

**THE CORPORATION OF THE  
TOWNSHIP OF PRINCE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED December 31, 2014**

**THE CORPORATION OF THE TOWNSHIP OF PRINCE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED December 31, 2014**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the financial statements

We have audited the accompanying statements of the **Corporation of the Township of Prince**, which comprise of the consolidated statement of financial position as at December 31, 2014, the consolidated statements of operations, consolidated statement of changes in net financial assets (net debt) and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibilities 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 as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated statement of financial position of the Corporation as at December 31, 2014, the results of its consolidated operations, consolidated statement of changes in net financial assets (net debt) and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants  
Licensed Public Accountants  
Sault Ste. Marie, Canada  
August 11, 2015

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>AS AT DECEMBER 31,</b>	<b>2014</b>	<b>2013</b>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Restricted \$85,280)	\$ 1,247,087	\$ 1,013,941
Taxes receivable	99,660	144,369
Accounts receivable	64,373	58,759
Other assets	984	1,340
	<u>1,412,104</u>	<u>1,218,409</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 66,233	\$ 115,011
Deferred revenue (note 7)	179,462	209,438
Employee benefit obligation (note 4)	5,216	5,216
	<u>250,911</u>	<u>329,665</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,161,193</u>	<u>888,744</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (note 9)	<u>1,614,083</u>	<u>1,530,454</u>
<b>Commitment (note 8)</b>		
<b>ACCUMULATED SURPLUS</b>	<u>\$ 2,775,276</u>	<u>\$ 2,419,198</u>

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_ Mayor

\_\_\_\_\_ CAO/Clerk-Treasurer

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
CONSOLIDATED STATEMENT OF OPERATIONS**

<b>YEAR ENDED DECEMBER 31, (with comparative figures for the prior year)</b>	<b>Budget 2014</b>	<b>Actual 2014</b>	<b>Actual 2013</b>
<b>Revenues</b>			
Taxation, net	\$ 972,211	\$ 978,528	\$ 961,685
Province of Ontario	664,288	581,354	652,176
Government of Canada grants	59,706	150,360	101,686
User charges	18,200	39,211	40,055
Licenses, permits and rents	26,000	36,555	32,718
Penalties and interest on taxes	20,000	11,794	24,475
Investment income	5,000	17,042	9,190
Donations and other	42,700	116,325	101,064
Other municipalities	5,000	5,536	7,518
<b>Total revenues</b>	<b>1,813,105</b>	<b>1,936,705</b>	<b>1,930,567</b>
<b>Expenditures</b>			
General government	365,110	324,513	356,240
Protection to persons and property	257,312	217,583	202,858
Transportation services	190,750	233,766	244,855
Environmental services	52,500	55,265	57,744
Health services	33,168	76,009	70,536
Social and family services	405,194	361,876	398,180
Social housing	173,921	173,921	162,631
Recreation and cultural services	88,600	118,944	111,844
Planning and development	10,500	18,750	9,431
<b>Total</b>	<b>1,577,055</b>	<b>1,580,627</b>	<b>1,614,319</b>
<b>Annual Surplus</b>	<b>236,050</b>	<b>356,078</b>	<b>316,248</b>
<b>Accumulated Surplus, beginning of year</b>	<b>2,419,198</b>	<b>2,419,198</b>	<b>2,102,950</b>
<b>Accumulated Surplus, end of year</b>	<b>\$ 2,655,248</b>	<b>\$ 2,775,276</b>	<b>\$ 2,419,198</b>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)**

<b>YEAR ENDED DECEMBER 31,</b>	<b>Budget 2014</b>	<b>2014</b>	<b>2013</b>
<b>Annual Surplus</b>	<b>\$ 236,050</b>	<b>\$ 356,078</b>	<b>\$ 316,248</b>
Acquisition of Tangible Capital Assets	(246,300)	(148,437)	(169,276)
Amortization of Tangible Capital Assets	-	64,808	61,047
	<b>(246,300)</b>	<b>(83,629)</b>	<b>(108,229)</b>
<b>Change in Net Financial Assets</b>	<b>(10,250)</b>	<b>272,449</b>	<b>208,019</b>
<b>Net Financial Assets (Net Debt), Beginning of Year</b>	<b>888,744</b>	<b>888,744</b>	<b>680,725</b>
<b>Net Financial Assets (Net Debt), End of Year</b>	<b>878,494</b>	<b>\$ 1,161,193</b>	<b>\$ 888,744</b>

# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31,	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual Surplus	\$ 356,078	\$ 316,248
Amortization of capital assets	64,808	61,047
<b>Uses and Sources:</b>		
(Increase) decrease in taxes receivable	44,709	(576)
(Increase) decrease in accounts receivable	(5,614)	20,836
Decrease in other assets	356	665
Increase (decrease) in accounts payable and accrued liabilities	(48,778)	33,630
Increase (decrease) in deferred revenue	(29,976)	57,603
	(39,303)	112,158
Net increase in cash from operating activities	381,583	489,453
<b>CASH FLOWS CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(148,437)	(169,276)
Net increase in cash and equivalents	233,146	320,177
Cash and cash equivalents, beginning of year	1,013,941	693,764
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,247,087</b>	<b>\$ 1,013,941</b>

# **THE CORPORATION OF THE TOWNSHIP OF PRINCE**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2014**

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The Corporation of the Township of Prince ("the Township") is a municipality in the Province of Ontario, Canada. The Township conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **MANAGEMENT RESPONSIBILITY**

The consolidated financial statements of the Corporation of the Township of Prince are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependant upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment.

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE TOWNSHIP:**

##### **REPORTING ENTITY**

These consolidated statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of the Corporation of the Township of Prince. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Township, and which are owned or controlled by the Corporation of the Township of Prince. The Public Library, Museum and Parent /Child Resource Centre are accordingly consolidated in these financial statements.

All material inter-entity transactions and balances are eliminated on consolidation.

##### **NON-CONSOLIDATED ENTITIES**

The following local boards, joint local boards and municipal enterprises are not consolidated:

Algoma Health Unit  
SSM District Services Administration Board

##### **ACCOUNTING FOR SCHOOL BOARD TRANSACTIONS**

The taxation, other revenue, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements.

##### **TRUST FUNDS**

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Statement of Financial Position."

##### **ACCRUAL 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.



# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2014

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### NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge liabilities but are held for use in the provision of services. The useful lives of such assets extend 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 accumulated surplus (deficit), provides the Change in Net Financial Assets for the year.

### TANGIBLE CAPITAL ASSETS

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

	<u>Useful Life - Years</u>
<b>Non Linear assets</b>	
Land improvements	20-25
Buildings and building components	20-40
Vehicles	4-20
Machinery and equipment	3-20
<b>Linear assets</b>	
- Road bases	40
- Road paved surface	25
- Bridges and structures	25-75

Works of art and historical treasures are property that has cultural, aesthetic, or historical value that is worth preserving perpetually. Works of art and historical treasures would not be recognized as tangible capital assets in government financial statements because a reasonable estimate of the future benefits associated with such property can not be determined. Disclosure of the existence of such property is required under PSAB.

Tangible Capital Assets meeting the aforementioned description for the Township is:

Prince Museum and Display

# **THE CORPORATION OF THE TOWNSHIP OF PRINCE**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2014**

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### **TANGIBLE CAPITAL ASSETS (CONT'D)**

Township of Prince has a capitalization threshold of \$5,000 for all categories of tangible capital assets. Individual assets below the threshold are expensed, unless they are pooled, because collectively, they have significant value. The Township's threshold for pooled assets is \$5,000.

Contributions of tangible capital assets are recorded a fair value at the date of receipt and that fair value is also recorded as revenue.

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

### **SURPLUS LAND**

The carrying value of surplus land is based on the purchase and development costs and does not reflect any gain that may arise if the land sells for more than the carrying value.

### **DEFERRED REVENUES (CHARGES) - OBLIGATORY RESERVE FUNDS**

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed. From time to time the Township receives development charges under the authority of provincial legislation and Township by-laws.

A requirement of public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is placed as provincial and federal legislation restricts how these funds may be used and, under certain circumstances, these funds may possibly be refunded.

