

**THE TOWNSHIP OF ASSIGINACK**

**CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2017

## **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.

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Mayor

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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, 2017**, 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, 2017, 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 15, 2018

**THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK****Consolidated Statement of Financial Position****December 31, 2017 with comparative figures for 2016**

	2017	2016
	\$	\$
<b>Financial Assets</b>		
Cash	1,922,978	1,631,203
Term deposits	42,513	34,720
Taxes receivable (note 2)	430,275	390,116
User charges receivable	648,805	701,432
Grants receivable	28,957	25,939
Other accounts receivable	88,701	118,264
Investment in government business enterprise (note 3)	334,966	366,872
	<b>3,497,195</b>	<b>3,268,546</b>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	414,414	469,532
Deferred revenue	7,104	5,259
Deferred revenue - obligatory funds (note 4)	21,026	32,655
Long-term debt (note 5)	1,587,930	1,686,127
Obligations under capital lease (note 6)	157,860	179,440
Landfill closure and post-closure liability (note 7)	260,347	235,206
	<b>2,448,681</b>	<b>2,608,219</b>
<b>Net Assets (note 8)</b>	<b>1,048,514</b>	<b>660,327</b>
<b>Non-financial Assets (note 9)</b>		
Tangible capital assets (note 10)	16,836,789	17,361,777
Prepaid expenses	34,752	38,172
	<b>16,871,541</b>	<b>17,399,949</b>
<b>Accumulated Surplus</b>	<b>17,920,055</b>	<b>18,060,276</b>

**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, 2017 with comparative figures for 2016**

	Budget	2017	2016
	\$	\$	\$
<b>Revenues</b>			
<b>Taxation</b>			
Residential and farm		2,712,652	2,743,116
Commercial, industrial and business		128,334	124,240
Other governments and agencies		15,654	14,793
	2,909,631	2,856,640	2,882,149
<b>Deduct:</b>			
Amounts raised on behalf of the school boards	345,668	345,718	359,514
	2,563,963	2,510,922	2,522,635
<b>Government Transfers</b>			
Government of Canada	59,974	79,520	38,294
Province of Ontario	870,526	1,123,689	1,032,471
Other municipalities	-	-	2,522
	930,500	1,203,209	1,073,287
<b>User Charges</b>			
Sewer and water charges	504,336	454,328	460,660
Fees and service charges	43,275	254,823	237,939
	547,611	709,151	698,599
<b>Other</b>			
Licences and permits	13,300	11,489	13,217
Investment income	10,000	20,180	12,383
Penalties and interest charges	37,000	51,559	62,703
Rents and other	40,466	27,338	60,475
	100,766	110,566	148,778
<b>Total Revenues</b>	4,142,840	4,533,848	4,443,299
<b>Expenditures</b>			
General government	811,876	945,425	720,474
Protection to persons and property	419,743	432,946	414,753
Transportation services	907,503	1,069,154	1,074,200
Environmental services	588,753	916,397	843,765
Health services	240,122	295,718	264,914
Social and family services	181,368	616,515	601,123
Recreation and cultural services	239,205	347,364	376,114
Planning and development	38,020	50,550	40,508
<b>Total Expenditures</b>	3,426,590	4,674,069	4,335,851
<b>Annual Surplus (deficit)</b>	716,250	(140,221)	107,448
<b>Accumulated Surplus, beginning of year</b>	18,060,276	18,060,276	17,952,828
<b>Accumulated Surplus, end of year</b>	18,776,526	17,920,055	18,060,276

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

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**THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK****Consolidated Statement of Changes in Net Assets****Year ended December 31, 2017 with comparative figures for 2016**

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	<b>Budget</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Annual Surplus (deficit)</b>	716,250	(140,221)	107,448
Acquisition of tangible capital assets	(550,727)	(132,908)	(563,110)
Amortization of tangible capital assets	-	657,896	646,296
Change in prepaid expenses	-	3,420	(5,659)
Change in net assets	165,523	388,187	184,975
<b>Net Assets, beginning of year</b>	660,327	660,327	475,352
<b>Net Assets, end of year</b>	825,850	1,048,514	660,327

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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, 2017 with comparative figures for 2016

