

Village of Hilton Beach
Consolidated Financial Statements
For the year ended December 31, 2013

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For the year ended December 31, 2013

Contents

Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3
Consolidated Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Financial Assets (Debt)	6
Statement of Cash Flows	7
Summary of Significant Accounting Policies	8
Notes to Financial Statements	10
Schedule 1 - Tangible Capital Assets	15
Schedule 2 - Segment Disclosure	17
<i>Hilton Union Fire Department</i>	
Independent Auditor's Comments	20
Financial Information	
Statement of Financial Position	21
Statement of Operations	22
Statement of Continuity - Reserves	23

Village of Hilton Beach Management's Responsibility for Financial Reporting

December 31, 2013

The accompanying consolidated financial statements of the Village of Hilton Beach and all the information in this annual report are the responsibility of management and have been approved by the CAO/Clerk and Treasurer on behalf of Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.


The municipality maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the municipality's assets are appropriately accounted for and adequately safeguarded.

The municipal Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers and inhabitants of the municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the municipality's consolidated financial statements.



Mayor



Clerk-Treasurer



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the
Village of Hilton Beach

We have audited the accompanying consolidated financial statements of the Village of Hilton Beach, which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of operations, changes in net financial assets (debt) 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 consolidated 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 consolidated 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 consolidated financial position of the Village of Hilton Beach as at December 31, 2013 and the consolidated results of its operations, changes in its net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

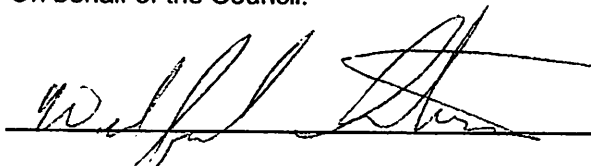
Chartered Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
October 8, 2014


Village of Hilton Beach

Consolidated Statement of Financial Position

December 31	2013	2012
Financial assets		
Bank	\$ 62,048	\$ -
Short term investment (Note 2)	3,081	3,047
Taxes receivable	45,984	33,088
Accounts receivable	57,205	242,611
Note receivable (Note 3)	14,140	20,140
Inventories held for resale	7,849	5,902
	<u>190,307</u>	<u>304,788</u>
Liabilities		
Bank indebtedness	-	124,091
Accounts payable and accrued liabilities	76,986	134,754
Solid waste landfill and post-closure costs (Note 4)	454	444
Deferred revenue - general (Note 5)	359	-
Deferred revenue - obligatory reserve funds (Note 5)	-	8,123
Long term liabilities (Note 6)	556,289	282,556
	<u>634,088</u>	<u>549,968</u>
Net financial debt	(443,781)	(245,180)
Non-financial assets		
Tangible capital assets (Schedule 1)	8,509,238	8,479,268
Accumulated surplus (Note 7)	\$ 8,065,457	\$ 8,234,088

On behalf of the Council:

 Mayor

 Clerk-Treasurer

Village of Hilton Beach

Consolidated Statement of Operations

For the year ended December 31	Budget	2013	2012
Revenue			
Taxation (Note 1)	\$ 330,114	\$ 334,409	\$ 314,684
Government grants - Provincial	157,800	185,605	155,708
Government grants - Federal	-	20,868	21,994
Other municipalities	21,691	28,831	27,377
User fees and service charges	402,059	377,741	347,620
Licences, permits and rents	19,108	21,340	31,413
Penalties and interest on taxes	9,000	8,048	6,938
Investment income	-	-	1,537
Other	-	2,961	3,241
	939,772	979,803	910,512
Expenses			
General government	256,008	243,427	213,577
Protection services	57,447	44,604	38,402
Transportation services	23,304	44,053	22,497
Environmental services	270,152	267,209	264,908
Health services	33,358	33,358	31,362
Social and family services	44,660	44,660	49,316
Recreation and cultural services	139,055	199,335	185,708
Planning and development	287,836	271,788	275,379
	1,111,820	1,148,434	1,081,149
Annual deficit	(172,048)	(168,631)	(170,637)
Accumulated surplus, beginning of year	8,234,088	8,234,088	8,404,725
Accumulated surplus, end of year	\$ 8,062,040	\$ 8,065,457	\$ 8,234,088

