

THE TOWNSHIP OF ASSIGINACK

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016

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.

Mayor

Treasurer

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, 2016**, 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, 2016, 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 16, 2017

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Consolidated Statement of Financial Position****December 31, 2016 with comparative figures for 2015**

	2016	2015
	\$	\$
Financial Assets		
Cash	1,631,203	791,107
Term deposits	34,720	46,258
Taxes receivable (note 2)	390,116	347,015
User charges receivable	701,432	738,970
Grants receivable	25,939	-
Other accounts receivable	118,264	82,169
Investment in government business enterprise (note 3)	366,872	403,242
	3,268,546	2,408,761
Financial Liabilities		
Accounts payable and accrued liabilities	469,532	338,441
Deferred revenue	5,259	8,068
Deferred revenue - obligatory funds (note 4)	32,655	-
Long-term debt (note 5)	1,686,127	1,368,059
Obligations under capital lease (note 6)	179,440	-
Landfill closure and post-closure liability (note 7)	235,206	218,841
	2,608,219	1,933,409
Net Assets (note 8)	660,327	475,352
Non-financial Assets (note 9)		
Tangible capital assets (note 10)	17,361,777	17,444,963
Prepaid expenses	38,172	32,513
	17,399,949	17,477,476
Accumulated Surplus	18,060,276	17,952,828

Contingent liabilities (note 15)

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, 2016 with comparative figures for 2015

	Budget	2016	2015
	\$	\$	\$
Revenues			
Taxation			
Residential and farm		2,743,116	2,496,379
Commercial, industrial and business		124,240	115,619
Other governments and agencies		14,793	13,945
	2,865,553	2,882,149	2,625,943
Deduct:			
Amounts raised on behalf of the school boards	354,480	359,514	343,650
	2,511,073	2,522,635	2,282,293
Government Transfers			
Government of Canada	58,374	38,294	79,290
Province of Ontario	694,528	1,032,471	986,328
Other municipalities	-	2,522	-
	752,902	1,073,287	1,065,618
User Charges			
Sewer and water charges	507,067	460,660	451,493
Fees and service charges	51,000	237,939	245,753
	558,067	698,599	697,246
Other			
Licences and permits	12,600	13,217	9,998
Investment income	6,000	12,383	9,160
Penalties and interest charges	55,400	62,703	75,872
Rents and other	79,610	60,475	107,310
	153,610	148,778	202,340
Total Revenues	3,975,652	4,443,299	4,247,497
Expenditures			
General government	770,990	720,474	710,631
Protection to persons and property	404,847	414,753	415,958
Transportation services	832,910	1,074,200	878,631
Environmental services	485,947	843,765	851,083
Health services	226,904	264,914	275,008
Social and family services	170,020	601,123	610,114
Recreation and cultural services	216,695	376,114	442,983
Planning and development	15,800	40,508	33,979
Total Expenditures	3,124,113	4,335,851	4,218,387
Annual Surplus	851,539	107,448	29,110
Accumulated Surplus, beginning of year	17,952,828	17,952,828	17,923,718
Accumulated Surplus, end of year	18,804,367	18,060,276	17,952,828

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, 2016 with comparative figures for 2015**

	Budget	2016	2015
	\$	Actual	Actual
		\$	\$
Annual Surplus	851,539	107,448	29,110
Acquisition of tangible capital assets	(629,705)	(563,110)	(683,075)
Amortization of tangible capital assets	-	646,296	625,790
Change in prepaid expenses	-	(5,659)	6,645
Change in net assets	221,834	184,975	(21,530)
Net Assets, beginning of year	475,352	475,352	496,882
Net Assets, end of year	697,186	660,327	475,352

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, 2016 with comparative figures for 2015

	2016	2015
	\$	\$
Cash flows from operations		
Annual Surplus	107,448	29,110
Items not involving cash		
Amortization of tangible capital assets	646,296	625,790
Decrease in investment in government business enterprise	36,370	33,788
Landfill site closure and post-closure liability	16,365	15,455
	806,479	704,143
Changes in non-cash assets and liabilities		
Taxes receivable	(43,101)	20,783
User charges receivable	37,538	47,038
Grants receivable	(25,939)	-
Other accounts receivable	(36,095)	(5,667)
Accounts payable and accrued liabilities	131,091	(56,259)
Deferred revenue	(2,809)	(17,864)
Deferred revenue - obligatory reserve funds	32,655	(10,587)
Prepaid expenses	(5,659)	6,645
	894,160	688,232
Capital transactions		
Cash used to acquire tangible capital assets	(563,110)	(683,075)
Investing transactions		
Change in term deposits	11,538	(334)
Financing transactions		
Proceeds on long-term debt	413,500	20,000
Repayment of long-term debt	(95,432)	(77,584)
Proceeds on obligations under capital lease	204,440	-
Repayment of obligations under capital lease	(25,000)	-
	497,508	(57,584)
Increase (decrease) in cash	840,096	(52,761)
Cash, beginning of year	791,107	843,868
Cash, end of year	1,631,203	791,107