### **RESERVE AND RESERVE FUNDS**

Amounts that are approved by the Township Council are set aside for reserves and reserve funds for future operating and capital purposes. Transfer to/from reserves and reserve funds are an adjustment to the respective fund when approved.

# **THE CORPORATION OF THE TOWNSHIP OF PRINCE**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2014**

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### **FINANCIAL INSTRUMENTS**

The Township's financial instruments consist of cash and term deposits, taxes receivable, accounts receivable and other assets, accounts payable and accrued liabilities, other current liabilities and long term debt. Unless otherwise noted, it is management's opinion that the Township is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### **FUTURE EMPLOYEE BENEFITS**

The municipality participates in the following benefit plans:

(a) Pension Plan

The municipality provides pension benefits to substantially all employees through the Ontario Municipal Employee Retirement Fund (OMERS), a multi-employer plan. The pension expense to the municipality is equal to the municipality's contributions due to the plan in the period.

(b) Sick Leave

The municipality's employees may accumulate unused sick days and may become entitled to a cash payment when they leave the municipality's employment. The municipality accrues the cost of these employee future benefits over the periods in which the employees can earn the benefits. The cost of these employee future benefits is determined using management's best estimate.

### **GOVERNMENT GRANTS AND TRANSFERS**

Government transfers include entitlements, transfers under shared cost agreements, and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period of the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

### **BUDGET FIGURES**

The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations and are unaudited. The budgets established for capital investment in tangible capital assets are on a projected-oriented basis, the costs of which may be carried out over one or more years and therefore, may not be comparable with current year's actual expenditures.

### **COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year financial statement presentation.

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

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**1. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS**

The following contributions were made by the Township to these boards:

	<b>2014</b>	<b>2013</b>
Algoma Health Unit	\$ 30,168	\$ 29,432
Sault Ste. Marie District Social Services Administration Board	269,798	277,758
	<b>\$ 299,966</b>	<b>\$ 307,190</b>

The Township is contingently liable for its share of any accumulated deficits of the above boards as well as long term liabilities issued by other Municipalities for these boards.

**2. TAXATION AND PAYMENTS TO SCHOOL BOARDS**

During 2014, the Municipality collected and transferred property taxes in the amount of \$268,624 (2013 - \$263,441).

**3. TRUST FUNDS**

Trust funds administrated by the Township amounting to \$ 49,825 (2013 - \$ 48,186 ) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

**4. PENSION AGREEMENTS AND FUTURE EMPLOYEE BENEFITS**

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its full-time 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 the length of service and rates of pay.

The amount contributed to OMERS was \$24,012 (2013 - \$25,751) the current year service and is included as an expenditure on the Consolidated Statement of Financial Activities. No pension liability for this type of plan is included in the municipality's financial statements.

The municipality's employees may accumulate unused sick days and may become entitled to a cash payment when they leave the municipality's employment. The municipality accrues the cost of these employee future benefits over the periods in which the employees can earn the benefits. The cost of these benefits is determined using management's best estimate.

The estimated liability at December 31, 2014 is \$5,216 (2013 - \$5,216).

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**5. BUDGET RECONCILIATION**

The authority of Council is required before monies can be spent by the Township. Approvals are given in the form of an annually approved budget. The budget approved by Council, Library, Museum Boards and Parent/Child Resource Centre differs from the budget in the Consolidated Statement of Operations as a result of numerous factors and material changes due to PSAB reporting requirements.

	<b>Revenues 2014</b>	<b>Expenditures 2014</b>
Council, Library Board, Museum Board, and Parent/Child Resource Centre - approved budgets		
Operating fund	\$ 1,813,105	\$ 1,577,055
Reserves and Reserve funds	<u>10,000</u>	<u>135,000</u>
	1,823,105	1,712,055
Capital Budget	<u>-</u>	<u>246,300</u>
Total Approved by Council, Boards and Resource Centre	1,823,105	1,958,355
Less Reserves and Reserve funds	(10,000)	(135,000)
Less Tangible Capital Assets Capitalized	-	(246,300)
Plus: Budgeted amortization expense	<u>NIL</u>	<u>NIL</u>
Budget per Consolidated Statement of Operations	<u>\$ 1,813,105</u>	<u>\$ 1,577,055</u>

