

THE TOWNSHIP OF ASSIGINACK

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

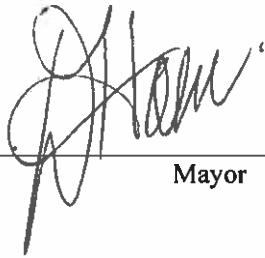
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

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



Mayor



Treasurer

May 3, 2022

Date

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, 2021, and the consolidated statements of operations and changes in accumulated surplus, 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, 2021, and the results of its operations 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



Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 3, 2022

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Consolidated Statement of Financial Position****December 31, 2021 with comparative figures for 2020**

	2021	2020
	\$	\$
Financial Assets		
Cash	4,655,113	3,911,605
Term deposits	46,975	42,848
Taxes receivable (note 2)	406,161	498,118
User charges receivable	410,839	459,413
Grants receivable	159,299	3,844
Other accounts receivable	205,983	195,213
Investment in government business enterprise (note 3)	259,156	248,162
	6,143,526	5,359,203
Financial Liabilities		
Accounts payable and accrued liabilities	527,753	277,721
Deferred revenue	172,716	86,966
Deferred revenue - obligatory funds (note 4)	257,070	157,629
Long-term debt (note 5)	1,212,683	1,306,575
Obligations under capital lease (note 6)	58,325	85,235
Landfill closure and post-closure liability (note 7)	438,641	398,910
	2,667,188	2,313,036
Net Assets (note 8)	3,476,338	3,046,167
Non-financial Assets (note 9)		
Tangible capital assets (note 10)	15,700,881	15,721,632
Prepaid expenses	30,419	30,249
	15,731,300	15,751,881
Accumulated Surplus	19,207,638	18,798,048

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, 2021 with comparative figures for 2020

	Budget \$	2021 \$	2020 \$
Revenues			
Taxation			
Residential and farm		3,045,024	3,008,513
Commercial, industrial and business		145,149	141,564
Other governments and agencies		17,594	16,937
	3,204,077	3,207,767	3,167,014
Deduct:			
Amounts raised on behalf of the school boards	336,544	337,557	338,993
	2,867,533	2,870,210	2,828,021
Government Transfers			
Government of Canada	157,255	115,154	88,301
Province of Ontario	739,460	1,444,688	1,312,228
	896,715	1,559,842	1,400,529
User Charges			
Sewer and water charges	514,744	458,792	458,779
Fees and service charges	64,950	280,102	270,532
	579,694	738,894	729,311
Other			
Penalties and interest charges	32,200	-	16,019
Licences and permits	12,250	49,094	6,820
Investment income	40,000	33,289	39,800
Rents, donations and other	60,775	75,563	84,801
Gain on disposal of tangible capital assets	-	29,002	-
	145,225	186,948	147,440
Total Revenues	4,489,167	5,355,894	5,105,301
Expenditures			
General government	849,855	854,167	836,151
Protection to persons and property	425,885	425,535	440,121
Transportation services	1,004,375	1,103,108	1,056,786
Environmental services	622,963	982,626	960,076
Health services	289,113	331,689	321,399
Social and family services	181,231	751,258	706,771
Recreation and cultural services	234,795	403,550	393,864
Planning and development	125,500	105,365	57,697
Total Expenditures	3,733,717	4,957,298	4,772,865
Annual Surplus before undernoted item	755,450	398,596	332,436
Earnings (loss) from investment in government business enterprise (note 3)	-	10,994	(5,497)
Annual Surplus	755,450	409,590	326,939
Accumulated Surplus, beginning of year	18,798,048	18,798,048	18,471,109
Accumulated Surplus, end of year	19,553,498	19,207,638	18,798,048

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, 2021 with comparative figures for 2020

	Budget	2021	2020
	\$	Actual	Actual
		\$	\$
Annual Surplus	755,450	409,590	326,939
Acquisition of tangible capital assets	(956,547)	(672,516)	(260,498)
Amortization of tangible capital assets	-	693,267	662,715
Gain on disposal of tangible capital assets	-	(29,002)	-
Proceeds on disposal of tangible capital assets	-	29,002	-
Change in prepaid expenses	-	(170)	(5,482)
Change in net assets	(201,097)	430,171	723,674
Net Assets, beginning of year	3,046,167	3,046,167	2,322,493
Net Assets, end of year	2,845,070	3,476,338	3,046,167