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, 2016

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, 2016**

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, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Township are accounted for as capital leases. At the time a capital lease is entered into, a tangible capital asset is recorded together with its related capital lease obligation to reflect the acquisition and financing. Tangible capital assets recorded under capital leases are amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

iv) 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

v) 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.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2016

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

vii) 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, grants receivable and other account receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, long-term debt and obligations under capital lease.

2. TAXES RECEIVABLE

The components of taxes receivable are as follows:

	2016	2015
	\$	\$
Taxes receivable	362,755	322,085
Interest receivable on outstanding tax balances	27,361	24,930
	<u>390,116</u>	<u>347,015</u>

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2016**

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:

	2016	2015
	\$	\$
Long-term investment, beginning of year	403,242	437,030
The Township's share of operating loss for the year	(36,370)	(33,788)
Long-term investment, end of year	366,872	403,242

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:

	2016	2015
	\$	\$
Financial Position		
Financial assets	56,706	15,271
Financial liabilities	27,431	3,714
Net assets	29,275	11,557
Non-Financial Assets		
Tangible capital assets	1,046,850	1,165,709
Inventory and prepaid expenses	24,490	32,460
	1,071,340	1,198,169
Accumulated surplus	1,100,615	1,209,726
Results of Operations		
Revenue	139,497	126,765
Expenses	248,608	228,128
Net income (loss)	(109,111)	(101,363)

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2016**

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:

	2016	2015
	\$	\$
Deferred revenue, beginning of year	-	10,587
Contributions received during the year	58,460	55,594
Amounts recognized as revenue during year	(25,805)	(66,181)
Deferred revenue, end of year	32,655	-
Deferred revenue - obligatory reserve consists of the following:		
Federal gas tax revenue	32,655	-

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2016****5. LONG-TERM DEBT**

	2016	2015
	\$	\$
BMO Bank of Montreal demand term loan, repayable in monthly instalments of \$4,517 plus interest at the bank's prime rate of interest per annum, unsecured, maturing May 2020	898,870	953,073
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 June 2020	379,252	397,959
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	10,425	17,027
BMO Bank of Montreal demand term loan, repayable in monthly instalments of \$2,078, including interest at the bank's prime rate of interest per annum, unsecured, maturing February 2026	371,242	-
Ontario Ministry of Agriculture, Food and Rural Affairs tile drainage loan, repayable in annual instalments of \$3,872, including interest at 6.0% per annum, unsecured, maturing January 2026	26,338	-
	<u>1,686,127</u>	<u>1,368,059</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:

2017	98,463
2018	96,231
2019	92,966
2020	1,073,222
2021	19,538
Thereafter	305,707
	<u>1,686,127</u>

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2016****6. OBLIGATIONS UNDER CAPITAL LEASE**

	2016	2015
	\$	\$
Travelers Leasing Ltd. capital lease, repayable in monthly instalments of \$2,568 including interest at a rate of 5.25% per annum, secured by a specific vehicle with a carrying value of \$208,653, maturing December 2023	179,440	-

The cost and net book value of automotive equipment under capital lease is \$219,635 and \$208,653 respectively.

Payments in the next 5 years

2017	21,580
2018	22,929
2019	24,186
2020	25,511
2021	26,910
Thereafter	58,324
	179,440

7. 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	28,000 m ³
Remaining life	25 years
Closure and acquisition costs	\$400,000
Monitoring period post-closure	25 years
Annual monitoring costs	\$7,000
Total estimated liability	\$448,338
Current estimated liability	\$235,206
Amount remaining to be recognized	\$213,132

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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2016**

8. 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:

	2016	2015
	\$	\$
To be used:		
- for the general increase in taxation and user charges	(3,670,930)	(3,025,713)
- to be recovered from tax and user charges for the repayment of long-debt and landfill liability	2,100,773	1,586,900
- for the general operations of joint and local boards	393,949	423,850
- for reserves and reserve funds	1,836,535	1,490,315
	<u>660,327</u>	<u>475,352</u>