	2017	2016
	\$	\$
<b>Cash flows from operations</b>		
<b>Annual Surplus (deficit)</b>	(140,221)	107,448
<b>Items not involving cash</b>		
Amortization of tangible capital assets	657,896	646,296
Decrease in investment in government business enterprise	31,906	36,370
Landfill site closure and post-closure liability	25,141	16,365
	574,722	806,479
<b>Changes in non-cash assets and liabilities</b>		
Taxes receivable	(40,159)	(43,101)
User charges receivable	52,627	37,538
Grants receivable	(3,018)	(25,939)
Other accounts receivable	29,563	(36,095)
Accounts payable and accrued liabilities	(55,118)	131,091
Deferred revenue	1,845	(2,809)
Deferred revenue - obligatory reserve funds	(11,629)	32,655
Prepaid expenses	3,420	(5,659)
	552,253	894,160
<b>Capital transactions</b>		
Cash used to acquire tangible capital assets	(132,908)	(563,110)
<b>Investing transactions</b>		
Change in term deposits	(7,793)	11,538
<b>Financing transactions</b>		
Proceeds on long-term debt	-	413,500
Repayment of long-term debt	(98,197)	(95,432)
Proceeds on obligations under capital lease	-	204,440
Repayment of obligations under capital lease	(21,580)	(25,000)
	(119,777)	497,508
Increase in cash	291,775	840,096
<b>Cash, beginning of year</b>	1,631,203	791,107
<b>Cash, end of year</b>	1,922,978	1,631,203

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

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# THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

## Notes to the Consolidated Financial Statements

December 31, 2017

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### 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:

Assiginack Library Board  
Assiginack 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



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# THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

## Notes to the Consolidated Financial Statements

December 31, 2017

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### 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.

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# THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

## Notes to the Consolidated Financial Statements

December 31, 2017

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### 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.

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**THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK****Notes to the Consolidated Financial Statements**December 31, 2017

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**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:

	2017	2016
	\$	\$
Taxes receivable	405,980	362,755
Interest receivable on outstanding tax balances	24,295	27,361
	<u>430,275</u>	<u>390,116</u>

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**THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**

Notes to the Consolidated Financial Statements

December 31, 2017

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**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:

	2017	2016
	\$	\$
Long-term investment, beginning of year	366,872	403,242
The Township's share of operating loss for the year	(31,906)	(36,370)
Long-term investment, end of year	334,966	366,872

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:

	2017	2016
	\$	\$
<b>Financial Position</b>		
Financial assets	187,200	56,706
Financial liabilities	171,040	27,431
<b>Net assets</b>	16,160	29,275
<b>Non-Financial Assets</b>		
Tangible capital assets	955,969	1,046,851
Inventory and prepaid expenses	32,768	24,490
	988,737	1,071,341
<b>Accumulated surplus</b>	1,004,897	1,100,616
<b>Results of Operations</b>		
Revenue	144,697	139,497
Expenses	240,415	248,608
<b>Net income (loss)</b>	(95,718)	(109,111)

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**THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK****Notes to the Consolidated Financial Statements****December 31, 2017**

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**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:

	2017	2016
	\$	\$
Deferred revenue, beginning of year	32,655	-
Contributions received during the year	59,408	58,460
Interest earned	430	-
Amounts recognized as revenue during year	(71,467)	(25,805)
Deferred revenue, end of year	21,026	32,655

Deferred revenue - obligatory reserve consists of the following:

Federal gas tax revenue	21,026	32,655
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**THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**

Notes to the Consolidated Financial Statements

December 31, 2017

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**5. LONG-TERM DEBT**

	2017	2016
	\$	\$
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	844,667	898,870
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	358,017	379,252
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	356,855	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	24,045	26,338
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	4,346	10,425
	<u>1,587,930</u>	<u>1,686,127</u>

Principal payments on the long-term debt over the next 5 years, are payable as follows:

2018	97,175
2019	93,402
2020	1,072,842
2021	19,538
2022	20,077
Thereafter	284,896
	<u>1,587,930</u>

# THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

## Notes to the Consolidated Financial Statements

December 31, 2017

### 6. OBLIGATIONS UNDER CAPITAL LEASE

	2017	2016
	\$	\$
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 \$186,690, maturing December 2023	157,860	179,440

The cost and net book value of automotive equipment under capital lease is \$219,635 and \$186,670 respectively.

