

**THE CORPORATION OF THE
TOWNSHIP OF PRINCE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED December 31, 2013**

THE CORPORATION OF THE TOWNSHIP OF PRINCE
FINANCIAL STATEMENTS
YEAR ENDED December 31, 2013

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INDEPENDENT AUDITORS' REPORT

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, 2013, 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, 2013, 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 Accountants LLP
Licensed Public Accountants
Sault Ste. Marie, Canada
October 14, 2014

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

AS AT DECEMBER 31,	2013	2012
FINANCIAL ASSETS		
Cash and temporary investments (Restricted \$70,550)	\$ 1,013,941	\$ 693,764
Taxes receivable	144,369	143,793
Accounts receivable	58,759	79,595
Other assets	1,340	2,005
	<u>1,218,409</u>	<u>919,157</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	\$ 115,011	\$ 81,381
Deferred revenue (note 7)	209,438	151,835
Employee benefit obligation (note 4)	5,216	5,216
	<u>329,665</u>	<u>238,432</u>
NET FINANCIAL ASSETS	<u>888,744</u>	<u>680,725</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets (note 9)	<u>1,530,454</u>	<u>1,422,225</u>
Commitment (note 8)		
ACCUMULATED SURPLUS	<u>\$ 2,419,198</u>	<u>\$ 2,102,950</u>

APPROVED ON BEHALF OF COUNCIL:

_____ Reeve

_____ CAO/Clerk-Treasurer

THE CORPORATION OF THE TOWNSHIP OF PRINCE
CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, (with comparative figures for the prior year)	Budget (Unaudited) 2013	Actual 2013	Actual 2012
Revenues			
Taxation, net	\$ 981,064	\$ 961,685	\$ 947,479
Province of Ontario	718,028	652,176	638,364
Government of Canada grants	59,570	101,686	117,061
User charges	17,950	40,055	42,706
Licenses, permits and rents	39,300	32,718	23,445
Penalties and interest on taxes	15,000	24,475	21,163
Investment income	500	9,190	493
Donations and other	43,950	101,064	33,507
Other municipalities	2,330	7,518	2,331
Total revenues	1,877,692	1,930,567	1,826,549
Expenditures			
General government	374,626	356,240	336,257
Protection to persons and property	236,616	202,858	193,485
Transportation services	147,100	244,855	181,462
Environmental services	52,500	57,744	47,541
Health services	34,132	70,536	62,003
Social and family services	422,152	398,180	401,410
Social housing	162,632	162,631	138,334
Recreation and cultural services	85,075	111,844	103,060
Planning and development	23,000	9,431	1,247
Total	1,537,833	1,614,319	1,464,799
Annual Surplus	339,859	316,248	361,750
Accumulated Surplus, beginning of year	2,102,950	2,102,950	1,741,200
Accumulated Surplus, end of year	\$ 2,442,809	\$ 2,419,198	\$ 2,102,950

THE CORPORATION OF THE TOWNSHIP OF PRINCE

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)

YEAR ENDED DECEMBER 31,	Budget (Unaudited)		
	2013	2013	2012
Annual Surplus	\$ 339,859	\$ 316,248	\$ 361,750
Acquisition of Tangible Capital Assets	(128,450)	(169,276)	(122,458)
Amortization of Tangible Capital Assets	-	61,047	57,895
	211,409	(108,229)	(64,563)
	-		
Change in Net Financial Assets	211,409	208,019	297,187
Net Financial Assets (Net Debt), Beginning of Year	680,725	680,725	383,538
Net Financial Assets (Net Debt), End of Year	892,134	\$ 888,744	\$ 680,725

THE CORPORATION OF THE TOWNSHIP OF PRINCE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31,	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual Surplus	\$ 316,248	\$ 361,750
Amortization of capital assets	61,047	57,895
Uses and Sources:		
Increase in taxes receivable	(576)	(7,298)
Decrease (increase) in other assets	665	(475)
Increase (decrease) in accounts payable and accrued liabilities	33,630	(31,508)
Decrease in accounts receivable	20,836	499,179
Increase in deferred revenue	57,603	10,175
	112,158	470,073
Net increase in cash from operating activities	489,453	889,718
CASH FLOWS FROM FINANCING AND CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(169,276)	(122,458)
Net increase in cash and equivalents	320,177	767,260
Cash and cash equivalents, beginning of year	693,764	(73,496)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,013,941	\$ 693,764

THE CORPORATION OF THE TOWNSHIP OF PRINCE

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2013

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, 2013

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>
Non Linear assets	
Land improvements	20-25
Buildings and building components	20-40
Vehicles	4-20
Machinery and equipment	3-20
Linear assets	
- 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, 2013

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, 2013

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, 2013

1. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2013	2012
Algoma Health Unit	\$ 29,432	\$ 27,445
Sault Ste. Marie District Social Services Administration Board	277,758	250,331
	\$ 307,190	\$ 277,776

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 2013, the Municipality collected and transferred property taxes in the amount of \$263,441 (2012 - \$259,604).

