disposal of tangible capital assets	-	-	148,666
Change in prepaid expenses	-	6,645	1,311
Change in net assets	247,751	(21,530)	(310,888)
Net assets, beginning of year	496,882	496,882	807,770
Net assets, end of year	744,633	475,352	496,882

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, 2015 with comparative figures for 2014

	2015	2014
	\$	\$
Cash flows from operations		
Annual surplus	29,110	1,491,603
Items not involving cash		
Amortization of tangible capital assets	625,790	583,587
Loss on the disposal of tangible capital assets	-	148,666
Decrease in investment in government business enterprise	33,788	37,558
Landfill site closure and post-closure liability	15,455	59,320
	704,143	2,320,734
Changes in non-cash assets and liabilities		
Taxes receivable	20,783	(18,853)
User charges receivable	47,038	35,871
Grants receivable	-	71,247
Other receivables	(5,667)	(11,026)
Accounts payable and accrued liabilities	(56,259)	32,182
Deferred revenue	(17,864)	(1,057,213)
Deferred revenue - obligatory reserve funds	(10,587)	10,587
Prepaid expenses	6,645	1,311
	688,232	1,384,840
Capital transactions		
Cash used to acquire tangible capital assets	(683,075)	(2,536,055)
Investing transactions		
Change in term deposits	(334)	(7,311)
Financing transactions		
Proceeds on long-term debt	20,000	-
Repayment of long-term debt	(77,584)	(99,818)
	(57,584)	(99,818)
Increase (decrease) in cash	(52,761)	(1,258,344)
Cash, beginning of year	843,868	2,102,212
Cash, end of year	791,107	843,868

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, 2015

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, 2015

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, 2015

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, 2015**

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:

	2016	2015
	\$	\$
Taxes receivable	322,085	335,312
Interest receivable on outstanding tax balances	24,930	32,486
	347,015	367,798

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2015**

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:

	2015	2014
	\$	\$
Long-term investment, beginning of year	437,030	474,588
The Township's share of operating loss for the year	(33,788)	(37,558)
Long-term investment, end of year	403,242	437,030

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

Condensed supplementary financial information on the Airport is as follows:

	2015	2014
	\$	\$
Financial Position		
Financial assets	15,271	26,065
Financial liabilities	3,714	39,165
Net assets (debt)	11,557	(13,100)
Non-Financial Assets		
Tangible capital assets	1,165,709	1,284,568
Inventory and prepaid expenses	32,460	39,621
	1,198,169	1,324,189
Accumulated surplus	1,209,726	1,311,089
Results of Operations		
Revenue	126,765	139,797
Expenses	228,128	252,473
Net income (loss)	(101,363)	(112,676)

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2015**

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:

	2015	2014
	\$	\$
Deferred revenue, beginning of year	10,587	-
Contributions received during the year	55,594	57,103
Amounts recognized as revenue during year	(66,181)	(46,516)
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, 2015**

5. LONG-TERM DEBT

	2015	2014
	\$	\$
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	953,073	1,007,276
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	397,959	418,367
Promissory note payable, repayable by applying the annual property taxes payable on the property located at 206 Leask Bay Shores Lane, Manitowaning Ontario against the principle of the note beginning July 1, 2015, without interest or security	17,027	-
	<u>1,368,059</u>	<u>1,425,643</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:

2016	80,412
2017	80,412
2018	69,185
2019	74,612
2020	74,612
Thereafter	988,826
	<u>1,368,059</u>

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2015**

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	29,000 m ³
Remaining life	27 years
Closure and acquisition costs	\$400,000
Monitoring period post-closure	25 years
Annual monitoring costs	\$7,000
Total estimated liability	\$431,094
Current estimated liability	\$218,841
<u>Amount remaining to be recognized</u>	<u>\$212,253</u>

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:

	2015	2014
	\$	\$
<u>To be used:</u>		
- for the general increase in taxation and user charges	(3,025,713)	(2,808,427)
- to be recovered from tax and user charges for the repayment of long-debt and landfill liability	1,586,900	1,629,029
- for the general operations of joint and local boards	423,850	466,826
- for reserves and reserve funds	1,490,315	1,209,454
	<u>475,352</u>	<u>496,882</u>