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, 2021 with comparative figures for 2020**

	2021	2020
	\$	\$
Cash flows from operations		
Annual Surplus	409,590	326,939
Items not involving cash		
Amortization of tangible capital assets	693,267	662,715
Gain on disposal of tangible capital assets	(29,002)	-
Decrease in investment in government business enterprise	(10,994)	5,497
Landfill site closure and post-closure liability	39,731	26,333
	1,102,592	1,021,484
Changes in non-cash operating assets and liabilities		
Taxes receivable	91,957	(21,748)
User charges receivable	48,574	44,951
Grants receivable	(155,455)	(3,844)
Other accounts receivable	(10,770)	(113,942)
Accounts payable and accrued liabilities	250,032	(67,088)
Deferred revenue	85,750	32,878
Deferred revenue - obligatory reserve funds	99,441	12,210
Prepaid expenses	(170)	(5,482)
	1,511,951	899,419
Capital transactions		
Proceeds on disposal of tangible capital assets	29,002	-
Cash used to acquire tangible capital assets	(672,516)	(260,498)
	(643,514)	(260,498)
Investing transactions		
Change in term deposits	(4,127)	(2,130)
Financing transactions		
Repayment of long-term debt	(93,892)	(95,978)
Repayment of obligations under capital lease	(26,910)	(25,511)
	(120,802)	(121,489)
Increase in cash	743,508	515,302
Cash, beginning of year	3,911,605	3,396,303
Cash, end of year	4,655,113	3,911,605

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, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

a) Basis of Consolidation

i) Local Boards

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

Assignack Library Board
Assignack Museum Board
Hilly Grove Cemetery Board

ii) Joint Local Boards

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

Sudbury and District Health Unit
Manitoulin-Sudbury District Services Board

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

iii) Proportionally Consolidated Entities

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

Manitoulin Centennial Manor
Manitoulin Planning Board

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2021**

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, 2021

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, 2021**

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:

	2021	2020
	\$	\$
Taxes receivable	437,125	520,098
Interest receivable on outstanding tax balances	19,036	28,020
Allowance for uncollectible amounts	(50,000)	(50,000)
	406,161	498,118

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2021**

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:

	2021	2020
	\$	\$
Long-term investment, beginning of year	248,162	253,659
Township's share of operating earnings (loss) for the year	10,994	(5,497)
Long-term investment, end of year	259,156	248,162

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:

	2021	2020
	\$	\$
Financial Position		
Financial assets	323,574	126,704
Financial liabilities	204,877	93,565
Net assets	118,697	33,139
Non-Financial Assets		
Tangible capital assets	636,499	684,237
Inventory and prepaid expenses	22,272	27,111
	658,771	711,348
Accumulated surplus	777,468	744,487
Results of Operations		
Revenue	237,177	172,714
Expenses	204,195	189,208
Net earnings (loss)	32,982	(16,494)

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2021**

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:

	2021	2020
	\$	\$
Deferred revenue, beginning of year	157,629	145,419
Contributions received during the year	126,025	61,461
Interest earned	1,851	1,731
Amounts recognized as revenue during year	(28,435)	(50,982)
Deferred revenue, end of year	<u>257,070</u>	<u>157,629</u>
Deferred revenue - obligatory reserve consists of the following:		
Federal gas tax revenue	<u>257,070</u>	<u>157,629</u>

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2021**

5. LONG-TERM DEBT

	2021	2020
	\$	\$
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	627,888	682,075
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	274,684	295,092
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	293,800	314,239
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	16,311	15,169
	<u>1,212,683</u>	<u>1,306,575</u>

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

2022	98,451
2023	99,143
2024	99,859
2025	100,599
2026	101,365
Thereafter	713,266
	<u>1,212,683</u>

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2021**

6. OBLIGATIONS UNDER CAPITAL LEASE

	2021	2020
	\$	\$
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 \$98,836, maturing December 2023	58,325	85,235

The cost and net book value of automotive equipment under capital lease is \$219,635 and \$98,836 respectively.