Principal payments in the next 5 years are as follows:

2018	22,929
2019	24,186
2020	25,511
2021	26,909
2022	28,384
Thereafter	29,941
	<u>157,860</u>

### 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	27,000 m <sup>3</sup>
Remaining life	27 years
Closure and acquisition costs	\$400,000
Monitoring period post-closure	25 years
Annual monitoring costs	\$7,000
Total estimated liability	\$480,704
Current estimated liability	\$260,347
Amount remaining to be recognized	<u>\$220,357</u>

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

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**THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK****Notes to the Consolidated Financial Statements****December 31, 2017**

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**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:

	2017	2016
	\$	\$
To be used:		
- for the general increase in taxation and user charges	(3,515,679)	(3,670,930)
- to be recovered from tax and user charges for the repayment of long-debt and landfill liability	2,006,137	2,100,773
- for the general operations of joint and local boards	359,755	393,949
- for reserves and reserve funds	2,198,301	1,836,535
	<hr/> 1,048,514	<hr/> 660,327

**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, 2017

**10. TANGIBLE CAPITAL ASSETS**

Cost	Land \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water	
						Treatment and Sewer \$	2017 Total \$
Balance, beginning of year	916,697	10,108,976	7,117,078	1,605,719	2,739	9,801,359	29,552,568
Additions	-	34,270	-	-	883	97,755	132,908
Disposals	-	-	-	-	-	-	-
Balance, end of year	916,697	10,143,246	7,117,078	1,605,719	3,622	9,899,114	29,685,476
<b>Accumulated Amortization</b>							
Balance, beginning of year	-	2,610,742	4,316,188	1,048,525	1,937	4,213,399	12,190,791
Disposals	-	-	-	-	-	-	-
Amortization expense	-	191,512	127,007	97,561	477	241,339	657,896
Balance, end of year	-	2,802,254	4,443,195	1,146,086	2,414	4,454,738	12,848,687
Net book value	916,697	7,340,992	2,673,883	459,633	1,208	5,444,376	16,836,789

Cost	Land \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water	
						Treatment and Sewer \$	2016 Total \$
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
<b>Accumulated Amortization</b>							
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

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**THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**

Notes to the Consolidated Financial Statements

December 31, 2017

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**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:

	2017	2016
	\$	\$
Manitoulin-Sudbury District Services Board	361,596	335,517
Sudbury & District Health Unit	34,985	31,476
	<u>396,581</u>	<u>366,993</u>

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

	2017	2016
	%	%
Manitoulin-Sudbury District Services Board	3.580	3.420
Sudbury and District Health Unit	0.460	0.457

**12. TRUST FUNDS**

Trust funds administered by the Township amounting to \$179,049 (2016 - \$174,729) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statements of operations.

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# THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

## Notes to the Consolidated Financial Statements

December 31, 2017

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### 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.

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# THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2017

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## 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 ASSIGNACK**

Notes to the Consolidated Financial Statements

December 31, 2017

**13. SEGMENTED DISCLOSURE (continued)**

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health and Social Services \$	Recreation and Cultural Services \$	Planning and Development \$	2017 Total \$	2016 Total \$
<b>Revenues</b>									
Taxation	2,510,922	-	-	-	-	-	-	2,510,922	2,522,635
Grants	713,491	3,271	121,466	35,493	284,951	40,910	3,627	1,203,209	1,073,287
User fees and service charges	37,888	930	290	455,430	170,685	32,547	11,381	709,151	698,599
Other	108,517	9,138	(30,699)	16,061	261	1,435	5,853	110,566	148,778
	3,370,818	13,339	91,057	506,984	455,897	74,892	20,861	4,533,848	4,443,299
<b>Expenditures</b>									
Salaries, wages and benefits	402,029	84,290	334,508	41,653	-	114,378	18,555	995,413	943,068
Purchase of goods and materials	456,572	41,048	475,083	302,943	514,471	145,860	29,937	1,965,914	1,769,479
Contracts and services	41,206	276,928	-	243,844	-	-	-	561,978	516,270
Amortization	23,697	30,680	219,983	302,682	4,277	76,099	478	657,896	646,296
Financial expenses	11,374	-	-	-	-	1,200	-	12,574	18,046
Interest on long-term debt	10,547	-	9,777	25,275	-	9,827	1,580	57,006	46,349
Other transfers	-	-	29,803	-	393,485	-	-	423,288	396,343
	945,425	432,946	1,069,154	916,397	912,233	347,364	50,550	4,674,069	4,335,851
Excess (deficiency) of revenues over expenditures	2,425,393	(419,607)	(978,097)	(409,413)	(456,336)	(272,472)	(29,689)	(140,221)	107,448