**6. ACCUMULATED SURPLUS**

The total accumulated surplus of individual fund surplus and reserves and reserve funds of \$ 2,775,276 (2013 - \$ 2,419,198 ) respectively are made up of the following:

	<b>2014</b>	<b>2013</b>
Surplus		
Invested in Tangible Capital Assets	\$ 1,614,083	\$ 1,530,454
- Library	12,407	6,724
- Museum	(4,803)	(10,936)
- Parent Child Resource Centre	(401)	(878)
	<u>1,621,286</u>	<u>1,525,364</u>
Reserves set aside for specific purposes by Council		
- Working capital	579,394	438,485
- Other	230,654	125,654
- Museum restoration	11,898	11,899
- Recreation, current purposes	1,397	1,397
- Roads	196,874	186,874
- Fire	42,000	32,000
- Parks	30,000	30,000
	<u>1,092,217</u>	<u>826,309</u>
Reserve funds set aside for specific purpose by Council		
- Parks	35,448	41,631
- Fire	26,325	25,894
	<u>61,773</u>	<u>67,525</u>
<b>Accumulated Surplus</b>	<u>\$ 2,775,276</u>	<u>\$ 2,419,198</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**7. DEFERRED REVENUE**

	<b>2014</b>	<b>2013</b>
Other deferred revenue	\$ 29,184	\$ 34,486
Parks - Obligatory	21,832	10,206
Federal Gas Tax - Obligatory	128,446	164,746
	<u>\$ 179,462</u>	<u>\$ 209,438</u>

The Township of Prince has entered into an agreement with the Association of Municipalities of Ontario for the transfer of Federal Gas Tax Revenues. In order to spend the funding the Township must submit for approval of an eligible project and ensure that the funds will result in net incremental capital spending.

**DEFERRED REVENUE CONTINUITY**

	<b>2014</b>	<b>2013</b>
Balance, beginning of year:	\$ 209,438	\$ 151,835
Contributions	72,924	56,963
Interest	2,152	640
	284,514	209,438
Contributions used	105,052	-
Balance, end of year	<u>\$ 179,462</u>	<u>\$ 209,438</u>

**8. COMMITMENT**

In 2014 the Township entered into a five year agreement with the City of Sault Ste. Marie to provide police services. The agreement expires in 2018 and is payable yearly as follows:

2015	\$157,573
2016	\$173,331
2017	\$190,364
2018	\$209,730

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**9. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS**

	Cost				Accumulated Amortization				2014	2013
	2014 Opening Balance	Additions and Betterments	Disposals/ Transfers	2014 Closing Balance	2014 Opening Balance	2014 Amortization Expense	Disposals /Transfers	2014 Ending Balance	Net Book Value	Net Book Value
<b>General Capital Assets</b>										
Land	\$ 114,714	\$ 24,702	\$ -	\$ 139,416	\$ -	\$ -	\$ -	\$ -	\$ 139,416	\$ 114,714
Buildings	193,613	-	-	193,613	73,977	4,816	-	78,793	114,820	119,636
Equipment and machinery	150,556	16,282	-	166,838	37,787	15,203	-	52,990	113,848	112,769
Technology equipment	7,626	1,550	-	9,176	7,626	48	-	7,674	1,502	-
Vehicle and machinery	94,623	-	-	94,623	10,763	5,808	-	16,571	78,052	83,860
Furniture and fixtures	12,414	6,227	-	18,641	3,579	1,500	-	5,079	13,562	8,835
Signs	15,309	-	-	15,309	128	612	-	740	14,569	15,181
	588,855	48,761	-	637,616	133,860	27,987	-	161,847	475,769	454,995
<b>Infrastructure Assets</b>										
Buildings	24,634	-	-	24,634	7,043	1,232	-	8,275	16,359	17,591
Vehicles and machinery	32,712	-	-	32,712	22,691	2,521	-	25,212	7,500	10,021
Linear	2,221,772	99,676	-	2,321,448	1,263,352	33,068	-	1,296,420	1,025,028	958,420
Assets Work-in-process	89,427	-	-	89,427	-	-	-	-	89,427	89,427
	2,368,545	99,676	-	2,468,221	1,293,086	36,821	-	1,329,907	1,138,314	1,075,459
	\$ 2,957,400	\$ 148,437	\$ -	\$ 3,105,837	\$ 1,426,946	\$ 64,808	\$ -	\$ 1,491,754	\$ 1,614,083	\$ 1,530,454