Principal payments in the next 2 years are as follows:

2022	28,384
2023	29,941
	58,325

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	22,000 m ³
Remaining life	22 years
Closure and acquisition costs	\$600,000
Monitoring period post-closure	25 years
Annual monitoring costs	\$10,000
Total estimated liability	\$673,232
Current estimated liability	\$438,641
Amount remaining to be recognized	\$234,591

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, 2021**

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:

	2021	2020
	\$	\$
To be used:		
- for the general increase in taxation and user charges	(3,070,498)	(3,186,452)
- to be recovered from tax and user charges for the repayment of long-debt and landfill liability	1,709,649	1,790,720
- for the general operations of joint and local boards	331,937	310,598
- for reserves and reserve funds	4,505,250	4,131,301
	3,476,338	3,046,167

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, 2021

10. TANGIBLE CAPITAL ASSETS

2021	Land \$	Land Improvements \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water Treatment and Sewer \$	2021 Total \$
Cost								
Balance, beginning of year	916,697	93,451	10,256,355	7,222,505	1,662,867	3,760	10,421,934	30,577,569
Additions	-	50,937	46,832	-	496,583	275	77,889	672,516
Disposals	-	-	-	-	(171,246)	-	-	(171,246)
Balance, end of year	916,697	144,388	10,303,187	7,222,505	1,988,204	4,035	10,499,823	31,078,839
Accumulated Amortization								
Balance, beginning of year	-	3,335	3,384,376	4,829,209	1,347,200	3,591	5,288,226	14,855,937
Disposals	-	-	-	-	(171,246)	-	-	(171,246)
Amortization expense	-	3,115	201,503	132,242	66,843	76	289,488	693,267
Balance, end of year	-	6,450	3,585,879	4,961,451	1,242,797	3,667	5,577,714	15,377,958
Net book value	916,697	137,938	6,717,308	2,261,054	745,407	368	4,922,109	15,700,881
2020	Land \$	Land Improvements \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water Treatment and Sewer \$	2020 Total \$
Cost								
Balance, beginning of year	916,697	64,985	10,149,271	7,117,078	1,662,867	3,760	10,402,413	30,317,071
Additions	-	28,466	107,084	105,427	-	-	19,521	260,498
Disposals	-	-	-	-	-	-	-	-
Balance, end of year	916,697	93,451	10,256,355	7,222,505	1,662,867	3,760	10,421,934	30,577,569
Accumulated Amortization								
Balance, beginning of year	-	889	3,186,954	4,699,602	1,305,187	3,540	4,997,050	14,193,222
Disposals	-	-	-	-	-	-	-	-
Amortization expense	-	2,446	197,422	129,607	42,013	51	291,176	662,715
Balance, end of year	-	3,335	3,384,376	4,829,209	1,347,200	3,591	5,288,226	14,855,937
Net book value	916,697	90,116	6,871,979	2,393,296	315,667	169	5,133,708	15,721,632

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2021**

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:

	2021	2020
	\$	\$
Manitoulin-Sudbury District Services Board	380,156	374,967
Sudbury & District Health Unit	38,947	37,093
	419,103	412,060

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

	2021	2020
	%	%
Manitoulin-Sudbury District Services Board	3.530	3.530
Sudbury and District Health Unit	0.459	0.459

12. TRUST FUNDS

Trust funds administered by the Township amounting to \$205,151 (2020 - \$196,731) 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, 2021

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, 2021**

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 ASSIGINACK
Notes to the Consolidated Financial Statements
December 31, 2021

13. SEGMENTED DISCLOSURE (continued)

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health and Social Services \$	Recreation and Cultural Services \$	Planning and Development \$	2021 Total \$	2020 Total \$
Revenues									
Taxation	2,870,210	-	-	-	-	-	-	2,870,210	2,828,021
Grants	752,220	10,892	-	149,152	434,275	154,497	58,806	1,559,842	1,400,529
User fees and service charges	20,653	14,725	2,520	460,115	190,716	38,629	11,536	738,894	729,311
Other	132,573	47,569	2,474	316	315	3,612	89	186,948	147,440
	3,775,656	73,186	4,994	609,583	625,306	196,738	70,431	5,355,894	5,105,301
Expenditures									
Salaries, wages and benefits	446,986	62,617	323,592	38,191	22,502	110,908	66,671	1,071,467	1,040,969
Purchase of goods and materials	316,739	68,350	526,778	336,628	593,824	191,831	38,617	2,072,767	1,986,809
Contracts and services	41,044	280,061	23,527	230,064	-	-	-	574,696	581,909
Amortization	27,176	14,507	192,987	361,651	4,277	92,592	77	693,267	662,715
Financial expenses	14,779	-	-	-	-	1,200	-	15,979	13,806
Interest on long-term debt	7,443	-	4,447	16,092	-	7,019	-	35,001	43,136
Other transfers	-	-	31,777	-	462,344	-	-	494,121	443,521
	854,167	425,535	1,103,108	982,626	1,082,947	403,550	105,365	4,957,298	4,772,865
Excess (deficiency) of revenues over expenditures	2,921,489	(352,349)	(1,098,114)	(373,043)	(457,641)	(206,812)	(34,934)	398,596	332,436

