

THE TOWNSHIP OF ASSIGINACK

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2018

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

May 7, 2019
Date

Treasurer

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of the **Corporation of the Township of Assiginack**, which comprise the statement of consolidated financial position as at December 31, 2018, and the consolidated statements of operations and changes in accumulated surplus, and changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the **Corporation of the Township of Assiginack** as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 7, 2019

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Consolidated Statement of Financial Position****December 31, 2018 with comparative figures for 2017**

	2018	2017
	\$	\$
Financial Assets		
Cash	2,493,254	1,922,978
Term deposits	38,463	42,513
Taxes receivable (note 2)	463,321	430,275
User charges receivable	547,771	648,805
Grants receivable	60,529	28,957
Other accounts receivable	82,267	88,701
Investment in government business enterprise (note 3)	296,598	334,966
	3,982,203	3,497,195
Financial Liabilities		
Accounts payable and accrued liabilities	447,041	414,414
Deferred revenue	49,902	7,104
Deferred revenue - obligatory funds (note 4)	38,959	21,026
Long-term debt (note 5)	1,492,566	1,587,930
Obligations under capital lease (note 6)	134,932	157,860
Landfill closure and post-closure liability (note 7)	266,480	260,347
	2,429,880	2,448,681
Net Assets (note 8)	1,552,323	1,048,514
Non-financial Assets (note 9)		
Tangible capital assets (note 10)	16,395,140	16,836,789
Prepaid expenses	28,672	34,752
	16,423,812	16,871,541
Accumulated Surplus	17,976,135	17,920,055

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, 2018 with comparative figures for 2017

	Budget	2018	2017
	\$	\$	\$
Revenues			
Taxation			
Residential and farm		2,813,963	2,712,652
Commercial, industrial and business		132,902	128,334
Other governments and agencies		16,341	15,654
	2,983,599	2,963,206	2,856,640
Deduct:			
Amounts raised on behalf of the school boards	340,662	341,675	345,718
	2,642,937	2,621,531	2,510,922
Government Transfers			
Government of Canada	254,754	120,324	79,520
Province of Ontario	1,077,967	1,151,450	1,123,689
Other municipalities	-	1,653	-
	1,332,721	1,273,427	1,203,209
User Charges			
Sewer and water charges	481,501	431,839	454,328
Fees and service charges	29,600	243,387	254,823
	511,101	675,226	709,151
Other			
Licences and permits	12,400	23,862	11,489
Investment income	17,000	36,906	20,180
Penalties and interest charges	54,000	73,365	51,559
Rents and other	54,025	29,888	27,338
	137,425	164,021	110,566
Total Revenues	4,624,184	4,734,205	4,533,848
Expenditures			
General government	1,003,519	912,038	945,425
Protection to persons and property	407,221	532,489	432,946
Transportation services	901,757	1,011,922	1,069,154
Environmental services	587,501	873,327	916,397
Health services	246,890	298,028	295,718
Social and family services	182,287	616,885	616,515
Recreation and cultural services	210,255	362,564	347,364
Planning and development	38,495	70,872	50,550
Total Expenditures	3,577,925	4,678,125	4,674,069
Annual Surplus (deficit)	1,046,259	56,080	(140,221)
Accumulated Surplus, beginning of year	17,920,055	17,920,055	18,060,276
Accumulated Surplus, end of year	18,966,314	17,976,135	17,920,055

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, 2018 with comparative figures for 2017

	Budget	2018	2017
	\$	Actual	Actual
		\$	\$
Annual Surplus (deficit)	1,046,259	56,080	(140,221)
Acquisition of tangible capital assets	(1,533,922)	(255,747)	(132,908)
Amortization of tangible capital assets	-	674,422	657,896
Loss on disposal of tangible capital assets	-	22,974	-
Change in prepaid expenses	-	6,080	3,420
Change in net assets	(487,663)	503,809	388,187
Net Assets, beginning of year	1,048,514	1,048,514	660,327
Net Assets, end of year	560,851	1,552,323	1,048,514

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, 2018 with comparative figures for 2017