3. TRUST FUNDS

Trust funds administrated by the Township amounting to \$ 48,186 (2012 - \$ 45,036) 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 \$25,751 (2012 - \$22,664) 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, 2013 is \$5,216 (2012 - \$5,216).

THE CORPORATION OF THE TOWNSHIP OF PRINCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

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.

	Revenues 2013	Expenditures 2013
Council, Library Board, Museum Board, and Parent/Child Resource Centre - approved budgets		
Operating fund	\$ 1,877,692	\$ 1,537,833
Reserves and Reserve funds	<u>-</u>	<u>215,967</u>
	1,877,692	1,753,800
Capital Budget	<u>-</u>	<u>128,450</u>
Total Approved by Council, Boards and Resource Centre	1,877,692	1,882,250
Less Reserves and Reserve funds	-	(215,967)
Less Tangible Capital Assets Capitalized	-	(128,450)
Plus: Budgeted amortization expense	<u>NIL</u>	<u>NIL</u>
Budget per Consolidated Statement of Operations	<u>\$ 1,877,692</u>	<u>\$ 1,537,833</u>

6. ACCUMULATED SURPLUS

The total accumulated surplus of individual fund surplus and reserves and reserve funds of \$ 2,419,198 (2012 - \$ 2,101,548) respectively are made up of the following:

	2013	2012
Surplus		
Invested in Tangible Capital Assets	\$ 1,530,454	\$ 1,422,225
- Library	6,724	5,895
- Museum	(10,936)	(11,389)
- Parent Child Resource Centre	(878)	(826)
	<u>1,525,364</u>	<u>1,415,905</u>
Reserves set aside for specific purposes by Council		
- Working capital	438,485	436,262
- Other	125,654	21,686
- Museum restoration	11,899	11,899
- Recreation, current purposes	1,397	1,397
- Roads	186,874	86,874
- Fire	32,000	30,000
- Parks	30,000	30,000
	<u>826,309</u>	<u>618,118</u>
Reserve funds set aside for specific purpose by Council		
- Parks	41,631	41,631
- Fire	25,894	25,894
	<u>67,525</u>	<u>67,525</u>
Accumulated Surplus	<u>\$ 2,419,198</u>	<u>\$ 2,101,548</u>

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

DECEMBER 31, 2013

7. DEFERRED REVENUE

	2013	2012
Other deferred revenue	\$ 34,486	\$ 14,604
Parks - Obligatory	10,206	8,050
Federal Gas Tax - Obligatory	164,746	129,181
	\$ 209,438	\$ 151,835

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

	2013	2012
Balance, beginning of year:	\$ 151,835	\$ 141,660
Contributions	56,963	18,370
Interest	640	-
	209,438	160,030
Contributions used	-	8,195
Balance, end of year	\$ 209,438	\$ 151,835

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:

2014	\$143,249
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, 2013

9. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS

	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
General Capital Assets										
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
Infrastructure Assets										
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, 2013