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# THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

## Notes to the Consolidated Financial Statements

December 31, 2017

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### 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 2017 was \$54,016 (2016 - \$52,385) for current service and is included as an expenditure on the consolidated statement of operations.

At December 31, 2017, the OMERS pension plan had total assets of \$105.7 billion (2016 - \$98.7 billion) and an accumulated surplus (deficit) of \$0.61 billion (2016 - (\$2.3) 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 ten-year period ending December 31, 2027. Required payments in each of the next five years are as follows:

	\$
2018	218,076
2019	221,856
2020	225,611
2021	230,533
2022	234,479

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**THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK****Notes to the Consolidated Financial Statements****December 31, 2017**

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**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:

	2017	2016
	\$	\$
Budget surplus approved by Council	-	-
Less: Budgeted transfers to (from) reserves and reserve funds	165,523	221,834
Add: Budgeted tangible capital asset additions	550,727	629,705
<b>Budget surplus per consolidated financial statements</b>	<b>716,250</b>	<b>851,539</b>

**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.

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# THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

## Notes to the Consolidated Financial Statements

December 31, 2017

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### 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 \$57,006 (2016 - \$46,349).

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 ASSIGNACK**

**Schedule of Continuity of Reserves**

December 31, 2017

	Total	Working Fund	Contingencies	Fire Department	Library Board	Water Works System	Emergency	Sunrise Water	Marina Docks	Legal Fees	Marina Beach Stairs Gas Pumps	Parklands	Elections	BWT Concert Series	Nelson Street	Planning	Water Main	Past Office Building	DSSAB	BWT Renovation		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>RESERVES</b>																						
Balance, beginning of year	1,836,535	204,231	83,228	285,286	2,683	288,515	200	109,608	17,425	10,527	5,988	45,160	5,144	4,899	15,593	8,000	10,000	31,982	29,655	-	-	
Appropriations from operations	490,704	140,742	6,472	310,52	-	67,898	-	18,158	8,823	2,184	19,110	22,580	2,572	-	7,796	-	-	18,650	22,339	5,290	5,290	
Transfers	-	-	-	(15,824)	-	(13,827)	-	(2,257)	-	81,527	-	-	-	-	(23,389)	-	-	-	(10,393)	-	-	
Appropriations to operations	(128,938)	-	-	(15,824)	-	(13,827)	-	(2,257)	-	(27,589)	-	-	-	-	-	-	-	-	(29,655)	-	-	
Balance, end of year	2,198,301	344,973	89,700	308,612	2,683	342,386	200	125,509	26,408	75,649	25,098	67,740	7,716	4,899	-	8,000	10,000	50,632	11,926	5,290	5,290	
	PEC Events	McLeans Park	Sewer Mains	Landfill/ Recycling	Norfolk Removal	Public Works	Inactive Concretes	Arena	Cenotaph Restoration	IT	Tax Sales	Community Access Program	Capital Twp. Lots	Assignack Business Association	Pitcher Norrie Donations	Fire Hydrants	Library Expansion	Library Building	Medical Clinic	Information Booth		
	30,914	13,521	10,000	308,514	1,949	150,595	3,122	14,260	918	5,000	24,904	916	6,926	1,674	2,431	27,450	6,718	-41,412	17,167	-	-	
	8,497	146	-	-	5,516	15,296	-	37,522	-	-	12,452	458	3,463	-	-	-	-	6,956	9,429	9,103	-	
	-	-	-	(29,025)	-	-	-	-	-	-	(37,386)	-	(10,380)	-	(799)	-	-	(10,000)	-	-	-	-
Balance, end of year	39,411	13,667	10,000	279,489	7,465	165,891	3,122	52,482	918	5,000	-	1,374	-	1,674	1,772	27,450	6,718	38,368	26,696	9,103	-	

