

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

***VODDEN, BENDER & SEEBACH*** LLP  
***Chartered Professional Accountants***

## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Township of Ashfield-Colborne-Wawanosh

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Ashfield-Colborne-Wawanosh, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Ashfield-Colborne-Wawanosh as at December 31, 2015 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Vodden, Bender & Seebach LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
Clinton, Ontario  
July 19, 2016

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>as at December 31</b>		<b>2015</b>	<b>2014</b>
<b>Financial Assets</b>			
Cash	note 3	<b>4,675,804</b>	3,723,118
Taxes receivable		<b>672,017</b>	689,517
Accounts receivable		<b>901,838</b>	725,958
Long-term receivables	note 4	<b>347,766</b>	353,202
		<b>6,597,425</b>	5,491,795
<b>Liabilities</b>			
Account payable and accrued liabilities		<b>1,207,119</b>	608,714
Deferred revenue	schedule 2	<b>111,603</b>	117,520
Municipal debt	note 5	<b>339,658</b>	340,056
Landfill closure and post closure liability	note 6	<b>1,358,766</b>	1,311,595
		<b>3,017,146</b>	2,377,885
<b>Net financial assets</b>		<b>3,580,279</b>	3,113,910
<b>Non-financial assets</b>			
Tangible capital assets	schedule 3	<b>36,686,896</b>	37,470,093
<b>Accumulated surplus</b>	note 10	<b>\$ 40,267,175</b>	\$ 40,584,003

The accompanying notes and schedules are an integral part of these financial statements

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

<b>for the year ended December 31</b>	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
Annual surplus (deficit)	292,441	<b>(316,828)</b>	181,496
Amortization of tangible capital assets	-	<b>1,328,790</b>	1,460,943
Acquisition of tangible capital assets	(1,126,000)	<b>(1,059,712)</b>	(1,012,458)
Proceeds from disposition of assets		<b>41,505</b>	181,040
Disposal and write down of tangible capital assets	-	<b>472,614</b>	(74,797)
Increase (decrease) in net financial assets	<u>(833,559)</u>	<b>466,369</b>	736,224
Net financial assets beginning of year		<b>3,113,910</b>	2,377,686
Net financial assets end of year		<b>\$ 3,580,279</b>	\$ 3,113,910

The accompanying notes and schedules are an integral part of these financial statements

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

<b>for the year ended December 31</b>	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>Revenue</b>			
Taxation for municipal purposes	3,229,508	<b>3,263,783</b>	3,132,293
User charges	982,653	<b>2,590,917</b>	1,763,246
Government transfers	909,500	<b>1,203,050</b>	1,210,663
Other revenue	109,772	<b>172,468</b>	209,952
Total revenue	5,231,433	<b>7,230,218</b>	6,316,154
<b>Expenditure</b>			
General government	648,500	<b>668,989</b>	653,955
Protection services	1,209,800	<b>1,206,559</b>	1,047,471
Transportation services	1,897,834	<b>3,417,907</b>	3,064,455
Environmental services	756,142	<b>882,361</b>	841,183
Health services	58,416	<b>62,152</b>	59,918
Recreation and culture	319,700	<b>434,732</b>	388,176
Planning and development	48,600	<b>874,346</b>	79,500
Total expenses	4,938,992	<b>7,547,046</b>	6,134,658
<b>Annual surplus (deficit)</b>	292,441	<b>(316,828)</b>	181,496
<b>Accumulated surplus beginning of year</b>	40,584,003	<b>40,584,003</b>	40,402,507
<b>Accumulated surplus end of year</b>	\$ 40,876,444	<b>\$ 40,267,175</b>	\$ 40,584,003

The accompanying notes and schedules are an integral part of these financial statements