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

	Cost				Accumulated Amortization				2012	2011
	2012 Opening Balance	Additions and Betterments	Disposals/ Transfers	2012 Closing Balance	2012 Opening Balance	2012 Amortization Expense	Disposals/ Transfers	2012 Ending Balance	Net Book Value	Net Book Value
General Capital Assets										
Land	\$ 114,491	\$ -	\$ -	\$ 114,491	\$ -	\$ -	\$ -	\$ -	\$ 114,491	\$ 114,491
Buildings	179,679	-	(384)	179,295	64,879	4,550	-	69,429	109,866	114,800
Equipment and machinery	124,516	7,795	-	132,311	11,941	12,302	-	24,243	108,068	112,575
Technology equipment	7,626	-	-	7,626	6,575	751	-	7,326	300	1,051
Furniture and fixtures	8,397	4,017	-	12,414	1,399	939	-	2,338	10,076	6,998
Assets Work-in-process	-	1,052	-	1,052	-	-	-	-	1,052	-
	434,709	12,864	(384)	447,189	84,794	18,542	-	103,336	343,853	349,915
Infrastructure Assets										
Buildings	24,634	-	-	24,634	4,311	1,232	-	5,543	19,091	20,323
Vehicles and machinery	84,291	-	-	84,291	17,014	7,981	-	24,995	59,296	67,277
Linear	2,122,032	55,083	-	2,177,115	1,201,885	30,140	-	1,232,025	945,090	920,147
Assets Work-in-process	-	54,895	-	54,895	-	-	-	-	54,895	-
	2,230,957	109,978	-	2,340,935	1,223,210	39,353	-	1,262,563	1,078,372	1,007,747
	\$ 2,665,666	\$ 122,842	\$ (384)	\$ 2,788,124	\$ 1,308,004	\$ 57,895	\$ -	\$ 1,365,899	\$ 1,422,225	\$ 1,357,662

THE CORPORATION OF THE TOWNSHIP OF PRINCE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

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, 2013

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, 2013

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

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Total
Revenues								
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
Expenditures								
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
Annual Surplus (deficit)								
	\$ (24,205)	\$ 138,405	\$ (101,369)	\$ (14,471)	\$ 313,183	\$ (1,276)	\$ 5,981	\$ 316,248

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

DECEMBER 31, 2013

10. SEGMENTED INFORMATION - SERVICE BUNDLE - 2012 (CONT'D)

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Total
Revenues								
Taxation (net)	\$ 217,920	\$ 132,647	\$ 113,697	\$ 28,424	\$ 378,992	\$ 66,324	\$ 9,475	\$ 947,479
Government transfers and grants	33,746	118,390	49,251	-	544,276	9,162	600	755,425
User Charges	5,731	-	-	17,896	1,500	13,779	3,800	42,706
Other	39,640	9,413	3,334	635	8,465	19,239	213	80,939
	297,037	260,450	166,282	46,955	933,233	108,504	14,088	1,826,549
Expenditures								
Salaries, wages and benefits	187,839	6,697	59,921	2,957	197,262	10,934	-	465,610
Materials and Contracts	148,418	182,709	84,424	44,584	404,485	75,427	1,247	941,294
Amortization	-	4,079	37,117	-	-	16,699	-	57,895
	336,257	193,485	181,462	47,541	601,747	103,060	1,247	1,464,799
Annual								
Surplus (deficit)	\$ (39,220)	\$ 66,965	\$ (15,180)	\$ (586)	\$ 331,486	\$ 5,444	\$ 12,841	\$ 361,750

**THE CORPORATION OF THE TOWNSHIP OF PRINCE
LIBRARY BOARD
FINANCIAL STATEMENTS
YEAR ENDED December 31, 2013**



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AUDITORS' COMMENTS

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, 2013 and our report thereon dated October 14, 2014 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 Accountants LLP

Licensed Public Accountants
Sault Ste. Marie, Canada
October 14, 2014

THE CORPORATION OF THE TOWNSHIP OF PRINCE

PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013 (with comparative figures for the prior year)

	2013	2012
Revenue		
Grants - Province	\$ 2,069	\$ 2,069
Township contribution	4,000	3,602
Calendar	6,651	5,107
Other	716	3,254
	13,436	14,032
Expenditures		
Books	4,397	5,167
Fund raising	2,213	2,146
Honorarium	3,277	3,380
Office supplies and equipment and improvements	1,180	1,545
Amortization	1,540	1,690
	12,607	13,928
Annual Surplus	829	104
Accumulated Surplus (deficit), beginning of year	5,895	5,791
Accumulated Surplus, end of year	\$ 6,724	\$ 5,895

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31,	2013	2012
Financial Assets		
Cash	\$ 15,373	\$ 12,531
Accounts receivable	2,069	2,093
	17,442	14,624
Financial Liabilities		
Accounts payable	7,758	7,310
Deferred revenue	11,795	11,795
	19,553	19,105
Net Financial Assets (Net Debt)	(2,111)	(4,481)
Non-Financial Assets		
Tangible capital Assets (note 9 - page 13)	8,835	10,376
Accumulated Surplus (Deficit)		
Surplus (deficit)	(2,111)	(4,481)
Investment in tangible capital assets	8,835	10,376
Accumulated Surplus (Deficit), end of year	\$ 6,724	\$ 5,895