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**9. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS (Continued)**

	Cost				Accumulated Amortization				2013	2012
	2013 Opening Balance	Additions and Betterments	Disposals/ Transfers	2013 Closing Balance	2013 Opening Balance	2013 Amortization Expense	Disposals/ Transfers	2013 Ending Balance	Net Book Value	Net Book Value
<b>General Capital Assets</b>										
Land	\$ 114,491	\$ 223	\$ -	\$ 114,714	\$ -	\$ -	\$ -	\$ -	\$ 114,714	\$ 114,491
Buildings	179,295	14,318	-	193,613	69,429	4,548	-	73,977	119,636	109,866
Equipment and machinery	132,311	18,245	-	150,556	24,243	13,544	-	37,787	112,769	108,068
Technology equipment	7,626	-	-	7,626	7,326	300	-	7,626	-	300
Vehicle and machinery	-	43,044	51,579	94,623	-	3,417	(7,346)	10,763	83,860	-
Furniture and fixtures	12,414	-	-	12,414	2,338	1,241	-	3,579	8,835	10,076
Sign	-	15,309	-	15,309	-	128	-	128	15,181	-
Assets Work-in-process	1,052	-	(1,052)	-	-	-	-	-	-	1,052
	447,189	91,139	50,527	588,855	103,336	23,178	(7,346)	133,860	454,995	343,853
<b>Infrastructure Assets</b>										
Buildings	24,634	-	-	24,634	5,543	1,500	-	7,043	17,591	19,091
Vehicles and machinery	84,291	-	(51,579)	32,712	24,995	5,042	7,346	22,691	10,021	59,296
Linear	2,177,115	44,657	-	2,221,772	1,232,025	31,327	-	1,263,352	958,420	945,090
Assets Work-in-process	54,895	34,532	-	89,427	-	-	-	-	89,427	54,895
	2,340,935	79,189	(51,579)	2,368,545	1,262,563	37,869	7,346	1,293,086	1,075,459	1,078,372
	\$ 2,788,124	\$ 170,328	\$ (1,052)	\$ 2,957,400	\$ 1,365,899	\$ 61,047	\$ -	\$ 1,426,946	\$ 1,530,454	\$ 1,422,225



# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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### 10. SEGMENTED INFORMATION

The Township of Prince is a diversified municipal government institution that provides a wide range of services to more than 1,031 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). 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, Animal Control, Building Services, and Emergency measures. 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 processes permit applications and ensures compliance with the Ontario Building Code and with By-Laws enacted by Council.

#### **Transportation Services**

This area is responsible for management of Roadways including traffic and winter control.

#### **Environmental Services**

This area is responsible for Waste Disposal and Recycling facilities and programs. This section is responsible for providing clean, potable water meeting all regulatory requirements.

# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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### 10. SEGMENTED INFORMATION (Continued)

#### Health and Social Services

This section consists of Ambulance Services, Social Services including Housing Services, Childcare, Assistance to aged persons, Cemetery Services as well as the Township's levy contributions to the Health Unit and Hospital. Children Services deliver child care services and assist with costs of child care via the provision of subsidies.

#### Recreation and Cultural Services

This section provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and other programs 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 the library and cultural services and by preserving local history and managing archived data.

#### Planning and Development Services

The goal of this section is to offer coordinated development services in order to maximize economic development opportunities. The Planning and Development ensures that the Township of Prince is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles so that Prince is an enjoyable and beautiful community to live, work and play. This section also provides leadership in matters relating to landscape restoration, ecosystem health, biological integrity, energy conservation, air and lake water quality.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, certain government grants and other revenue are apportioned to Current Fund services based on a percentage of operations.

**CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**10. SEGMENTED INFORMATION - SERVICE BUNDLE - 2014 (CONT'D)**

	<b>General Government</b>	<b>Protection Services</b>	<b>Transportation Services</b>	<b>Environmental Services</b>	<b>Health and Social Services</b>	<b>Recreation and Cultural Services</b>	<b>Planning and Development</b>	<b>Total</b>
<b>Revenues</b>								
Taxation (net)	\$ 205,491	\$ 136,994	\$ 136,994	\$ 39,141	\$ 381,626	\$ 68,497	\$ 9,785	\$ 978,528
Government transfers and grants	28,300	137,823	99,750	-	449,782	14,559	1,500	731,714
User Charges	5,300	-	-	13,326	1,255	18,330	1,000	39,211
Other	99,147	64,126	1,651	471	5,490	16,248	119	187,252
	338,238	338,943	238,395	52,938	838,153	117,634	12,404	1,936,705
<b>Expenditures</b>								
Salaries, wages and benefits	208,191	18,671	59,929	10,711	181,458	17,575	-	496,535
Materials and Contracts	115,662	189,842	135,537	44,554	430,348	84,591	18,750	1,019,284
Amortization	660	9,070	38,300	-	-	16,778	-	64,808
	324,513	217,583	233,766	55,265	611,806	118,944	18,750	1,580,627
<b>Annual Surplus (deficit)</b>	\$ 13,725	\$ 121,360	\$ 4,629	\$ (2,327)	\$ 226,347	\$ (1,310)	\$ (6,346)	\$ 356,078

**CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**10. SEGMENTED INFORMATION - SERVICE BUNDLE - 2013 (CONT'D)**

	<b>General Government</b>	<b>Protection Services</b>	<b>Transportation Services</b>	<b>Environmental Services</b>	<b>Health and Social Services</b>	<b>Recreation and Cultural Services</b>	<b>Planning and Development</b>	<b>Total</b>
<b>Revenues</b>								
Taxation (net)	\$ 221,188	\$ 134,636	\$ 115,402	\$ 28,851	\$ 384,674	\$ 67,318	\$ 9,616	\$ 961,685
Government transfers and grants	36,022	126,676	24,645	-	545,846	17,673	3,000	753,862
User Charges	6,731	-	-	13,688	4,220	12,866	2,550	40,055
Other	68,094	79,951	3,439	734	9,790	12,711	246	174,965
	332,035	341,263	143,486	43,273	944,530	110,568	15,412	1,930,567
<b>Expenditures</b>								
Salaries, wages and benefits	193,348	17,400	65,813	12,437	208,359	12,029	-	509,386
Materials and Contracts	162,764	179,659	140,472	45,307	422,988	83,265	9,431	1,043,886
Amortization	128	5,799	38,570	-	-	16,550	-	61,047
	356,240	202,858	244,855	57,744	631,347	111,844	9,431	1,614,319
<b>Annual Surplus (deficit)</b>	\$ (24,205)	\$ 138,405	\$ (101,369)	\$ (14,471)	\$ 313,183	\$ (1,276)	\$ 5,981	\$ 316,248

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
LIBRARY BOARD  
FINANCIAL STATEMENTS  
YEAR ENDED December 31, 2014**



ALEXANDER B. CALAM, CPA, CA, Partner  
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## AUDITORS' COMMENTS

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

The audited consolidated financial statements of the Corporation of the Township of Prince as at December 31, 2014 and our report thereon dated August 11, 2015 are presented in the preceding section of this annual report. The financial statements presented hereafter were derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

Chartered Professional Accountants  
Licensed Public Accountants  
Sault Ste. Marie, Canada  
August 11, 2015

# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2014 (with comparative figures for the prior year)

	2014	2013
<b>Revenue</b>		
Grants - Province	\$ 2,069	\$ 2,069
Township contribution	9,000	4,000
Calendar	5,343	6,651
Other	2,371	716
	<u>18,783</u>	<u>13,436</u>
<b>Expenditures</b>		
Books	4,962	4,397
Fund raising	2,030	2,213
Honorarium	3,000	3,277
Office supplies and equipment and improvements	1,607	1,180
Amortization	1,501	1,540
	<u>13,100</u>	<u>12,607</u>
<b>Annual Surplus</b>	5,683	829
<b>Accumulated Surplus beginning of year</b>	6,724	5,895
<b>Accumulated Surplus, end of year</b>	<u>\$ 12,407</u>	<u>\$ 6,724</u>