	2018	2017
	\$	\$
Cash flows from operations		
Annual Surplus (deficit)	56,080	(140,221)
Items not involving cash		
Amortization of tangible capital assets	674,422	657,896
Loss on disposal of tangible capital assets	22,974	-
Decrease in investment in government business enterprise	38,368	31,906
Landfill site closure and post-closure liability	6,133	25,141
	797,977	574,722
Changes in non-cash assets and liabilities		
Taxes receivable	(33,046)	(40,159)
User charges receivable	101,034	52,627
Grants receivable	(31,572)	(3,018)
Other accounts receivable	6,434	29,563
Accounts payable and accrued liabilities	32,627	(55,118)
Deferred revenue	42,798	1,845
Deferred revenue - obligatory reserve funds	17,933	(11,629)
Prepaid expenses	6,080	3,420
	940,265	552,253
Capital transactions		
Cash used to acquire tangible capital assets	(255,747)	(132,908)
Investing transactions		
Change in term deposits	4,050	(7,793)
Financing transactions		
Repayment of long-term debt	(95,364)	(98,197)
Repayment of obligations under capital lease	(22,928)	(21,580)
	(118,292)	(119,777)
Increase in cash	570,276	291,775
Cash, beginning of year	1,922,978	1,631,203
Cash, end of year	2,493,254	1,922,978

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, 2018

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, 2018

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, 2018**

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:

	2018	2017
	\$	\$
Taxes receivable	455,445	405,980
Interest receivable on outstanding tax balances	32,876	24,295
Allowance for uncollectible amounts	(25,000)	-
	<u>463,321</u>	<u>430,275</u>

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2018**

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:

	2018	2017
	\$	\$
Long-term investment, beginning of year	334,966	366,872
The Township's share of operating loss for the year	(38,368)	(31,906)
Long-term investment, end of year	296,598	334,966

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:

	2018	2017
	\$	\$
Financial Position		
Financial assets	130,191	187,200
Financial liabilities	110,674	171,040
Net assets	19,517	16,160
Non-Financial Assets		
Tangible capital assets	834,166	955,969
Inventory and prepaid expenses	36,110	32,768
	870,276	988,737
Accumulated surplus	889,793	1,004,897
Results of Operations		
Revenue	187,015	174,202
Expenses	302,119	269,920
Net income (loss)	(115,104)	(95,718)

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2018**

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:

	2018	2017
	\$	\$
Deferred revenue, beginning of year	21,026	32,655
Contributions received during the year	61,154	59,408
Interest earned	414	430
Amounts recognized as revenue during year	(43,635)	(71,467)
Deferred revenue, end of year	38,959	21,026

Deferred revenue - obligatory reserve consists of the following:

Federal gas tax revenue	38,959	21,026
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THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2018**

5. LONG-TERM DEBT

	2018	2017
	\$	\$
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	790,463	844,667
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	335,908	358,017
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	344,578	356,855
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	21,617	24,045
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
	<u>1,492,566</u>	<u>1,587,930</u>

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

2019	88,571
2020	89,181
2021	89,818
2022	90,361
2023	91,049
Thereafter	1,043,586
	<u>1,492,566</u>

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2018

6. OBLIGATIONS UNDER CAPITAL LEASE

	2018	2017
	\$	\$
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 \$164,726, maturing December 2023	134,932	157,860

The cost and net book value of automotive equipment under capital lease is \$219,635 and \$164,726 respectively.

Principal payments in the next 5 years are as follows:

2019	24,186
2020	25,511
2021	26,909
2022	28,384
2023	29,942
	134,932

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	26,000 m ³
Remaining life	26 years
Closure and acquisition costs	\$450,204
Monitoring period post-closure	25 years
Annual monitoring costs	\$7,879
Total estimated liability	\$477,072
Current estimated liability	\$266,480
Amount remaining to be recognized	\$210,592

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, 2018**

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:

	2018	2017
	\$	\$
To be used:		
- for the general increase in taxation and user charges	(3,335,321)	(3,515,679)
- to be recovered from tax and user charges for the repayment of long-debt and landfill liability	1,893,978	2,006,137
- for the general operations of joint and local boards	331,799	359,755
- for reserves and reserve funds	2,661,867	2,198,301
	<hr/> 1,552,323	<hr/> 1,048,514

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 ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2018

10. TANGIBLE CAPITAL ASSETS

	Land \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water Treatment and Sewer \$	2018 Total \$
Cost							
Balance, beginning of year	916,697	10,143,246	7,117,078	1,605,719	3,622	9,899,114	29,685,476
Additions	-	-	-	-	136	255,611	255,747
Disposals	-	(22,974)	-	-	-	-	(22,974)
Balance, end of year	916,697	10,120,272	7,117,078	1,605,719	3,758	10,154,725	29,918,249
Accumulated Amortization							
Balance, beginning of year	-	2,802,254	4,443,195	1,146,086	2,414	4,454,738	12,848,687
Disposals	-	-	-	-	-	-	-
Amortization expense	-	191,625	129,436	92,497	791	260,073	674,422
Balance, end of year	-	2,993,879	4,572,631	1,238,583	3,205	4,714,811	13,523,109
Net book value	916,697	7,126,393	2,544,447	367,136	553	5,439,914	16,395,140