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

<b>for the year ended December 31</b>	<b>2015</b>	<b>2014</b>
<b>Operating activities</b>		
Annual surplus (deficit)	(316,828)	181,496
Amortization not requiring cash outlay	1,328,790	1,460,943
Loss (gain) on disposition of tangible capital assets	472,614	(74,797)
Decrease (increase) in taxes receivable	17,500	(175,126)
Decrease (increase) in accounts receivable	(175,880)	91,696
Increase (decrease) in accounts payable	598,405	24,388
Increase (decrease) in deferred revenue	(5,917)	(13,496)
Increase (decrease) in landfill closure liability	47,171	26,716
Cash provided from (used for) operations	<b>1,965,855</b>	1,521,820
<b>Capital activities</b>		
Proceeds of disposition of tangible capital assets	41,505	181,040
Acquisition of tangible capital assets	(1,059,712)	(1,012,458)
Net investment in tangible capital assets	<b>(1,018,207)</b>	(831,418)
<b>Investing activities</b>		
Issuance of loans receivable	-	(30,200)
Repayment of loans receivable	5,436	121,588
Net increase (decrease) in cash from financing	<b>5,436</b>	91,388
<b>Financing activities</b>		
Debt issued	-	100,707
Debt principal payments	(398)	(187,329)
Net increase (decrease) in cash from financing	<b>(398)</b>	(86,622)
<b>Net increase (decrease) in cash</b>	<b>952,686</b>	695,168
<b>Cash beginning of year</b>	<b>3,723,118</b>	3,027,950
<b>Cash end of year</b>	<b>\$ 4,675,804</b>	\$ 3,723,118

The accompanying notes and schedules are an integral part of these financial statements

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**NOTES TO FINANCIAL STATEMENTS**

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**For the year ended December 31, 2015**

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**1. Significant accounting policies**

The consolidated financial statements of the Township of Ashfield-Colborne-Wawanosh are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

a) Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, operating revenue and expenditures, reserves and reserve funds and changes in investment in tangible capital assets of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for their administration of their financial affairs and resources to the municipality and which are owned or controlled by the municipality. In addition to general government tax-supported operations, they include water systems operated by the municipality and the municipality's proportionate share of joint local boards.

Inter-departmental and inter-organizational transactions and balances are eliminated.

The statements do not include trust funds that are administered for the benefit of external parties.

b) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned 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.

ii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

a) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	50 years
Buildings	50 years
Transportation roads infrastructure	
Base and earthwork	100 years
Surface	15 years
Bridges and culverts	40 to 80 years
Water system	20 to 80 years
Vehicles and equipment	10 to 15 years

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The municipality capitalizes all land acquisitions and has a threshold of \$15,000 for buildings and infrastructure and \$1,000 - \$5,000 for various types of equipment, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pooled assets are computer systems, equipment, furniture and fixtures.

b) Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

c) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

d) Inventories

Inventories held for consumption are recorded at the lower of cost or net realizable value.

iii) Reserves for future expenditures

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital expenditure. Transfers to or from reserves are reflected as adjustments to the respective appropriated equity.

iv) Pension and employee benefits

The municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The municipality has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.

v) Deferred revenue

Amounts received and required by legislation, regulation or agreement to be set aside for specific, restricted purposes are reported in the statement of financial position as deferred revenue until the obligation is discharged. These amounts will be recognized as revenues in the period in which related expenditure are incurred.

vi) Investments

Investments are recorded at cost plus accrued interest less amounts written off to reflect a permanent decline in value.

vii) Revenue recognition

Tax levies, based on assessment rolls issued by the Municipal Property Assessment Corporation and tax rates established by council, are recognized as revenue when the tax billings are issued. Other revenue is recognized when related services are provided or goods delivered, collectibility is reasonably assured and there are no significant future obligations.

Government transfers are recognized in the in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria are met, and reasonable estimates can be made.

viii) Landfill Site Closure and Post-Closure Care

Landfill site closure and post-closure care costs are recognized over the operating life of the landfill site, based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the municipality.



ix) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

x) Financial instruments

Financial instruments consist of cash, taxes receivable, accounts receivable, long-term receivables, accounts payable and accrued liabilities and municipal debt. The municipality classifies all of its financial instruments as measured at amortized cost. Financial assets measured at cost are recognized initially at fair value plus any directly attributable transaction costs. The carrying amount is subsequently written down to net realizable value when an impairment loss is known and there is no reasonable prospect of recovery.

xi) Adoption of new accounting standards

Effective for fiscal periods beginning on or after April 1, 2014, all governments were required to adopt PSAB Section 3260, Liability for Contaminated Sites. This standard provides guidance on how to account for and report a liability associated with the remediation of contaminated sites, defines which activities would be included in the liability for remediation, establishes when to recognize and how to measure a liability for remediation and provides guidance on financial statement presentation and disclosure. The municipality has evaluated the impact of the adoption of this new accounting standard and has determined that a provision in the financial statements is not necessary.