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, 2015

	9. TANGIBLE CAPITAL ASSETS					2015	
	Land	Buildings	Roads and Bridges	Automotive Equipment	Furniture and Equipment	Water Treatment and Sewer	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance, beginning of year	824,689	9,637,388	6,864,881	1,339,238	1,993	9,666,386	28,334,575
Additions	66,203	419,310	79,964	-	746	116,852	683,075
Disposals	-	-	(28,192)	-	-	-	(28,192)
Balance, end of year	890,892	10,056,698	6,916,653	1,339,238	2,739	9,783,238	28,989,458
Accumulated Amortization							
Balance, beginning of year	-	2,233,706	4,099,675	862,298	1,536	3,749,682	10,946,897
Disposals	-	-	(28,192)	-	-	-	(28,192)
Amortization expense	-	186,160	120,280	89,041	87	230,222	625,790
Balance, end of year	-	2,419,866	4,191,763	951,339	1,623	3,979,904	11,544,495
Net book value	890,892	7,636,832	2,724,890	387,899	1,116	5,803,334	17,444,963
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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2015**

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:

	2015	2014
	\$	\$
Manitoulin-Sudbury District Services Board	343,590	331,461
Sudbury & District Health Unit	30,578	30,312
Long-term investment, end of year	374,168	361,773

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

	2015	2014
	%	%
Manitoulin-Sudbury District Services Board	3.119	3.281
Sudbury and District Health Unit	0.455	0.460

11. TRUST FUNDS

Trust funds administered by the Township amounting to \$172,475 (2014 - \$170,023) 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, 2015

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, 2015

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, 2015

12. SEGMENTED DISCLOSURE (continued)

	General Government		Protection Services		Transportation Services		Environmental Services		Health and Social Services		Recreation and Cultural Services		Planning and Development		2015 Total		2014 Total		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenues																			
Taxation	2,282,293	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,282,293	-	-	2,042,725
Grants	646,117	-	93,979	14,556	23,211	285,729	2,026	2,026	23,211	2,026	2,026	2,026	2,026	2,026	1,065,618	2,026	2,026	2,843,549	
User fees and service charges	20,039	1,618	2,736	456,123	46,863	162,404	7,463	7,463	46,863	7,463	7,463	7,463	7,463	7,463	697,246	7,463	7,463	684,552	
Other	97,076	7,603	(30,599)	39,219	79,180	4,488	5,373	5,373	79,180	5,373	5,373	5,373	5,373	5,373	202,340	5,373	5,373	139,092	
	3,045,525	9,221	66,116	509,898	149,254	452,621	14,862	14,862	149,254	14,862	14,862	14,862	14,862	14,862	4,247,497	14,862	14,862	5,709,918	
Expenditures																			
Salaries, wages and benefits	366,920	68,194	299,119	40,951	129,031	-	3,209	3,209	129,031	3,209	3,209	3,209	3,209	3,209	907,424	3,209	3,209	877,923	
Purchase of goods and materials	267,768	49,425	349,218	487,910	226,259	506,932	30,682	30,682	226,259	30,682	30,682	30,682	30,682	30,682	1,918,194	30,682	30,682	2,047,422	
Contracts and services	40,851	270,313	-	-	-	-	-	-	-	-	-	-	-	-	311,164	-	-	262,381	
Amortization	21,264	28,026	202,264	294,799	75,072	4,277	88	88	75,072	88	88	88	88	88	625,790	88	88	583,587	
Financial expenses	13,828	-	-	-	1,200	-	-	-	1,200	-	-	-	-	-	15,028	-	-	13,891	
Interest on long-term debt	-	-	-	27,423	11,421	-	-	-	11,421	-	-	-	-	-	38,844	-	-	44,809	
Other transfers	-	-	28,030	-	-	373,913	-	-	-	-	-	-	-	-	401,943	-	-	388,302	
	710,631	415,958	878,631	851,083	442,983	885,122	33,979	33,979	442,983	33,979	33,979	33,979	33,979	33,979	4,218,387	33,979	33,979	4,218,315	
Excess (deficiency) of revenues over expenditures	2,334,894	(406,737)	(812,515)	(341,185)	(293,729)	(432,501)	(19,117)	(19,117)	(293,729)	(19,117)	(19,117)	(19,117)	(19,117)	(19,117)	29,110	(19,117)	(19,117)	1,491,603	

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2015**

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 2015 was \$47,927 (2014 - \$39,344) for current service and is included as an expenditure on the consolidated statement of operations.

At December 31, 2015, the OMERS pension plan had total assets of \$100.7 billion (2014 - \$94.3 billion) and an accumulated deficit of 5.3 billion (2014 - \$5.3 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:

	\$
2016	220,282
2017	223,511

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2015**

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:

	2015	2014
	\$	\$
Budget surplus approved by Council	-	-
Less: Budgeted transfers to (from) reserves and reserve funds	247,751	(576,682)
Add: Budgeted tangible capital asset additions	463,930	3,023,554
Budget surplus per consolidated financial statements	711,681	2,446,872

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, 2015

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 creditors as those 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 \$38,844 (2014 - \$44,809).