	Land \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water Treatment and Sewer \$	2017 Total \$
Cost							
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
Accumulated Amortization							
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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2018**

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:

	2018	2017
	\$	\$
Manitoulin-Sudbury District Services Board	359,165	361,596
Sudbury & District Health Unit	30,019	34,985
	389,184	396,581

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

	2018	2017
	%	%
Manitoulin-Sudbury District Services Board	3.530	3.580
Sudbury and District Health Unit	0.459	0.460

12. TRUST FUNDS

Trust funds administered by the Township amounting to \$186,011 (2017 - \$179,049) 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, 2018

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, 2018

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, 2018

13. SEGMENTED DISCLOSURE (continued)

	General Government		Protection Services		Transportation Services		Environmental Services		Health and Social Services		Recreation and Cultural Services		Planning and Development		2018 Total		2017 Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenues																		
Taxation	2,621,531	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,621,531	-	2,510,922
Grants	720,421	5,190	-	204,014	-	-	320,590	20,670	2,542	2,542	20,670	2,542	2,542	2,542	1,273,427	-	1,203,209	
User fees and service charges	23,418	785	925	432,889	-	-	183,306	26,148	7,755	7,755	26,148	7,755	7,755	7,755	675,226	-	709,151	
Other	166,695	21,724	(38,368)	13,970	-	-	-	-	-	-	-	-	-	-	164,021	-	110,566	
	3,532,065	27,699	(37,443)	650,873	503,896	46,818	10,297	4,734,205	4,533,848									
Expenditures																		
Salaries, wages and benefits	430,259	69,755	317,150	43,051	11,426	102,536	18,941	993,118	995,413									
Purchase of goods and materials	390,377	154,356	438,595	324,473	510,026	169,080	49,697	2,036,604	1,965,914									
Contracts and services	41,589	275,720	-	158,997	-	-	-	476,306	561,978									
Amortization	24,804	32,658	217,349	317,314	4,277	77,229	791	674,422	657,896									
Financial expenses	12,352	-	-	-	-	1,200	-	13,552	12,574									
Interest on long-term debt	12,657	-	8,429	29,492	-	12,519	1,443	64,540	57,006									
Other transfers	-	-	30,399	389,184	-	-	-	419,583	423,288									
	912,038	532,489	1,011,922	873,327	914,913	362,564	70,872	4,678,125	4,674,069									
Excess (deficiency) of revenues over expenditures	2,620,027	(504,790)	(1,049,365)	(222,454)	(411,017)	(315,746)	(60,575)	56,080	(140,221)									

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2018**

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 2018 was \$54,997 (2017 - \$54,016) 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 \$111.8 billion (2017 - \$105.7 billion) and an accumulated deficit of \$2.64 billion (2017 - \$0.77 billion surplus).

15. CONTINGENT LIABILITIES

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.

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:

	<u>\$</u>
2019	221,856
2020	225,611
2021	230,533
2022	234,479
2023	238,518

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2018**

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:

	2018	2017
	\$	\$
Budget surplus approved by Council	-	-
Less: Budgeted transfers to (from) reserves and reserve funds	(487,663)	165,523
Add: Budgeted tangible capital asset additions	1,533,922	550,727
Budget surplus per consolidated financial statements	1,046,259	716,250

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, 2018**

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 \$64,540 (2017 - \$57,006).