9. 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 ASSIGNACK

Notes to the Consolidated Financial Statements

December 31, 2016

10. TANGIBLE CAPITAL ASSETS

	Land \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water	
						Treatment and Sewer \$	2016 Total \$
Cost							
Balance, beginning of year	890,892	10,056,698	6,916,653	1,339,238	2,739	9,783,238	28,989,458
Additions	25,805	52,278	200,425	266,481	-	18,121	563,110
Disposals	-	-	-	-	-	-	-
Balance, end of year	916,697	10,108,976	7,117,078	1,605,719	2,739	9,801,359	29,552,568
Accumulated Amortization							
Balance, beginning of year	-	2,419,866	4,191,763	951,339	1,623	3,979,904	11,544,495
Disposals	-	-	-	-	-	-	-
Amortization expense	-	190,876	124,425	97,186	314	233,495	646,296
Balance, end of year	-	2,610,742	4,316,188	1,048,525	1,937	4,213,399	12,190,791
Net book value	916,697	7,498,234	2,800,890	557,194	802	5,587,960	17,361,777

	Land \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water	
						Treatment and Sewer \$	2015 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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2016**

11. 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:

	2016	2015
	\$	\$
Manitoulin-Sudbury District Services Board	335,517	343,590
Sudbury & District Health Unit	31,476	30,578
	<u>366,993</u>	<u>374,168</u>

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

	2016	2015
	%	%
Manitoulin-Sudbury District Services Board	3.420	3.374
Sudbury and District Health Unit	0.457	0.455

12. TRUST FUNDS

Trust funds administered by the Township amounting to \$174,729 (2015 - \$172,475) 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, 2016

13. 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, 2016

13. 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 ASSINACK

Notes to the Consolidated Financial Statements
December 31, 2016

13. SEGMENTED DISCLOSURE (continued)

	General Government		Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	2016		2015	
	\$	\$	\$	\$	\$	\$	\$	\$	Total	\$	Total	\$
Revenues												
Taxation	2,522,635	-	-	-	-	-	-	-	-	2,522,635	-	2,282,293
Grants	656,309	3,315	38,775	47,724	285,925	18,048	32,679	23,191	1,073,287	1,065,618		
User fees and service charges	30,963	1,435	-	463,157	163,488	6,877	17,225	6,877	698,599	697,246		
Other	123,260	-	(36,370)	16,896	3,125	24,642	67,952	54,710	148,778	202,340		
	3,333,167	4,750	2,405	527,777	452,538	4,443,299	4,247,497					
Expenditures												
Salaries, wages and benefits	392,914	77,586	336,257	31,442	-	99,461	5,408	943,068	907,424			
Purchase of goods and materials	242,780	38,892	486,513	284,154	494,767	189,297	33,076	1,769,479	1,918,194			
Contracts and services	40,918	269,574	-	205,778	-	-	-	516,270	311,164			
Amortization	23,305	28,701	216,692	297,342	4,277	75,665	314	646,296	625,790			
Financial expenses	11,458	-	5,388	-	-	1,200	-	18,046	15,028			
Interest on long-term debt	9,099	-	-	25,049	-	10,491	1,710	46,349	38,844			
Other transfers	-	-	29,350	-	366,993	-	-	396,343	401,943			
	720,474	414,753	1,074,200	843,765	866,037	376,114	40,508	4,335,851	4,218,387			
Excess (deficiency) of revenues over expenditures	2,612,693	(410,003)	(1,071,795)	(315,988)	(413,499)	(308,162)	14,202	107,448	29,110			

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2016

14. 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 2016 was \$52,385 (2015 - \$47,927) for current service and is included as an expenditure on the consolidated statement of operations.

At December 31, 2016, the OMERS pension plan had total assets of \$107.5 billion (2015 - \$100.7 billion) and an accumulated deficit of \$2.3 billion (2015 - \$5.3 billion).

15. CONTINGENT LIABILITY

a) 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.

b) The Township is the defendant in a lawsuit claiming \$10.0 million in damages by the S.S. Norisle Steamship Society. The Township has been notified by its insurance carrier that there is no insurance coverage under its policy and the underwriters have therefore declined to defend and indemnify the Township in relation to this claim. The Township intends to vigorously defend itself in this matter. Because of uncertainties in this matter, no accrual has been made in these financial statements based on the information available. As additional information becomes available, the Township will reassess the potential for liability relating to this claim and may adjust its accrual. Such revisions in estimates could have a material impact on the results of operations and net assets of the Township.

16. 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>
2017	<u>223,511</u>

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2016

17. 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:

	2016	2015
	\$	\$
Budget surplus approved by Council	-	-
Less: Budgeted transfers to (from) reserves and reserve funds	221,834	247,751
Add: Budgeted tangible capital asset additions	629,705	463,930
Budget surplus per consolidated financial statements	851,539	711,681

18. 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, term deposits and various accounts receivable accounts.