**2. Pension agreements**

The municipality makes contributions to the Ontario Municipal Employees Retirement System Pension Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for the year was \$101,997 (2014: \$93,505) for current services and is included as an expenditure on the consolidated statement of operations.

**3. Cash**

	<b>2015</b>	<b>2014</b>
Unrestricted	3,509,147	2,999,845
Restricted	530,122	116,270
Cash held by other municipalities and boards	<u>636,535</u>	<u>607,003</u>
	<b>\$ 4,675,804</b>	<b>\$ 3,723,118</b>

**4. Loans receivable**

	<b>2015</b>	<b>2014</b>
Property owners for road and water system capital costs	64,132	96,378
Property owners for tile drain loans	<u>283,634</u>	<u>256,824</u>
	<b>\$ 347,766</b>	<b>\$ 353,202</b>

Amounts due in the next five years are as follows:

2016: \$50,801    2017: \$52,221    2018: \$50,157    2019: \$49,569    2020: \$49,080

5. Municipal debt	2015	2014
Bank loan payable in quarterly instalments of \$10,297 including interest at 5.07% maturing April 2015	-	20,211
Bank loan payable in quarterly instalments of \$2,592 including interest at 5.6% maturing April 2022	<u>56,024</u>	<u>63,020</u>
	56,024	83,231
Tile drainage loans payable to the Ministry of Finance maturing from 2016 to 2025 with interest rates of 6-8%	<u>283,634</u>	<u>256,824</u>
	<u>\$ 339,658</u>	<u>\$ 340,055</u>

Principal payments are recoverable from landowners.

Amounts due in the next five years are as follows:

2016: \$50,472    2017: \$49,443    2018: \$50,157    2019: \$49,569    2020: \$49,080

**6. Landfill closure and post closure cost liability**

A liability for the costs of solid waste landfill closure and post closure care requirements accrues as the capacity of sites is used. Care requirements include final covering, landscaping, removal of ground water and leachates and ongoing monitoring and maintenance. These costs will be incurred when the landfill site stops accepting waste, with the post-closure care expected to continue for an additional 50 years. The estimated liability is the discounted present value of future cash flows related to capacity used to date. The municipality operates landfill sites within its boundaries and participates in the Mid-Huron landfill site.

Based on a 2015 cost estimate, the recorded liability for sites within the municipality is \$316,020 (2014: \$298,330). The future liability is expected to be funded through budget allocations and reserves.

The municipality's proportionate liability for the Mid-Huron landfill site reported in the financial statements is \$1,042,746 (2014: \$1,013,265). The Mid-Huron Landfill Site Board has set aside reserve funds of which the municipality's proportionate share is \$542,417 (2014: \$521,416).

The reported liability is based on estimates and assumptions with respect to events extending over a long-term period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity and liability. Any changes in these estimates would be recognized in the year the change is identified.

The closure and post-closure care costs are expected to be funded in the year incurred.

**7. Contractual obligation**

The municipality has contracted with Veolia Water Canada for operation and maintenance of water systems until March 2020 at a base annual fee of \$129,600 with certain additional charges and increases based on consumer price index, and with Waste Management for garbage collection and recycling until April 2020 at an annual fee of \$172,686 plus 2% increase per year.

**8. Contingencies**

In the ordinary course of business, various claims and lawsuits are brought against the municipality. Because settlement amounts, if any, cannot be determined or because claims are expected to be within the municipality's insurance coverage, no provision has been made for the contingency in the financial statements.

The municipality is liable for long-term liabilities with respect to loans for which the responsibility for payment of principal and interest has been assumed by others. Payments on municipal debt for capital costs and tile drainage loans are recoverable by payments on loans receivable from property owners. However the municipality has prime responsibility to meet the debt payments.

**9. Tangible capital assets**

Schedule 3 provides information on the tangible capital assets of the municipality by major class and by business segment, as well as for accumulated amortization of the assets controlled.

## i) Contributed tangible capital assets

The municipality records all tangible capital assets contributed by external parties at fair value.

## ii) Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value of \$1 because of the difficulty of determining a tenable valuation.