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, 2018

	Total	Working Fund	Contingencies	Fire Department	Library Board	Water Works System	Emergency	Sunsite Water	Marina Docks	Legal Fees	Marina Beach Stairs Gas Pumps	Parlants	Elections	BWT Concert Series	Planning	Water Main	Post Office Building	DSSAB	BWT Renovation	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
RESERVES																				
Balance, beginning of year	2,198,301	344,973	89,700	308,612	2,683	342,566	200	125,509	26,468	75,649	25,198	67,740	7,716	4,899	8,000	10,000	50,632	11,946	5,290	
Appropriations from operations	632,689	268,416	6,872	26,755	-	56,813	-	21,259	3,684	19,762	-	11,031	-	-	-	-	9,443	6,248	1,000	
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Appropriations to operations	(169,123)	-	-	-	-	(95,062)	-	(9,966)	-	-	-	-	(6,493)	(4,899)	-	-	-	(11,946)	-	
Balance, end of year	2,661,867	613,389	96,572	335,367	2,683	304,337	200	136,802	30,152	95,311	25,098	78,771	1,223	-	8,000	10,000	60,075	6,248	6,290	
		PEC																		
		Events			Landfill/ Recycling	Notable Removal	Public Works	Inactive Cemeteries	Arena	Cenotaph Restoration	IT	Community Access Program	Assignack Business Association	Fischer Notable Donations	Fire Hydrants	Library Expansion	Library Building	Medical Clinic	Information Booth	
		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	39,311	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		
Appropriations from operations	17,693	-	-	19,355	4,089	110,741	7,000	22,730	-	-	458	-	-	-	-	9,803	9,937	-		
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Appropriations to operations	-	-	-	-	-	-	-	(40,000)	-	-	-	-	(757)	-	-	-	-	-	-	
Balance, end of year	57,004	13,667	10,000	298,844	11,554	276,632	10,122	35,212	918	5,000	1,832	1,674	1,015	27,450	6,718	48,171	36,633	9,103		

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the 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, 2018, and the statements of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 7, 2019

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

TRUST FUNDS

Statement of Financial Position

December 31, 2018

	Sick Room Equipment \$	Hinds Hughson Cemetery \$	Airport \$	McLean's Park \$	Hilly Grove Perpetual Care \$	Hilly Grove Monument \$	Total \$
Assets							
Cash	230	15,628	57,581	9,610	72,660	22,866	178,575
Due from Township	-	-	-	-	6,226	1,210	7,436
Net Assets	230	15,628	57,581	9,610	78,886	24,076	186,011

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, 2018

	Sick Room Equipment	Hinds				McLean's Park	Hilly Grove		Total
		Hughson Cemetery	Airport	Perpetual Care	Monument				
	\$	\$	\$	\$	\$	\$	\$	\$	
Net assets, beginning of year	230	15,628	57,581	9,610	73,497	22,503	179,049		
Revenues									
Plot sales	-	-	-	-	4,250	1,250	5,500		
Interest income	-	-	-	-	1,139	323	1,462		
	-	-	-	-	5,389	1,573	6,962		
Expenditures									
	-	-	-	-	-	-	-		
Net assets, end of year	230	15,628	57,581	9,610	78,886	24,076	186,011		

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, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation of the Township of Assiginack Trust Funds are the representation of management prepared using 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 careful judgement.

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**

Opinion

We have audited the 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, 2018, and the statements of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 7, 2019

ASSIGINACK PUBLIC LIBRARY BOARD
Statement of Financial Position
December 31, 2018 with comparative figures for 2017

	2018	2017
	\$	\$
Financial Assets		
Cash	4,797	14,753
Guaranteed investment certificates	29,938	25,765
	34,735	40,518
Financial Liabilities		
Accounts payable and accrued liabilities	-	4,561
Deferred revenue	-	3,557
	-	8,118
Net assets (note 2)	34,735	32,400

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, 2018 with comparative figures 2017

	Budget	2018	2017
	\$	(Actual)	(Actual)
	\$	\$	\$
Revenues			
Municipal contribution	40,278	41,685	41,685
Province of Ontario contributions	7,040	7,070	7,741
Government of Canada contributions	1,400	1,680	-
Donations and miscellaneous	500	1,590	842
Interest and fines	-	341	236
Total Revenues	49,218	52,366	50,504
Expenditures			
Wages and employee benefits	37,068	37,016	33,676
Office supplies	1,450	5,287	5,536
Books and other library materials and equipment	7,057	3,268	2,710
Membership and conference	900	1,237	1,338
Rent	1,200	1,200	1,200
Miscellaneous	650	1,063	820
Telephone	920	792	881
Insurance	168	168	168
Total Expenditures	49,413	50,031	46,329
Annual surplus (deficit)	(195)	2,335	4,175
Net assets, beginning of year	32,400	32,400	28,225
Net assets, end of year	32,205	34,735	32,400

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

ASSIGINACK PUBLIC LIBRARY BOARD

Notes to the Financial Statements

December 31, 2018

1. ACCOUNTING POLICIES

The financial statements of the Assiginack Public Library Board are the representation of management prepared using 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, 2018**

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:

	2018	2017
	\$	\$
To be used:		
- for the general reduction of user charges	32,052	29,717
- for the reserve fund	2,683	2,683
	34,735	32,400

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**

Opinion

We have audited the 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, 2018, and the statements of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 7, 2019