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 balances and collections.

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, 2016

18. 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, including long-term debt and capital lease obligation principle and interest, as those liabilities 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 \$46,349 (2015 - \$38,844).

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, 2016

	Total \$	Working Fund \$	Contingencies \$	Fire Department \$	Library Board \$	Water Works System \$	Emergency \$	Sunrise Water \$	Marina Docks \$	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	1,490,315	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	
Appropriations from operations	439,819	62,953	16,472	36,385	-	38,240	-	14,548	8,822	9,618	4,294	22,580	2,572	5,285	7,797	-	-	15,647	29,655	
Appropriations to operations	(93,599)	-	-	-	-	-	-	-	-	-	-	-	-	(10,385)	-	-	-	-	(18,642)	
Balance, end of year	1,836,535	204,231	83,228	285,286	2,683	288,515	200	109,608	17,645	19,527	5,988	45,160	5,144	4,899	15,593	8,000	10,000	31,982	29,655	

	McLeans Park \$	Sewer Mains \$	Landfill/ Recycling \$	Norriste Removal \$	Public Works \$	Inactive Cemeteries \$	Arena \$	Cenotaph Restoration \$	IT \$	Tax Sales \$	Community Access Program \$	Capital Twp. Lots \$	Assignack Business Association \$	Fischer Norriste Donations \$	Fire Hydrants \$	Library Expansion \$	Municipal Building \$	Medical Clinic \$	
RESERVE FUNDS																			
Balance, beginning of year	-	14,145	10,000	285,184	5,516	108,375	3,122	8,316	918	5,000	12,452	458	3,463	1,674	3,187	27,450	45,920	26,412	7,220
Appropriations from operations	30,914	-	-	23,330	5,516	55,296	-	8,475	-	-	12,452	458	3,463	100	-	-	-	15,000	9,947
Appropriations to operations	-	(624)	-	-	(9,083)	(13,076)	-	(1,831)	-	-	-	-	-	(756)	-	(39,202)	-	-	-
Balance, end of year	30,914	13,521	10,000	308,514	1,949	150,595	3,122	14,960	918	5,000	24,904	916	6,926	1,674	2,531	27,450	6,718	41,412	17,167

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, 2016**, 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, 2016, 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 16, 2017

THE CORPORATION OF THE TOWNSHIP OF ASSIGNACK
TRUST FUNDS
Statement of Financial Position
December 31, 2016

	Hinds		Hilly Grove		Total
	Sick Room Equipment \$	Hughson Cemetery \$	McLean's Park \$	Hilly Grove Perpetual Care \$	
Assets					
Cash	230	15,628	9,610	68,410	172,475
Due from Township	-	-	-	1,632	2,254
Net Assets	230	15,628	9,610	70,042	174,729

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, 2016

	Sick Room Equipment	Hinds Hughson Cemetery	Airport	McLean's Park	Hilly Grove Perpetual Care	Hilly Grove Monument	Total
	\$	\$	\$	\$	\$	\$	\$
Net assets, beginning of year	230	15,628	57,581	9,610	68,410	21,016	172,475
Revenues							
Plot sales	-	-	-	-	1,000	450	1,450
Interest income	-	-	-	-	632	172	804
	-	-	-	-	1,632	622	2,254
Expenditures							
	-	-	-	-	-	-	-
Net assets, end of year	230	15,628	57,581	9,610	70,042	21,638	174,729

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, 2016

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, 2016, 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, 2016, 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 16, 2017

ASSIGINACK PUBLIC LIBRARY BOARD
Statement of Financial Position
December 31, 2016 with comparative figures for 2015

	2016	2015
	\$	\$
Financial Assets		
Cash	15,645	13,602
Guaranteed investment certificates	23,717	35,274
	39,362	48,876
Financial Liabilities		
Accounts payable and accrued liabilities	8,208	8,841
Deferred revenue	2,929	2,896
	11,137	11,737
Net assets (note 2)	28,225	37,139

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, 2016 with comparative figures 2015

	Budget	2016 (Actual)	2015 (Actual)
	\$	\$	\$
Revenues			
Municipal contribution	36,685	36,685	36,685
Province of Ontario	3,483	6,379	7,000
Donations and miscellaneous	500	1,806	902
Interest and fines	-	225	344
Federal Grant	1,000	-	4,520
Total Revenues	41,668	45,095	49,451
Expenditures			
Wages and employee benefits	32,806	32,476	31,891
Books and other library materials and equipment	3,972	14,180	6,851
Office supplies	750	3,705	1,740
Rent	1,200	1,200	1,200
Telephone	900	875	862
Miscellaneous	1,040	745	3,924
Membership and conference	800	660	1,285
Insurance	200	168	261
Total Expenditures	41,668	54,009	48,014
Annual surplus (deficit)	-	(8,914)	1,437
Net assets, beginning of year	37,139	37,139	35,702
Net assets, end of year	37,139	28,225	37,139

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

ASSIGINACK PUBLIC LIBRARY BOARD

Notes to the Financial Statements

December 31, 2016

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 accounts payable and accrued liabilities.