**10. Schedule of accumulated surplus**

	<b>2015</b>	<b>2014</b>
Reserves	<u>4,939,045</u>	<u>4,425,505</u>
Surpluses		
Invested in tangible capital assets	36,686,896	37,470,093
General revenue fund	-	-
Unfunded		
Solid waste landfill closure and post closure liabilities	<u>(1,358,766)</u>	<u>(1,311,595)</u>
Total surpluses	<u>35,238,130</u>	<u>36,515,938</u>
Accumulated surplus	<u>\$ 40,267,175</u>	<u>\$ 40,584,003</u>

**11. Budget amounts**

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statements of change in net assets and operations for comparative purposes. The budget amounts for the municipality have been approved by Council. Certain amounts have been reclassified to conform to the basis of presentation of the revenues and expenditures on the consolidated statement of operations. As a result, the budget figures presented in the statements of operations and changes in net financial assets represent the budget approved by Council with the following adjustments:

Approved budget annual surplus (deficit)	-
Add: acquisition of tangible capital assets	1,126,000
net transfers to reserves	<u>(833,559)</u>
Budgeted surplus reported on statement of operations	<u>\$ 292,441</u>

**12. Financial instrument risk management**

## Liquidity risk:

Liquidity risk is the risk that the municipality will not be able to meet its financial obligations associated with financial liabilities. The municipality follows a budgeting and monitoring procedure to ensure funds are available to meet its obligations.

## Credit risk:

The municipality is exposed to credit risk through its cash and receivables in the event of non-collection. The maximum exposure to credit risk is the carrying value of accounts receivable on the balance sheet.

## Interest rate risk:

The municipality is exposed to interest rate risk arising from the possibility of fluctuation in interest rates on debt. Currently, the municipality has no short-term loans and the rates on long-term debt are fixed.

**13. Operations of school boards and county**

Taxation levied for school board and county purposes are not reflected in the financial statements. The amounts transferred were:

	<b>2015</b>	<b>2014</b>
School boards	2,022,586	1,914,210
County of Huron	4,490,618	4,404,495

**14. Trust funds**

Trust funds administered by the municipality amounting to \$161,578 (2014: \$155,447) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

**15. Segmented information**

The Township of Ashfield-Colborne-Wawanosh provides a wide range of services to its citizens such as recreational and cultural services, planning and development, fire, and transportation services. Distinguishable functional segments have been separately disclosed in the segmented information provided in schedule 4. Municipal taxation revenue and the Ontario Municipal Partnership Fund grant are allocated to general government. The nature of the segments and the activities they encompass are as follows:

**General Government**

This segment relates to the general operations of the municipality itself and cannot be directly attributed to a specific segment.

**Protection to Persons and Property**

Protection is comprised of fire protection, policing, court services, conservation authorities, protective inspection and control, building permit and inspection services, emergency measures and other protection services.

**Transportation**

Transportation services include road maintenance, winter control services, street light maintenance, parking lots, equipment maintenance and other transportation services.

**Environmental Services**

Environmental services include sanitary sewer system, storm sewer system, waterworks, waste collection, waste disposal and recycling.

**Health Services**

This service area includes cemeteries and other health services.

**Recreational and Cultural Services**

This service area provides public services that contribute to the provision of recreation and leisure facilities and programs, the maintenance of parks and open spaces, library services, museums and other cultural services.

**Planning and Development**

This segment includes matters relating to zoning and site plan controls, land acquisition, development initiatives, agriculture and reforestation, municipal drainage and tile drainage.

For additional information, see the schedule of segmented information.

**Township of Ashfield-Colborne-Wawanosh**

**Consolidated Schedule of Continuity of Reserves and Reserve Funds**

Schedule 1

For the Year Ended December 31, 2015

	Balance, beginning of year	Revenues and contributions				Transfers			Balance, end of year
		Interest	From Operations	Other	Total	To Operations	To Capital Acquisitions	Total	
<b>Reserves and reserve funds</b>									
for general government	2,390,439				-			-	<b>2,390,439</b>
for protection services	591,065		9,680		9,680			-	<b>600,745</b>
for transportation services	717,692	2,610	492,850		495,460		134,734	134,734	<b>1,078,418</b>
for environmental services	705,789		22,749		22,749			-	<b>728,538</b>
for social and family services	2,500				-			-	<b>2,500</b>
for recreation and cultural services	18,020		120,385		120,385			-	<b>138,405</b>
	4,425,505	2,610	645,664	-	648,274	-	134,734	134,734	<b>\$ 4,939,045</b>