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2021**

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 2021 was \$60,673 (2020 - \$55,504) for current service and is included as an expenditure on the consolidated statement of operations.

At December 31, 2021, the OMERS pension plan had total assets of \$120.9 billion (2020 - \$105.6 billion) and an accumulated surplus of \$123 million (2020 – \$7.5 billion deficit).

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>
2022	234,479
2023	238,518
2024	242,653
2025	246,888
2026	<u>251,228</u>

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2021**

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:

	2021
	\$
Budget surplus approved by Council	-
Less: Budgeted transfers from reserves and reserve funds	(358,342)
Add: Budgeted tangible capital asset additions	956,547
Add: Budgeted repayment of long-term debt	157,245
Budget surplus per consolidated financial statements	<u>755,450</u>

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, 2021**

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 \$69,440 (2020 - \$43,136).

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.

19. COVID-19 PANDEMIC

The COVID-19 global outbreak was declared a pandemic by the World Health Organization in March 2020. The negative impact of COVID-19 in Canada and on the global economy has been significant. The global pandemic has disrupted economic activities and supply chains resulting in governments worldwide, and in Canada, enacting emergency measures to combat the spread of the virus and protect the economy.

These financial statements have been prepared based upon conditions existing at December 31, 2021 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at that date. Although the disruption from the pandemic is expected to be temporary, given the dynamic nature of these circumstances, the duration and severity of the disruption and related financial impact cannot be reasonably estimated at this time. The Township's ability to continue to service debt and meet obligations as they come due is dependent on its continued ability to generate cash flows. At this time, the full potential impact of COVID-19 on the Township is not known

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
Schedule of Continuity of Reserves
December 31, 2021

	Total	Working	Contingencies	Fire	Library	Water	Emergency	Sunsite	Marina	Legal	Marina Beach	Parklands	Elections	Prov.	Planning	Water	Post Office	BWT	BWT	Bldg
	\$	Fund	\$	Department	Board	Works	\$	Water	Docks	Fees	Stairs Gas	\$	\$	Modernization	\$	Main	Building	\$	Renovation	Dept.
		\$		\$	\$	\$		\$	\$	\$	Pumps			Funding		\$	\$	\$	\$	\$
RESERVES																				
Balance, beginning of year	4,131,301	496,571	109,116	370,359	2,683	360,419	200	160,456	44,856	213,914	25,098	78,771	4,204	333,197	8,000	10,000	84,472	5,362	10,445	17,431
Appropriations from operations	893,146	174,621	6,472	60,557	-	70,378	-	22,317	3,684	13,495	-	-	1,692	-	-	-	10,808	-	-	41,035
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriations to operations	(519,197)	(88,624)	-	-	-	(8,345)	-	(4,150)	-	-	-	-	-	(333,197)	-	-	-	-	-	-
Balance, end of year	4,505,250	582,568	115,588	430,916	2,683	422,452	200	178,623	48,540	227,409	25,098	78,771	5,896	-	8,000	10,000	95,280	5,362	10,445	58,466
	Unallocated	PEC	McLeans Park	Sewer Mains	Landfill /	Norisle	Public Works	Inactive	Arena	Cenotaph	IT	Community	Assignack	Assignack	Fire	Library	Library	Medical	Information	Fire Hall
	Capital	Events	\$	\$	Recycling	Removal	\$	Cemeteries	\$	Restoration	\$	Access	Business	Historical Society	Hydrants	Expansion	Building	Clinic	Booth	Capital
		\$			\$	\$		\$		\$		Program	Association	\$	\$	\$	\$	\$	\$	\$
RESERVES																				
Balance, beginning of year	509,505	100,089	13,667	10,000	285,401	19,730	474,708	13,456	63,409	918	14,645	2,747	1,674	-	27,450	6,718	79,922	57,757	9,103	104,848
Appropriations from operations	66,117	31,871	-	-	-	4,089	30,079	2,000	309,529	-	-	457	-	8,533	-	-	11,199	10,530	13,683	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriations to operations	(35,013)	-	-	-	(37,647)	-	-	-	(3,589)	-	-	-	-	-	-	-	-	-	(8,632)	-
Balance, end of year	540,609	131,960	13,667	10,000	247,754	23,819	504,787	15,456	369,349	918	14,645	3,204	1,674	8,533	27,450	6,718	91,121	68,287	14,154	104,848