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31,	2014	2013
<b>Financial Assets</b>		
Cash	\$ 15,122	\$ 15,373
Accounts receivable	2,069	2,069
	<u>17,191</u>	<u>17,442</u>
<b>Financial Liabilities</b>		
Accounts payable	6,552	7,758
Deferred revenue	11,793	11,795
	<u>18,345</u>	<u>19,553</u>
<b>Net Financial Assets (Net Debt)</b>	<u>(1,154)</u>	<u>(2,111)</u>
<b>Non-Financial Assets</b>		
Tangible capital Assets (note 9 - page 13)	13,561	8,835
<b>Accumulated Surplus (Deficit)</b>		
Deficit	(1,154)	(2,111)
Investment in tangible capital assets	13,561	8,835
<b>Accumulated Surplus end of year</b>	<u>\$ 12,407</u>	<u>\$ 6,724</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

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**BASIS OF ACCOUNTING**

(a) Sources of financing and expenditures are reported on the accrual 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 the receipt of goods or services and the creation of a legal obligation to pay.

(b) Tangible capital assets are recorded at cost, and include all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost less residual value of all tangible capital assets are amortized on a straight-line basis over their useful lives in accordance with the rates and policies disclosed on pages 7 and 8 of this annual report.



**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
MUSEUM BOARD  
FINANCIAL STATEMENTS  
YEAR ENDED December 31, 2014**



ALEXANDER B. CALAM, CPA, CA, Partner  
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## AUDITORS' COMMENTS

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

The audited consolidated financial statements of the Corporation of the Township of Prince as at December 31, 2014 and our report thereon dated August 11, 2015 are presented in the preceding section of this annual report. The financial statements presented hereafter were derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

Chartered Professional Accountants  
Licensed Public Accountants  
Sault Ste. Marie, Canada  
August 11, 2015

# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## MUSEUM BOARD STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2014 (with comparative figures for the prior year)

	2014	2013
<b>Revenue</b>		
Grants - Province	\$ 6,145	\$ 1,835
Township contribution	6,000	2,518
Other	35	-
	<u>12,180</u>	<u>4,353</u>
<b>Expenditures</b>		
Honorarium	5,328	2,788
Professional fees	719	1,112
	<u>6,047</u>	<u>3,900</u>
<b>Annual Surplus</b>	6,133	453
<b>Accumulated Deficit, beginning of year</b>	(10,936)	(11,389)
<b>Accumulated Deficit, end of year</b>	<u>\$ (4,803)</u>	<u>\$ (10,936)</u>

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31,	2014	2013
<b>Financial Assets</b>		
Cash	\$ 8,867	\$ 2,857
Accounts receivable	132	86
	<u>8,999</u>	<u>2,943</u>
<b>Financial Liabilities</b>		
Accounts payable	1,904	1,980
<b>Net Financial Assets</b>	<u>7,095</u>	<u>963</u>
<b>Accumulated Surplus</b>		
Reserve	11,898	11,899
<b>Accumulated deficit, end of year</b>	<u>(4,803)</u>	<u>(10,936)</u>
	<u>\$ 8,999</u>	<u>\$ 2,943</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2014**

---

**BASIS OF ACCOUNTING**

(a) Sources of financing and expenditures are reported on the accrual 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 the receipt of goods or services and the creation of a legal obligation to pay.

(b) Tangible capital assets are recorded at cost, and include all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost less residual value of all tangible capital assets are amortized on a straight-line basis over their useful lives in accordance with the rates and policies disclosed on pages 7 and 8 of this annual report.