**Consolidated Schedule of Continuity of Deferred Revenue**

Schedule 2

For the Year Ended December 31, 2015

	Balance, beginning of year	Revenues and contributions				Transfers			Balance, end of year
		Interest	From Operations	Contributions	Total	To Operations	To Capital Acquisitions	Total	
<b>Deferred revenue</b>									
Development charges and parklands	103,473	770		6,250	7,020			-	<b>110,493</b>
Federal gasoline tax	14,047	434		161,629	162,063		175,000	175,000	<b>1,110</b>
	117,520	1,204	-	167,879	169,083	-	175,000	175,000	<b>\$ 111,603</b>

Township of Ashfield-Colborne-Wawanosh  
 Consolidated Schedule of Tangible Capital Assets  
 For the Year Ended December 31, 2015

Schedule 3

	General				Infrastructure				Total Net Book Value 2015	Total Net Book Value 2014	
	Land	Buildings	Machinery & Equipment	Vehicles	Plants and Facilities	Roads	Underground and other Networks	Bridges and other Structures			
<b>Cost</b>											
Balance, beginning of year	677,909	3,233,675	970,079	3,220,460	1,415,221	47,101,453	2,181,105	6,053,535	-	64,853,437	64,046,436
Reallocations and adjustments	-	(31,144)	4,040	(77,277)	-	(3,379,494)	-	-	-	(3,483,875)	-
Additions during the year	-	34,145	90,954	357,436	-	577,177	-	-	-	1,059,712	1,012,458
Disposals during the year	-	-	(42,716)	(162,880)	(6,026)	(848,381)	-	-	-	(1,060,003)	(205,457)
Balance, end of year	677,909	3,236,676	1,022,357	3,337,739	1,409,195	43,450,755	2,181,105	6,053,535	-	61,369,271	64,853,437
<b>Accumulated depreciation</b>											
Balance, beginning of year	-	1,024,083	625,269	1,841,594	571,813	19,926,056	539,110	2,855,419	-	27,383,344	26,021,615
Reallocations and adjustments	-	(1,141)	(1,351)	(7,493)	880	(3,018,159)	1,505	(14,378)	-	(3,040,137)	-
Amortization during the year	-	64,773	50,526	196,274	48,587	830,605	29,081	108,944	-	1,328,790	1,460,943
Accumulated amortization on disposals	-	-	(31,091)	(159,201)	(4,590)	(794,740)	-	-	-	(989,622)	(99,214)
Balance, end of year	-	1,087,715	643,353	1,871,174	616,690	16,943,762	569,696	2,949,985	-	24,682,375	27,383,344
<b>Net Book Value of Tangible Capital Assets</b>	677,909	2,148,961	379,004	1,466,565	792,505	26,506,993	1,611,409	3,103,550	-	\$ 36,686,896	\$ 37,470,093

**Township of Ashfield-Colborne-Wawanosh**

**Segmented Information**

Schedule 4

For the Year Ended December 31, 2015

	General Government	Police Protection	Fire Protection	Building inspection	Other Protection	Roads and Sreet lights	Water,Sewers, Storm sewers	Waste Disposal	Health	Recreation and Culture	Zoning and Development	Total 2015	Total 2014
<b>Revenue</b>													
Taxation	3,263,783											<b>3,263,783</b>	3,132,293
User charges	462,426		9,205	126,361	31,351	147,521	326,526	306,884	32,264	345,383	852,996	<b>2,640,917</b>	1,763,246
Government transfers	729,502					337,503	26,280	45,325			14,440	<b>1,153,050</b>	1,210,663
Interest and penalties	134,642											<b>134,642</b>	131,113
Gain on disposal of assets						37,826						<b>37,826</b>	78,839
	<b>4,590,353</b>	-	9,205	126,361	31,351	522,850	352,806	352,209	32,264	345,383	867,436	<b>7,230,218</b>	6,316,154
<b>Operating expenditure</b>													
Wages, salaries and benefits	489,022		54,333	84,852	53	679,626	1,516	44,725	28,656	120,499	4,004	<b>1,507,286</b>	1,468,847
Contract services	64,766	568,091	170,225	10,211	187,419	508,801	281,032	230,360	8,793	36,830	871,710	<b>2,938,238</b>	1,958,884
Materials and supplies	88,386		62,815	21,618	3,475	752,602	69,946	167,141	19,996	195,574	(1,368)	<b>1,380,185</b>	1,245,984
Depreciation and write-downs	26,815		42,276	1,191		1,476,878	80,051	7,590	4,707	81,829		<b>1,721,337</b>	1,460,943
	<b>668,989</b>	568,091	329,649	117,872	190,947	3,417,907	432,545	449,816	62,152	434,732	874,346	<b>7,547,046</b>	6,134,658
<b>Net revenue (expense)</b>	<b>3,921,364</b>	<b>(568,091)</b>	<b>(320,444)</b>	<b>8,489</b>	<b>(159,596)</b>	<b>(2,895,057)</b>	<b>(79,739)</b>	<b>(97,607)</b>	<b>(29,888)</b>	<b>(89,349)</b>	<b>(6,910)</b>	<b>(316,828)</b>	181,496