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, 2015

	Total	Working Fund	Contingencies	Fire Department	Library Board	Water Works System	Emergency	Sunsite Water	Marina Docks	Microfit	Marina Beach Stairs Pumps	Parklands	Elections	Concert Series	Nelson Street	Planning	Water Main	Post Office Building	DSSAB	McLeans Park			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
RESERVES																							
Balance, beginning 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	-	-	-	-	
Appropriations from operations	399,821	57,453	6,472	26,528	-	50,236	-	18,427	8,823	9,909	-	22,580	2,572	5,100	7,796	-	-	10,000	18,642	14,145	-	-	
Appropriations to operations	(118,960)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,665)	-	-	-	-	
Balance, end of year	1,490,315	141,278	66,756	248,901	2,683	250,275	200	95,060	8,823	9,909	1,694	22,580	2,572	9,999	7,796	8,000	10,000	16,335	18,642	14,145			
RESERVE FUNDS																							
Balance, beginning 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	-	-	-	-	-
Appropriations from operations	-	55,594	-	5,515	30,296	-	8,316	-	-	12,452	458	3,463	-	-	1,412	-	-	16,412	7,220	-	-	-	-
Appropriations to operations	-	(66,181)	(43,420)	(694)	-	-	-	-	-	(5,000)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	10,000	-	285,184	4,821	108,375	3,122	8,316	918	5,000	12,452	458	3,463	1,674	3,882	27,450	45,920	26,412	7,220					

	Sewer Mains	Gas Tax	Landfill/ Recycling	Norisle Removal	Public Works	Inactive Cemeteries	Arena Restoration	Cenotaph	IT	Tax Sales	Community Access Program	Capital Twp. Lots	Assignack Business Association	Fischer Norisle Donations	Fire Hydrants	Library Expansion	Municipal Building	Medical Clinic					
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
Balance, beginning 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	-	-	-	-	-	-
Appropriations from operations	-	55,594	-	5,515	30,296	-	8,316	-	-	12,452	458	3,463	-	1,412	-	-	16,412	7,220	-	-	-	-	-
Appropriations to operations	-	(66,181)	(43,420)	(694)	-	-	-	-	(5,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	10,000	-	285,184	4,821	108,375	3,122	8,316	918	5,000	12,452	458	3,463	1,674	3,882	27,450	45,920	26,412	7,220					

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, 2015**, 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, 2015, 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 3, 2016

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
TRUST FUNDS

Statement of Financial Position
 December 31, 2015

	Sick Room		Hinds		Hilly Grove		Total
	Equipment	\$	Hewson Cemetery	Airport	McLean's Park	Perpetual Care	
	\$		\$	\$	\$	\$	\$
Assets							
Cash	230		15,628	57,581	9,610	67,410	20,416
Due from Township	-		-	-	-	1,000	600
Net Assets	230		15,628	57,581	9,610	68,410	21,016
							170,875
							1,600
							172,475

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, 2015

	Sick Room Equipment	Hinds Hewson Cemetery	Airport	McLean's Park	Hilly Grove Perpetual Care	Hilly Grove Monument	Total
	\$	\$	\$	\$	\$	\$	\$
Net assets, beginning of year	174	15,582	57,581	9,610	66,660	20,416	170,023
Revenues							
Plot sales	-	-	-	-	1,200	450	1,650
Interest income	56	46	-	-	550	150	802
	56	46	-	-	1,750	600	2,452
Expenditures							
Interest and bank charges	-	-	-	-	-	-	-
Net assets, end of year	230	15,628	57,581	9,610	68,410	21,016	172,475

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, 2015**

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, 2015, 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, 2015, 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 3, 2016

ASSIGINACK PUBLIC LIBRARY BOARD
Statement of Financial Position
December 31, 2015 with comparative figures for 2014

	2015	2014
	\$	\$
Financial Assets		
Cash	13,602	17,854
Guaranteed investment certificates	35,274	35,054
	48,876	52,908
Financial Liabilities		
Accounts payable and accrued liabilities	8,841	17,206
Deferred revenue	2,896	-
	11,737	17,206
Net assets (note 2)	37,139	35,702

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, 2015 with comparative figures 2014