**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, 2017**, 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, 2017, 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 15, 2018

**THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**

**TRUST FUNDS**

**Statement of Financial Position**

**December 31, 2017**

	Sick Room Equipment \$	Hinds Hughson Cemetery \$	Airport \$	McLean's Park \$	Hilly Grove Perpetual Care \$	Hilly Grove Monument \$	Total \$
<b>Assets</b>							
Cash	230	15,628	57,581	9,610	68,410	21,016	172,475
Due from Township	-	-	-	-	5,087	1,487	6,574
<b>Net Assets</b>	<b>230</b>	<b>15,628</b>	<b>57,581</b>	<b>9,610</b>	<b>73,497</b>	<b>22,503</b>	<b>179,049</b>

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, 2017

	Hinds							Total
	Sick Room Equipment	Hughson Cemetery	Airport	McLean's Park	Hilly Grove Perpetual Care	Hilly Grove Monument		
\$	\$	\$	\$	\$	\$	\$	\$	
<b>Net assets, beginning of year</b>	230	15,628	57,581	9,610	70,042	21,638	174,729	
<b>Revenues</b>								
Plot sales	-	-	-	-	1,750	400	2,150	
Interest income	-	-	-	-	1,705	465	2,170	
	-	-	-	-	3,455	865	4,320	
<b>Expenditures</b>								
	-	-	-	-	-	-	-	
<b>Net assets, end of year</b>	230	15,628	57,581	9,610	73,497	22,503	179,049	

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

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# THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

## TRUST FUNDS

Notes to the Financial Statements

December 31, 2017

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### 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, 2017**, 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, 2017, 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 15, 2018

**ASSIGINACK PUBLIC LIBRARY BOARD**  
**Statement of Financial Position**  
**December 31, 2017 with comparative figures for 2016**

	2017	2016
	\$	\$
<b>Financial Assets</b>		
Cash	14,753	15,645
Guaranteed investment certificates	25,765	23,717
	40,518	39,362
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	4,561	8,208
Deferred revenue	3,557	2,929
	8,118	11,137
<b>Net assets (note 2)</b>	32,400	28,225

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, 2017 with comparative figures 2016**

	Budget	2017 (Actual)	2016 (Actual)
	\$	\$	\$
<b>Revenues</b>			
Municipal contribution	36,685	41,685	36,685
Province of Ontario contributions	6,412	7,741	6,379
Donations and miscellaneous	500	842	1,806
Interest and fines	-	236	225
Government of Canada contributions	1,000	-	-
<b>Total Revenues</b>	<b>44,597</b>	<b>50,504</b>	<b>45,095</b>
<b>Expenditures</b>			
Wages and employee benefits	33,110	33,676	32,476
Office supplies	1,600	5,536	3,705
Books and other library materials and equipment	3,310	2,710	14,180
Membership and conference	800	1,338	660
Rent	1,200	1,200	1,200
Telephone	900	881	875
Miscellaneous	548	820	745
Insurance	200	168	168
<b>Total Expenditures</b>	<b>41,668</b>	<b>46,329</b>	<b>54,009</b>
<b>Annual surplus (deficit)</b>	<b>2,929</b>	<b>4,175</b>	<b>(8,914)</b>
<b>Net assets, beginning of year</b>	<b>28,225</b>	<b>28,225</b>	<b>37,139</b>
<b>Net assets, end of year</b>	<b>31,154</b>	<b>32,400</b>	<b>28,225</b>

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



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**ASSIGINACK PUBLIC LIBRARY BOARD****Notes to the Financial Statements****December 31, 2017**

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**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.