## **INDEPENDENT AUDITORS' REPORT**

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Township of Ashfield-Colborne-Wawanosh

We have audited the accompanying financial statements of Trust Funds of the Corporation of the Township of Ashfield-Colborne-Wawanosh, which comprise the balance sheet as at December 31, 2015 and the statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Trust Funds of the Corporation of the Township of Ashfield-Colborne-Wawanosh as at December 31, 2015 and the continuity of its funds in accordance with Canadian public sector accounting standards.

*Vodden, Bender & Seebach LLP*

Chartered Professional Accountants

Licensed Public Accountants

Clinton, Ontario

July 19, 2016



**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH  
TRUST FUNDS  
STATEMENT OF CONTINUITY**

For the Year Ended December 31	Total		Cemetery Internment Rights		Cemetery Monument Installation		Cemetery Bequest	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>Capital beginning of year</b>	<b>155,447</b>	150,577	<b>104,647</b>	101,047	<b>25,500</b>	24,300	<b>25,300</b>	25,230
<b>Receipts</b>								
Plot sales	5,040	3,600	5,040	3,600				
Monument installations	900	1,200			900	1,200		
Interest earned	1,177	1,575	793	1,057	193	255	191	263
	<b>7,117</b>	6,375	<b>5,833</b>	4,657	<b>1,093</b>	1,455	<b>191</b>	263
<b>Expenditure</b>								
Maintenance	986	1,505	793	1,057	193	255	-	193
	<b>986</b>	1,505	<b>793</b>	1,057	<b>193</b>	255	<b>-</b>	193
<b>Capital end of year</b>	<b>\$ 161,578</b>	155,447	<b>\$ 109,687</b>	104,647	<b>\$ 26,400</b>	25,500	<b>\$ 25,491</b>	25,300

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH  
TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION**

As at December 31	Total		Cemetery Internment Rights		Cemetery Monument Installation		Cemetery Bequest	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>Assets</b>								
Cash	162,564	156,759	110,480	105,704	26,593	25,755	25,491	25,300
<b>Liabilities</b>								
Due to municipality	(986)	(1,312)	(793)	(1,057)	(193)	(255)	-	-
<b>Net assets</b>	<b>161,578</b>	155,447	<b>109,687</b>	104,647	<b>26,400</b>	25,500	<b>25,491</b>	25,300
<b>Trust fund capital</b>	<b>\$ 161,578</b>	155,447	<b>\$ 109,687</b>	104,647	<b>\$ 26,400</b>	25,500	<b>\$ 25,491</b>	25,300

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH**  
**TRUST FUNDS**  
**NOTES TO FINANCIAL STATEMENTS**

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**For the Year Ended December 31, 2015**

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**1. Accounting Policies**

The financial statements of the Township of Ashfield-Colborne-Wawanosh Trust Funds are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

**Basis of Accounting**

Capital receipts and income are reported on the cash basis of accounting. Expenditures are reported on the cash basis of accounting with the exception of administration expenses which are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

**2. Investments**

Trust fund investments are stated at cost and have a market value approximately equal to cost.

## **INDEPENDENT AUDITOR'S REPORT**

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To the Members of the Lucknow and District Fire Department Joint Board of Management,  
Members of Council, Inhabitants and Ratepayers of the participating municipalities

We have audited the accompanying statement of operations of the Lucknow and District Fire Department Joint Board of Management for the year ended December 31, 2015.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of this financial statement being free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on this statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statement presents fairly, in all material respects, the results of operations of the Lucknow and District Fire Department Joint Board of Management for the year ended December 31, 2015 in accordance with Canadian public sector accounting standards.