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, 2021, 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, 2021, and the results of its operations 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 entity 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 entity'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 entity'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 entity'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 entity'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 entity 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



Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 3, 2022

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
TRUST FUNDS
Statement of Financial Position
December 31, 2021

	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	77,910	24,166	185,125
Due from Township	-	-	-	-	14,863	5,163	20,026
Net Assets	230	15,628	57,581	9,610	92,773	29,329	205,151

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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
TRUST FUNDS
Statement of Operations and Changes in Net Assets
Year ended December 31, 2021

	Sick Room Equipment	Hinds Hughson Cemetery	Airport	McLean's Park	Hilly Grove Perpetual Care	Hilly Grove Monument	Total
	\$	\$	\$	\$	\$	\$	\$
Net assets, beginning of year	230	15,628	57,581	9,610	87,183	26,499	196,731
Revenues							
Plot sales	-	-	-	-	4,250	2,450	6,700
Interest income	-	-	-	-	1,340	380	1,720
	-	-	-	-	5,590	2,830	8,420
Expenditures	-	-	-	-	-	-	-
Net assets, end of year	230	15,628	57,581	9,610	92,773	29,329	205,151

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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
TRUST FUNDS
Notes to the Financial Statements
December 31, 2021

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, 2021, 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, 2021, and the results of its operations 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 entity 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 entity'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 entity'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 entity'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 entity'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 entity 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



Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 3, 2022

ASSIGINACK PUBLIC LIBRARY BOARD
Statement of Financial Position
December 31, 2021 with comparative figures for 2020

	2021	2020
	\$	\$
Financial Assets		
Cash	33,046	32,605
Guaranteed investment certificates	38,381	34,254
Accounts receivable	10,421	10,421
	<hr/> 81,848	<hr/> 77,280
Financial Liabilities		
Accounts payable and accrued liabilities	33,531	33,643
	<hr/>	<hr/>
Total Assets being Net Assets (note 2)	<hr/> 48,317	<hr/> 43,637

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, 2021 with comparative figures 2020

	Budget	2021 (Actual)	2020 (Actual)
	\$	\$	\$
Revenues			
Municipal contribution	41,685	41,685	41,685
Province of Ontario contributions	3,483	3,483	3,483
Interest and fines	-	305	255
Donations and miscellaneous	-	-	300
Total Revenues	45,168	45,473	45,723
Expenditures			
Wages and employee benefits	33,252	32,761	33,052
Books and other library materials and equipment	4,343	4,585	3,010
Rent	1,200	1,200	1,200
Telephone	980	862	864
Office supplies	1,725	641	696
Miscellaneous	2,750	466	426
Insurance	168	168	168
Membership and conference	750	110	501
Total Expenditures	45,168	40,793	39,917
Annual surplus	-	4,680	5,806
Net assets, beginning of year		43,637	37,831
Net assets, end of year	-	48,317	43,637

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

ASSIGINACK PUBLIC LIBRARY BOARD**Notes to the Financial Statements****December 31, 2021**

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, guaranteed investment certificates and accounts receivable.