	Budget	2015 (Actual)	2014 (Actual)
	\$	\$	\$
Revenues			
Municipal contribution	36,685	36,685	35,600
Province of Ontario	3,483	7,000	3,519
Federal Grant	1,000	4,520	1,155
Donations and miscellaneous	500	902	482
Interest and fines	-	344	319
Total Revenues	41,668	49,451	41,075
Expenditure			
Wages and employee benefits	31,890	31,891	30,653
Books and other library materials and equipment	3,810	6,851	4,103
Miscellaneous	268	3,924	732
Office supplies	3,700	1,740	2,428
Membership and conference	700	1,285	1,139
Rent	1,200	1,200	1,200
Telephone	900	862	861
Insurance	200	261	168
Total Expenditures	42,668	48,014	41,284
Annual surplus (deficit)	(1,000)	1,437	(209)
Net assets, beginning of year	35,702	35,702	35,911
Net assets, end of year	34,702	37,139	35,702

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

ASSIGINACK PUBLIC LIBRARY BOARD
Notes to the Financial Statements
December 31, 2015

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, 2015**

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:

	2015	2014
	\$	\$
To be used:		
- for the general reduction of user charges	34,456	33,019
- for the reserve fund	2,683	2,683
	<u>37,139</u>	<u>35,702</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, 2015, 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, 2015, 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 3, 2016

ASSIGINACK MUSEUM BOARD
Statement of Financial Position
December 31, 2015 with comparative figures for 2014

	2015	2014
	\$	\$
Financial Assets		
Cash	53,325	38,827
Financial Liabilities		
Accounts payable and accrued liabilities	46,583	30,535
Net assets (note 2)	6,742	8,292

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, 2015 with comparative figures for 2014**

	2015	2015	2014
	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Municipal grant	16,000	16,000	16,000
Province of Ontario	4,062	4,038	3,496
Admission and sales	2,000	4,031	2,380
Total Revenues	22,062	24,069	21,876
Expenditure			
Wages	16,814	17,059	16,171
Utilities	5,536	5,475	5,211
Repairs and maintenance	760	1,220	2,746
Telephone	850	986	765
Operating supplies and materials	650	779	94
Advertising and memberships	325	100	214
Total Expenditures	24,935	25,619	25,201
Annual surplus (deficit)	(2,873)	(1,550)	(3,325)
Net assets, beginning of year	8,292	8,292	11,617
Net assets, end of year	5,419	6,742	8,292

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

ASSIGINACK MUSEUM BOARD

Notes to the Financial Statements

December 31, 2015

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, 2015, 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, 2015, 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 3, 2016

HILLY GROVE CEMETERY BOARD
Statement of Financial Position
December 31, 2015 with comparative figures for 2014

	2015	2014
	\$	\$
Financial Assets		
Cash	60,766	73,483
Accounts receivable	5,135	135
Total Assets	65,901	73,618
Financial Liabilities		
Due to Township of Assiginack	81,582	81,457
Due to Perpetual Care Trust	1,000	4,000
Due to Monument Trust	600	2,350
Total Liabilities	83,182	87,807
Net Debt	(17,281)	(14,189)

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, 2015 with comparative figures for 2014**

	2015	2014
	\$	\$
Revenues		
Municipal contributions	9,000	9,000
Plot and monument sales	5,350	8,350
Opening and closing	2,800	4,400
Donations	164	269
Interest and other	28	30
Total Revenues	17,342	22,049
Expenditure		
Wages and benefits	-	16,052
Contract services	15,650	-
Miscellaneous	2,501	1,835
Plot and monument sales	1,650	6,350
Repairs and maintenance	233	448
Hydro and fuel	400	445
Total Expenditures	20,434	25,130
Annual deficit	(3,092)	(3,081)
Net debt, beginning of year	(14,189)	(11,108)
Net debt, end of year	(17,281)	(14,189)

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

HILLY GROVE CEMETERY BOARD

Note to the Financial Statements

December 31, 2015

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 \$89,426 (2014- \$87,076) 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, 2015**, 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, 2015, 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 3, 2016

HILLY GROVE CEMETERY BOARD
TRUST FUNDS
Statement of Financial Position
December 31, 2015 with comparative figures for 2014

	Perpetual Care	Monuments	2015	2014
	\$	\$	\$	\$
Assets				
Cash	67,410	20,416	87,826	80,726
Due from Cemetery Board	1,000	600	1,600	6,350
Total Assets	68,410	21,016	89,426	87,076
Net Assets	68,410	21,016	89,426	87,076

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, 2015 with comparative figures for 2014**

	Perpetual Care	Monuments	2015	2014
	\$	\$	\$	\$
Net assets, beginning of year	66,660	20,416	87,076	80,723
Receipts				
Sales	1,200	450	1,650	6,350
Interest earned	550	150	700	3
	1,750	600	2,350	6,353
Expenditure	-	-	-	-
Net assets, end of year	68,410	21,016	89,426	87,076

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

HILLY GROVE CEMETERY BOARD

TRUST FUNDS

Notes to the Financial Statements

December 31, 2015

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.