*Vodden, Bender & Seebach LLP*

Chartered Professional Accountants

Licensed Public Accountants

Clinton, Ontario

July 19, 2016

**LUCKNOW AND DISTRICT FIRE DEPARTMENT JOINT BOARD OF MANAGEMENT  
STATEMENT OF OPERATIONS**

<b>For the year ended December 31</b>	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>Revenue</b>			
Contributions from participating municipalities			
Township of Ashfield-Colborne-Wawanosh	107,870	<b>72,654</b>	77,314
Township of Huron-Kinloss	107,870	<b>72,654</b>	77,314
Fire calls	-	<b>20,500</b>	14,200
County of Bruce Modified First Response grant	5,000	<b>5,000</b>	5,000
Other revenue	-	<b>14,111</b>	4,427
Transfer from reserve	-	-	-
	<b>220,740</b>	<b>184,918</b>	178,255
<b>Expenditure</b>			
Salaries	131,500	<b>108,666</b>	103,450
Vehicle operation	6,300	<b>3,688</b>	4,218
Equipment	6,700	<b>20,643</b>	7,637
Hydrant repairs	2,300	<b>2,255</b>	2,255
Building maintenance	4,200	<b>4,501</b>	4,538
Dispatch service	8,000	<b>5,057</b>	9,166
Training	28,200	<b>10,679</b>	15,099
Telephone	2,300	<b>2,159</b>	2,183
Utilities	12,750	<b>8,968</b>	12,564
Insurance	6,500	<b>6,407</b>	6,323
Licences, fees, administration	11,990	<b>11,895</b>	10,822
	<b>220,740</b>	<b>184,918</b>	178,255
<b>Annual surplus</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**LUCKNOW AND DISTRICT FIRE DEPARTMENT JOINT BOARD OF MANAGEMENT  
NOTES TO FINANCIAL STATEMENTS**

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**For the year ended December 31, 2015**

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**1. Accounting policies**

The statement of operations of the Lucknow and District Fire Department Joint Board of Management is the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

a) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned 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.

ii) The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

**2. Participating municipalities**

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

**3. Related party transactions**

Board administration cost of \$2,500 (2014: \$2,500) was paid to the Township of Ashfield-Colborne-Wawanosh.

## INDEPENDENT AUDITOR'S REPORT

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To the Members of the Lucknow Community Health Centre Board,  
Members of Council, Inhabitants and Ratepayers of the participating municipalities

We have audited the accompanying statement of operations of the Lucknow Community Health Centre Board for the year ended December 31, 2015.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of this financial statement being free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on this statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statement presents fairly, in all material respects, the results of operations of the Lucknow Community Health Centre Board for the year ended December 31, 2015 in accordance with Canadian public sector accounting standards.

*Vodden, Bender & Seebach LLP*

Chartered Professional Accountants

Licensed Public Accountants

Clinton, Ontario

July 19, 2016

**LUCKNOW COMMUNITY HEALTH CENTRE BOARD**  
**STATEMENT OF OPERATIONS**

<b>For the year ended December 31</b>	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>Revenue</b>			
Rentals	18,231	<b>17,468</b>	17,239
Contributions from participating municipalities			
Township of Ashfield-Colborne-Wawanosh	4,734	<b>2,353</b>	5,307
Township of Huron-Kinloss	4,734	<b>2,353</b>	5,307
	27,699	<b>22,174</b>	27,853
<b>Expenditure</b>			
Maintenance	9,150	<b>6,941</b>	7,677
Utilities	8,600	<b>7,795</b>	7,665
Property taxes	5,482	<b>5,375</b>	5,304
Insurance	1,467	<b>1,486</b>	1,417
Administration	3,000	<b>577</b>	2,883
Equipment purchases	-	-	2,907
	27,699	<b>22,174</b>	27,853
<b>Annual surplus</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**LUCKNOW COMMUNITY HEALTH CENTRE BOARD  
NOTES TO FINANCIAL STATEMENTS**

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**For the year ended December 31, 2015**

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**1. Accounting policies**

The statement of operations of the Lucknow Community Health Centre Board is the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

a) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned 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.

ii) The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

**2. Participating municipalities**

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

**3. Related party transactions**

During the year, the board paid property taxes of \$5,375 (2014: \$5,304) to the Township of Huron-Kinloss.