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

ASSIGINACK PUBLIC LIBRARY BOARD
Notes to the Financial Statements
December 31, 2021

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:

	2021	2020
	\$	\$
To be used:		
- for the general reduction of user charges	45,634	40,954
- for the reserve fund	2,683	2,683
	48,317	43,637

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, 2021, 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, 2021, and the results of its operations 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 entity 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 entity'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 entity'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 entity'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 entity'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 entity 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



Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 3, 2022

ASSIGINACK MUSEUM BOARD
Statement of Financial Position
December 31, 2021 with comparative figures for 2020

	2021	2020
	\$	\$
Financial Assets		
Cash	108,940	89,495
Accounts receivable	5,000	5,000
	113,940	94,495
Financial Liabilities		
Accounts payable and accrued liabilities	86,758	77,449
Net assets	27,182	17,046

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, 2021 with comparative figures for 2020

	2021	2020
	Actual	Actual
	\$	\$
Revenues		
Municipal grant	20,000	20,000
Province of Ontario	5,283	3,382
Government of Canada	5,000	5,000
Admission, sales and other	2,623	40
Total Revenues	32,906	28,422
Expenditures		
Wages	15,161	16,543
Utilities	4,390	3,707
Telephone	1,589	1,375
Repairs and maintenance	1,490	915
Advertising and memberships	140	100
Operating supplies and materials	-	324
Total Expenditures	22,770	22,964
Annual surplus	10,136	5,458
Net assets, beginning of year	17,046	11,588
Net assets, end of year	27,182	17,046

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

ASSIGINACK MUSEUM BOARD**Notes to the Financial Statements****December 31, 2021**

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 and accounts receivable.

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

2. CASH FLOW STATEMENT

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

INDEPENDENT AUDITORS' REPORT

To the Members of the Hilly Grove Cemetery Board

Opinion

We have audited the financial statements of the **Hilly Grove Cemetery Board**, which comprise the statement of financial position as at December 31, 2021, 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, 2021, and the results of its operations 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 entity 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 entity'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 entity'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 entity'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 entity'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 entity 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



Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 3, 2022

HILLY GROVE CEMETERY BOARD
Statement of Financial Position
December 31, 2021 with comparative figures for 2020

	2021	2020
	\$	\$
Financial Assets		
Cash	55,180	36,875
Accounts receivable	5,135	2,635
Total Assets	60,315	39,510
Financial Liabilities		
Accounts Payable	182	180
Due to Township of Assiginack	72,624	56,794
Due to Perpetual Care Trust	14,863	8,773
Due to Monument Trust	5,163	2,833
Total Liabilities	92,832	68,580
Net Debt	(32,517)	(29,070)

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, 2021 with comparative figures for 2020**

	2021	2020
	\$	\$
Revenues		
Municipal contributions	9,000	9,000
Plot and monument sales	17,165	12,850
Opening and closing	3,939	7,400
Donations	3,000	-
Interest and other	21	24
Total Revenues	33,125	29,274
Expenditures		
Wages and benefits	22,503	19,778
Plot and monument sales	6,700	5,550
Repairs and maintenance	3,023	1,986
Interment fees	1,750	5,250
Hydro and fuel	330	246
Miscellaneous	2,266	943
Total Expenditures	36,572	33,753
Annual deficit	(3,447)	(4,479)
Net debt, beginning of year	(29,070)	(24,591)
Net debt, end of year	(32,517)	(29,070)

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

HILLY GROVE CEMETERY BOARD

Note to the Financial Statements

December 31, 2021

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 Assiginack, Perpetual Care Trust and Monument Trust.

2. TRUST FUNDS

Trust funds administered by the Board amounting to \$122,102 (2020- \$113,682) 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, 2021, 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, 2021, and the results of its operations 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 entity 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 entity'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 entity'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 entity'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 entity'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 entity 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



Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Ontario
May 3, 2022

HILLY GROVE CEMETERY BOARD
TRUST FUNDS
Statement of Financial Position
December 31, 2021 with comparative figures for 2020

	Perpetual Care	Monuments	2021	2020
	\$	\$	\$	\$
Assets				
Cash	77,910	24,166	102,076	102,076
Due from Cemetery Board	14,863	5,163	20,026	11,606
Total Assets being Net Assets	92,773	29,329	122,102	113,682

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, 2021 with comparative figures for 2020**

	Perpetual Care	Monuments	2021	2020
	\$	\$	\$	\$
Net assets, beginning of year	87,183	26,499	113,682	106,454
Receipts				
Sales	4,250	2,450	6,700	5,550
Interest earned	1,340	380	1,720	1,678
	5,590	2,830	8,420	7,228
Expenditures	-	-	-	-
Net assets, end of year	92,773	29,329	122,102	113,682

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

HILLY GROVE CEMETERY BOARD
TRUST FUNDS
Notes to the Financial Statements
December 31, 2021

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.