ASSIGINACK PUBLIC LIBRARY BOARD**Notes to the Financial Statements****December 31, 2016**

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:

	2016	2015
	\$	\$
To be used:		
- for the general reduction of user charges	25,542	34,456
- for the reserve fund	2,683	2,683
	28,225	37,139

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, 2016, 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, 2016, 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 16, 2017

ASSIGINACK MUSEUM BOARD
Statement of Financial Position
December 31, 2016 with comparative figures for 2015

	2016	2015
	\$	\$
Financial Assets		
Cash	14,875	53,325
Accounts receivable	5,000	-
	19,875	53,325
Financial Liabilities		
Accounts payable and accrued liabilities	13,618	46,583
Net assets	6,257	6,742

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, 2016 with comparative figures for 2015**

	2016	2015
	Actual	Actual
	\$	\$
Revenues		
Municipal grant	20,000	16,000
Province of Ontario	3,422	4,038
Government of Canada	1,577	-
Admission and sales	4,167	4,031
Total Revenues	29,166	24,069
Expenditures		
Wages	19,167	17,059
Utilities	5,539	5,475
Repairs and maintenance	3,074	1,220
Operating supplies and materials	868	779
Telephone	559	986
Advertising and memberships	296	100
Interest and bank charges	148	-
Total Expenditures	29,651	25,619
Annual surplus (deficit)	(485)	(1,550)
Net assets, beginning of year	6,742	8,292
Net assets, end of year	6,257	6,742

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

ASSIGINACK MUSEUM BOARD

Notes to the Financial Statements

December 31, 2016

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 and accounts receivable.

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, 2016**, 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, 2016, 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 16, 2017

HILLY GROVE CEMETERY BOARD
Statement of Financial Position
December 31, 2016 with comparative figures for 2015

	2016	2015
	\$	\$
Financial Assets		
Cash	7,928	60,766
Accounts receivable	5,135	5,135
Total Assets	13,063	65,901
Financial Liabilities		
Due to Township of Assiginack	35,444	81,582
Due to Perpetual Care Trust	1,632	1,000
Due to Monument Trust	622	600
Total Liabilities	37,698	83,182
Net Debt	(24,635)	(17,281)

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, 2016 with comparative figures for 2015**

	2016	2015
	\$	\$
Revenues		
Municipal contributions	9,000	9,000
Plot and monument sales	4,800	5,350
Opening and closing	2,800	2,800
Donations	102	164
Interest and other	400	28
Total Revenues	17,102	17,342
Expenditures		
Contract services	18,350	15,650
Miscellaneous	3,724	2,501
Plot and monument sales	1,450	1,650
Repairs and maintenance	396	233
Hydro and fuel	358	400
Interest and bank charges	178	-
Total Expenditures	24,456	20,434
Annual deficit	(7,354)	(3,092)
Net debt, beginning of year	(17,281)	(14,189)
Net debt, end of year	(24,635)	(17,281)

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

HILLY GROVE CEMETERY BOARD

Note to the Financial Statements

December 31, 2016

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 \$91,680 (2015- \$89,426) 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, 2016**, 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, 2016, 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 16, 2017

HILLY GROVE CEMETERY BOARD
TRUST FUNDS
Statement of Financial Position
December 31, 2016 with comparative figures for 2015

	Perpetual Care \$	Monuments \$	2016 \$	2015 \$
Assets				
Cash	68,410	21,016	89,426	87,826
Due from Cemetery Board	1,632	622	2,254	1,600
Total Assets being Net Assets	70,042	21,638	91,680	89,426

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, 2016 with comparative figures for 2015**

	Perpetual Care	Monuments	2016	2015
	\$	\$	\$	\$
Net assets, beginning of year	68,410	21,016	89,426	87,076
Receipts				
Sales	1,000	450	1,450	1,650
Interest earned	632	172	804	700
	1,632	622	2,254	2,350
Expenditures	-	-	-	-
Net assets, end of year	70,042	21,638	91,680	89,426

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

HILLY GROVE CEMETERY BOARD**TRUST FUNDS****Notes to the Financial Statements****December 31, 2016**

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.