## INDEPENDENT AUDITOR'S REPORT

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To the Members of the Lucknow and District Joint Recreation Board,  
Members of Council, Inhabitants and Ratepayers of the participating municipalities

We have audited the accompanying statement of operations of the Lucknow and District Joint Recreation Board for the year ended December 31, 2015.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of this financial statement being free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on this statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statement presents fairly, in all material respects, the results of operations of the Lucknow and District Joint Recreation Board for the year ended December 31, 2015 in accordance with Canadian public sector accounting standards.

*Vodden, Bender & Seebach LLP*

Chartered Professional Accountants

Licensed Public Accountants

Clinton, Ontario

July 19, 2016

**LUCKNOW AND DISTRICT JOINT RECREATION BOARD**

**STATEMENT OF OPERATIONS**

For the year ended December 31	2015 Budget	2015 Actual	2014 Actual
<b>Revenue</b>			
Arena			
Ice rentals	46,000	<b>39,653</b>	45,165
Arena rentals	15,000	<b>14,883</b>	15,631
Hockey and figure skating ice time	75,000	<b>78,685</b>	74,160
Bar sales	123,200	<b>99,415</b>	124,737
Public skating	2,000	<b>2,357</b>	1,779
Advertising boards	11,000	<b>10,650</b>	10,100
Donations and other revenue	6,200	<b>100,355</b>	8,851
	<u>278,400</u>	<u><b>345,998</b></u>	<u>280,423</u>
Recreation receipts			
Hockey admissions	20,500	<b>18,552</b>	20,034
Hockey program	49,500	<b>63,932</b>	52,341
Swimming pool	9,000	<b>13,809</b>	13,268
Baseball	13,500	<b>12,191</b>	13,295
Soccer	10,100	<b>11,432</b>	11,530
	<u>102,600</u>	<u><b>119,916</b></u>	<u>110,468</u>
Total rentals and program revenue	<u>381,000</u>	<u><b>465,914</b></u>	<u>390,891</u>
Contributions from participating municipalities			
Township of Huron-Kinloss	120,200	<b>101,125</b>	117,540
Township of Ashfield-Colborne-Wawanosh	120,200	<b>101,125</b>	117,540
	<u>240,400</u>	<u><b>202,250</b></u>	<u>235,080</u>
Total revenue	<u>621,400</u>	<u><b>668,164</b></u>	<u>625,971</u>
<b>Expenses</b>			
Administration and general			
Salaries	111,000	<b>121,421</b>	113,855
Maintenance	29,250	<b>26,505</b>	28,816
Utilities	44,300	<b>51,693</b>	49,293
Insurance	12,000	<b>12,485</b>	11,746
Administration and training	17,000	<b>15,522</b>	12,319
	<u>213,550</u>	<u><b>227,626</b></u>	<u>216,029</u>
Arena and auditorium			
Salaries	91,900	<b>96,708</b>	94,336
Maintenance	12,400	<b>52,100</b>	16,820
Utilities	25,000	<b>11,158</b>	25,979
Bar purchases and profit share	99,150	<b>73,226</b>	97,743
	<u>228,450</u>	<u><b>233,192</b></u>	<u>234,878</u>
Recreation programs			
Hockey insurance	7,000	<b>4,431</b>	7,047
Referee fees	15,000	<b>14,552</b>	14,447
Other hockey expenses	14,000	<b>18,821</b>	16,039
Hockey ice time	75,000	<b>78,685</b>	74,160
Ball and soccer program	5,500	<b>7,069</b>	6,316
Pool salaries	28,600	<b>26,029</b>	23,152
Pool expenses	10,800	<b>30,894</b>	9,701
Parks	23,500	<b>26,865</b>	24,202
	<u>179,400</u>	<u><b>207,346</b></u>	<u>175,064</u>
Total expenses	<u>621,400</u>	<u><b>668,164</b></u>	<u>625,971</u>
<b>Annual surplus</b>	<u>\$ 0</u>	<u><b>\$ 0</b></u>	<u>\$ 0</u>

**LUCKNOW AND DISTRICT JOINT RECREATION BOARD  
NOTES TO FINANCIAL STATEMENTS**

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**For the year ended December 31, 2015**

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**1. Accounting policies**

The statement of operations of the Lucknow and District Joint Recreation Board is the representation of management prepared in accordance Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

a) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned 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.

ii) The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

**2. Participating municipalities**

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

**3. Related party transactions**

Board administration cost of \$5,000 (2014: \$1,000) was paid to the Township of Ashfield-Colborne-Wawanosh.