ASSIGINACK MUSEUM BOARD
Statement of Financial Position
December 31, 2018 with comparative figures for 2017

	2018	2017
		\$
Financial Assets		
Cash	65,589	41,054
Financial Liabilities		
Accounts payable and accrued liabilities	54,998	29,511
Net assets	10,591	11,543

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, 2018 with comparative figures for 2017**

	2018	2017
	Actual	Actual
	\$	\$
Revenues		
Municipal grant	20,000	20,000
Province of Ontario	3,382	3,382
Admission, sales and other	3,331	5,183
Government of Canada	1,680	838
Total Revenues	28,393	29,403
Expenditures		
Wages	20,616	16,886
Utilities	5,441	4,776
Repairs and maintenance	1,369	821
Telephone	1,081	574
Operating supplies and materials	688	476
Advertising and memberships	150	573
Interest and bank charges	-	11
Total Expenditures	29,345	24,117
Annual surplus (deficit)	(952)	5,286
Net assets, beginning of year	11,543	6,257
Net assets, end of year	10,591	11,543

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

ASSIGINACK MUSEUM BOARD

Notes to the Financial Statements

December 31, 2018

1. ACCOUNTING POLICIES

The financial statements of the Assiginack Museum Board are the representation of management prepared using 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

Opinion

We have audited the financial statements of the **Hilly Grove Cemetery Board**, which comprise the statement of financial position as at December 31, 2018, and the statements of operations and changes in net debt for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Hilly Grove Cemetery Board** as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 7, 2019

HILLY GROVE CEMETERY BOARD**Statement of Financial Position****December 31, 2018 with comparative figures for 2017**

	2018	2017
	\$	\$
Financial Assets		
Cash	21,941	10,836
Accounts receivable	134	134
Total Assets	22,075	10,970
Financial Liabilities		
Due to Township of Assiginack	37,497	32,129
Due to Perpetual Care Trust	6,226	5,087
Due to Monument Trust	1,210	1,487
Total Liabilities	44,933	38,703
Net Debt	(22,858)	(27,733)

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, 2018 with comparative figures for 2017**

	2018	2017
	\$	\$
Revenues		
Plot and monument sales	14,800	6,550
Municipal contributions	9,000	9,000
Opening and closing	1,800	3,800
Interest and other	-	19
Donations	-	-
Total Revenues	25,600	19,369
Expenditures		
Wages and benefits	11,426	-
Plot and monument sales	5,500	2,150
Repairs and maintenance	1,672	809
Miscellaneous	1,135	1,140
Interment fees	700	2,050
Hydro and fuel	292	312
Contract services	-	16,000
Interest and bank charges	-	6
Total Expenditures	20,725	22,467
Annual deficit	4,875	(3,098)
Net debt, beginning of year	(27,733)	(24,635)
Net debt, end of year	(22,858)	(27,733)

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

HILLY GROVE CEMETERY BOARD

Note to the Financial Statements

December 31, 2018

1. ACCOUNTING POLICIES

The financial statements of the **Hilly Grove Cemetery Board** are the representation of management prepared using 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 Assinack, Perpetual Care Trust and Monument Trust.

2. TRUST FUNDS

Trust funds administered by the Board amounting to \$102,962 (2017- \$96,000) 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

Opinion

We have audited the 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, 2018, and the statements of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

FREELANDT CALDWELL REILLY LLP

Freelandt Caldwell Reilly LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 7, 2019

HILLY GROVE CEMETERY BOARD**TRUST FUNDS****Statement of Financial Position****December 31, 2018 with comparative figures for 2017**

	Perpetual Care	Monuments	2018	2017
	\$	\$	\$	\$
Assets				
Cash	72,660	22,866	95,526	89,426
Due from Cemetery Board	6,226	1,210	7,436	6,574
Total Assets being Net Assets	78,886	24,076	102,962	96,000

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, 2018 with comparative figures for 2017**

	Perpetual Care	Monuments	2018	2017
	\$	\$	\$	\$
Net assets, beginning of year	73,497	22,503	96,000	91,680
Receipts				
Sales	4,250	1,250	5,500	2,150
Interest earned	1,139	323	1,462	2,170
	5,389	1,573	6,962	4,320
Expenditures	-	-	-	-
Net assets, end of year	78,886	24,076	102,962	96,000

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

HILLY GROVE CEMETERY BOARD

TRUST FUNDS

Notes to the Financial Statements

December 31, 2018

1. ACCOUNTING POLICIES

The financial statements of the **Hilly Grove Cemetery Board - Trust Funds** are the representation of management prepared using 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.