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

DECEMBER 31, 2013

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, 2013**



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LICENSED PUBLIC ACCOUNTANTS

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AUDITORS' COMMENTS

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, 2013 and our report thereon dated October 14, 2014 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 Accountants LLP

Licensed Public Accountants
Sault Ste. Marie, Canada
October 14, 2014

THE CORPORATION OF THE TOWNSHIP OF PRINCE

MUSEUM BOARD STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013 (with comparative figures for the prior year)

	2013	2012
Revenue		
Grants - Province	\$ 1,835	\$ 2,730
Township contribution	2,518	1,000
Other	-	29
	4,353	3,759
Expenditures		
Honorarium	2,788	2,749
Professional fees	1,112	1,077
	3,900	3,826
Annual Surplus (deficit)	453	(67)
Accumulated Deficit, beginning of year	(11,389)	(11,322)
Accumulated Deficit, end of year	\$ (10,936)	\$ (11,389)

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31,	2013	2012
Financial Assets		
Cash	\$ 2,857	\$ 2,304
Accounts receivable	86	86
	2,943	2,390
Financial Liabilities		
Accounts payable	1,980	1,880
Net Financial Assets	963	510
Accumulated Surplus		
Reserve	11,899	11,899
Accumulated deficit, end of year	(10,936)	(11,389)
	\$ 2,943	\$ 2,390

THE CORPORATION OF THE TOWNSHIP OF PRINCE

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2013

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, 2013**



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AUDITORS' COMMENTS

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, 2013 and our report thereon dated October 14, 2014 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 Accountants LLP

Licensed Public Accountants
Sault Ste. Marie, Canada
October 14, 2014

THE CORPORATION OF THE TOWNSHIP OF PRINCE

PARENT/CHILD RESOURCE CENTRE STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013 (with comparative figures for the prior year)

	2013	2012
Revenue		
Grants - District Social Services Board	\$ 69,959	\$ 73,254
Grants - Government of Canada	62,495	64,535
Grants - Ontario Early Years Centre	122,866	119,678
Other	3,631	10,867
	<u>258,951</u>	<u>268,334</u>
Expenditures		
Administration	6,351	7,890
Occupancy	4,800	7,100
Postage, stationary and office supplies	2,271	945
Program supplies	40,334	54,826
Wages and benefits	205,250	197,262
	<u>259,006</u>	<u>268,023</u>
Annual Surplus (Deficit)	<u>\$ (55)</u>	<u>\$ 311</u>

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31,	2013	2012
Assets		
Cash	\$ 13,634	\$ 14,635
Liabilities		
Current		
Accounts payable	\$ 7,442	\$ 3,677
Due to township	7,070	11,784
	<u>14,512</u>	<u>15,461</u>
Accumulated Surplus (Deficit)		
Deficit, beginning of year	(823)	(1,137)
Annual surplus (deficit)	<u>(55)</u>	<u>311</u>
Accumulated Deficit, end of year	<u>(878)</u>	<u>(826)</u>
	<u>\$ 13,634</u>	<u>\$ 14,635</u>

THE CORPORATION OF THE TOWNSHIP OF PRINCE

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2013

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, 2013**



ALEXANDER B. CALAM, CPA, CA, Partner
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INDEPENDENT AUDITORS' REPORT

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, 2013, 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, 2013, and the statement of Trust Continuity for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants LLP
Licensed Public Accountants
Sault Ste. Marie, Canada
October 14, 2014

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

AS AT DECEMBER 31, 2013

	2013		2012	
ASSETS				
Cash	\$	5,772	\$	3,536
Term deposit		42,414		41,500
	\$	48,186	\$	45,036
LIABILITIES				
Due to Township	\$	152	\$	152
Fund balance				
To be used to offset user charges		48,034		44,884
FUND BALANCE	\$	48,186	\$	45,036

THE CORPORATION OF THE TOWNSHIP OF PRINCE
STATEMENT OF TRUST CONTINUITY

YEAR ENDED DECEMBER 31, 2013 (with comparative figures for the prior year)

	2013	2012
Balance, beginning of year	\$ 44,884	\$ 41,097
Revenue		
Sale of Plots	2,750	3,065
Monument charge	100	700
Investment income	22	22
	2,872	3,787
Interest earned on care and maintenance fund	913	-
	3,785	3,787
EXPENDITURES		
Interest transfer	(635)	-
Balance, end of year	\$ 48,034	\$ 44,884

THE CORPORATION OF THE TOWNSHIP OF PRINCE

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2013

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.