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
PARENT/CHILD RESOURCE CENTRE  
FINANCIAL STATEMENTS  
YEAR ENDED December 31, 2014**



CALAM+ROSSI  
CHARTERED ACCOUNTANTS LLP  
LICENSED PUBLIC ACCOUNTANTS

ALEXANDER B. CALAM, CPA, CA, Partner  
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## AUDITORS' COMMENTS

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

The audited the consolidated financial statements of the Corporation of the Township of Prince as at December 31, 2014 and our report thereon dated August 11, 2015 are presented in the preceding section of this annual report. The financial statements presented hereafter were derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

Chartered Professional Accountants  
Licensed Public Accountants  
Sault Ste. Marie, Canada  
August 11, 2015

# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## PARENT/CHILD RESOURCE CENTRE STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2014 (with comparative figures for the prior year)

	2014	2013
<b>Revenue</b>		
Grants - District Social Services Board	\$ 68,260	\$ 69,959
Grants - Government of Canada	47,805	62,495
Grants - Ontario Early Years Centre	116,940	122,866
Other	7,132	3,631
	<u>240,137</u>	<u>258,951</u>
<b>Expenditures</b>		
Administration	7,580	6,351
Occupancy	7,900	4,800
Postage, stationery and office supplies	3,359	2,271
Program supplies	42,041	40,334
Wages and benefits	178,780	205,250
	<u>239,660</u>	<u>259,006</u>
<b>Annual Surplus (Deficit)</b>	<u>\$ 477</u>	<u>\$ (55)</u>

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31,	2014	2013
<b>Assets</b>		
Cash	\$ 9,927	\$ 13,634
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable	\$ 3,675	\$ 7,442
Due to township	6,653	7,070
	<u>10,328</u>	<u>14,512</u>
<b>Accumulated Surplus (Deficit)</b>		
Deficit, beginning of year	(878)	(823)
<b>Annual surplus (deficit)</b>	<u>477</u>	<u>(55)</u>
<b>Accumulated Deficit, end of year</b>	<u>(401)</u>	<u>(878)</u>
	<u>\$ 9,927</u>	<u>\$ 13,634</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2014**

---

**BASIS OF ACCOUNTING**

(a) Sources of financing and expenditures are reported on the accrual 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 the receipt of goods or services and the creation of a legal obligation to pay.



**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
TRUST FUNDS  
FINANCIAL STATEMENTS  
YEAR ENDED December 31, 2014**



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## INDEPENDENT AUDITORS' REPORT

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

### Report on the financial statements

We have audited the accompanying statements of the **Corporation of the Township of Prince's** Trust Funds, which comprise of the statement of financial position as at December 31, 2014, and the statement of Trust Continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibilities 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 as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the statement of financial position of the Corporation's Trust Funds as at December 31, 2014, and the statement of Trust Continuity for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants  
Licensed Public Accountants  
Sault Ste. Marie, Canada  
August 11, 2015

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
STATEMENT OF FINANCIAL POSITION  
TRUST FUNDS**

**AS AT DECEMBER 31, 2014**

	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
Cash	\$ 6,544	\$ 5,772
Term deposit	43,281	42,414
	<b>\$ 49,825</b>	<b>\$ 48,186</b>
<b>LIABILITIES</b>		
Due to Township	\$ 152	\$ 152
Fund balance		
To be used to offset user charges	49,673	48,034
<b>FUND BALANCE</b>	<b>\$ 49,825</b>	<b>\$ 48,186</b>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
STATEMENT OF TRUST CONTINUITY**

**YEAR ENDED DECEMBER 31, 2014** (with comparative figures for the prior year)

	<b>2014</b>	<b>2013</b>
<b>Balance, beginning of year</b>	\$ 48,034	\$ 44,884
<b>Revenue</b>		
Sale of Plots	1,050	2,750
Monument charge	100	100
Investment income	22	22
	<u>1,172</u>	<u>2,872</u>
Interest earned on care and maintenance fund	870	913
	<u>2,042</u>	<u>3,785</u>
<b>EXPENDITURES</b>		
Interest transfer	(403)	(635)
<b>Balance, end of year</b>	<u>\$ 49,673</u>	<u>\$ 48,034</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2014**

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**BASIS OF ACCOUNTING**

(a) Sources of financing and expenditures are reported on the accrual 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 the receipt of goods or services and the creation of a legal obligation to pay.