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**ASSIGINACK PUBLIC LIBRARY BOARD****Notes to the Financial Statements****December 31, 2017**

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**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:

	2017	2016
	\$	\$
To be used:		
- for the general reduction of user charges	29,717	25,542
- for the reserve fund	2,683	2,683
	<u>32,400</u>	<u>28,225</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, 2017, 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, 2017, 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 15, 2018

**ASSIGINACK MUSEUM BOARD**  
**Statement of Financial Position**  
**December 31, 2017 with comparative figures for 2016**

	2017	2016
	\$	\$
<b>Financial Assets</b>		
Cash	41,054	14,875
Accounts receivable	-	5,000
	41,054	19,875
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	29,511	13,618
<b>Net assets</b>	11,543	6,257

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, 2017 with comparative figures for 2016**

	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>		
Municipal grant	20,000	20,000
Admission and sales	5,183	4,167
Province of Ontario	3,382	3,422
Government of Canada	838	1,577
<b>Total Revenues</b>	<b>29,403</b>	<b>29,166</b>
<b>Expenditures</b>		
Wages	16,886	19,167
Utilities	4,776	5,539
Repairs and maintenance	821	3,074
Telephone	574	559
Advertising and memberships	573	296
Operating supplies and materials	476	868
Interest and bank charges	11	148
<b>Total Expenditures</b>	<b>24,117</b>	<b>29,651</b>
<b>Annual surplus (deficit)</b>	<b>5,286</b>	<b>(485)</b>
<b>Net assets, beginning of year</b>	<b>6,257</b>	<b>6,742</b>
<b>Net assets, end of year</b>	<b>11,543</b>	<b>6,257</b>

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

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# ASSIGINACK MUSEUM BOARD

## Notes to the Financial Statements

December 31, 2017

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### 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, 2017**, 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, 2017, 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 15, 2018

**HILLY GROVE CEMETERY BOARD****Statement of Financial Position****December 31, 2017 with comparative figures for 2016**

	2017	2016
	\$	\$
<b>Financial Assets</b>		
Cash	10,836	7,928
Accounts receivable	134	5,135
<b>Total Assets</b>	10,970	13,063
<b>Financial Liabilities</b>		
Due to Township of Assiginack	32,129	35,444
Due to Perpetual Care Trust	5,087	1,632
Due to Monument Trust	1,487	622
<b>Total Liabilities</b>	38,703	37,698
<b>Net Debt</b>	(27,733)	(24,635)

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, 2017 with comparative figures for 2016**

	2017	2016
	\$	\$
<b>Revenues</b>		
Municipal contributions	9,000	9,000
Plot and monument sales	6,550	4,800
Opening and closing	3,800	2,800
Interest and other	19	400
Donations	-	102
<b>Total Revenues</b>	<b>19,369</b>	<b>17,102</b>
<b>Expenditures</b>		
Contract services	18,050	18,350
Plot and monument sales	2,150	1,450
Miscellaneous	1,140	3,724
Repairs and maintenance	809	396
Hydro and fuel	312	358
Interest and bank charges	6	178
<b>Total Expenditures</b>	<b>22,467</b>	<b>24,456</b>
<b>Annual deficit</b>	<b>(3,098)</b>	<b>(7,354)</b>
<b>Net debt, beginning of year</b>	<b>(24,635)</b>	<b>(17,281)</b>
<b>Net debt, end of year</b>	<b>(27,733)</b>	<b>(24,635)</b>

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

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## **HILLY GROVE CEMETERY BOARD**

### **Note to the Financial Statements**

**December 31, 2017**

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#### **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 \$96,000 (2016- \$91,680) 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, 2017**, 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, 2017, 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 15, 2018

**HILLY GROVE CEMETERY BOARD**  
**TRUST FUNDS**  
**Statement of Financial Position**  
**December 31, 2017 with comparative figures for 2016**

	<b>Perpetual Care</b>	<b>Monuments</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Cash	68,410	21,016	89,426	89,426
Due from Cemetery Board	5,087	1,487	6,574	2,254
<b>Total Assets being Net Assets</b>	<b>73,497</b>	<b>22,503</b>	<b>96,000</b>	<b>91,680</b>

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, 2017 with comparative figures for 2016**

	<b>Perpetual Care</b>	<b>Monuments</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Net assets, beginning of year</b>	70,042	21,638	91,680	89,426
Receipts				
Sales	1,750	400	2,150	1,450
Interest earned	1,705	465	2,170	804
	3,455	865	4,320	2,254
Expenditures	-	-	-	-
<b>Net assets, end of year</b>	73,497	22,503	96,000	91,680

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

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**HILLY GROVE CEMETERY BOARD**  
**TRUST FUNDS**  
**Notes to the Financial Statements**  
**December 31, 2017**

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**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.