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Village of Hilton Beach
Consolidated Statement of Changes in Net Financial Assets (Debt)

<u>For the year ended December 31</u>	<u>Budget</u>	<u>2013</u>	<u>2012</u>
Annual deficit	\$ (172,048)	\$ (168,631)	\$ (170,637)
Acquisition of tangible capital assets	-	(261,913)	(79,402)
Amortization of tangible capital assets	-	231,943	239,119
Net change in net debt	(172,048)	(198,601)	(10,920)
Net debt, beginning of year	(245,180)	(245,180)	(234,260)
Net debt, end of year	\$ (417,228)	\$ (443,781)	\$ (245,180)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Village of Hilton Beach

Consolidated Statement of Cash Flows

For the year ended December 31	2013	2012
Operating transactions		
Annual deficit	\$ (168,631)	\$ (170,637)
Items not involving cash		
Amortization	231,943	239,119
Unfunded landfill site costs	10	10
	<u>63,322</u>	<u>68,492</u>
Changes in non-cash operating balances		
Short term investment	(34)	(47)
Taxes receivable	(12,896)	18,965
Accounts receivable	185,406	(134,413)
Other financial assets	6,000	6,000
Prepaid expenses	(1,947)	4,489
Accounts payable and accrued liabilities	(57,768)	60,209
Obligatory reserve and deferred revenue	(7,764)	(529)
	<u>174,319</u>	<u>23,166</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(261,913)</u>	<u>(79,402)</u>
Financing activities		
Net change in bank indebtedness	(124,091)	103,503
Inception of long term liabilities	321,000	-
Payment of long term liabilities	<u>(47,267)</u>	<u>(47,267)</u>
	<u>149,642</u>	<u>56,236</u>
Net change in cash	62,048	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	\$ 62,048	\$ -

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Village of Hilton Beach

Consolidated Summary of Significant Accounting Policies

December 31, 2013

Management Responsibility For Financial Statements The consolidated financial statements of the municipality 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 Canadian Institute of Chartered Accountants.

Basis of Consolidation These consolidated financial statements reflect the assets, liabilities, sources of financing and expenses of all municipal organizations, committees and boards which are owned or controlled by the municipality. These financial statements include the Hilton Union Public Library. All inter-fund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the Village and the resulting interest income and expenditures.

Under PSAB standards, the Village reports only its share of assets, liabilities and results of operations of any government partnerships in which it participates. The Village participates in the Hilton Union Fire Board, an entity created to provide fire protection for two neighbouring municipalities.

Cash and Cash Equivalents Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	15 to 100 years
Buildings	15 to 75 years
Machinery, equipment and furnishings	10 to 75 years
Vehicles	15 to 25 years
Roads	25 to 50 years
Water and sewer mains	75 years
Marina dockage	15 to 25 years
Library collection	10 years

Works of art and historical treasures are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

Village of Hilton Beach

Consolidated Summary of Significant Accounting Policies

December 31, 2013

Collection of Taxes on Behalf of Other Taxation Authorities	The village collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these consolidated financial statements.
Retirement Benefits	The municipality provides pension benefits to specified employees through the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan. The municipality's contributions due during the period are expensed as incurred.
Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.
Government Transfers	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
Revenue Recognition	<p>Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.</p> <p>Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.</p> <p>Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p>
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 of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Village of Hilton Beach
Notes to Consolidated Financial Statements

December 31, 2013

1. Taxation

	<u>2013</u>	<u>2012</u>
Residential and multi-residential	\$ 359,354	\$ 338,807
Commercial and industrial	<u>17,854</u>	<u>21,568</u>
	377,208	360,375
Deduct: amounts received or receivable for school boards	<u>(42,799)</u>	<u>(45,691)</u>
	<u>\$ 334,409</u>	<u>\$ 314,684</u>

2. Short term investment

The Hilton Union Public Library renewed a \$3,081 GIC on December 30, 2013 with a term of one year and subject to an interest rate of 0.9%.

3. Note receivable

On August 1, 2007, the Village of Hilton Beach issued an interest free \$50,140 note receivable related to the sale of a property. Repayment by 8 annual payments of \$6,000 are due on the first day of August commencing August 1, 2008 and continuing until August 1, 2015, followed by a one-time payment of the remaining balance on August 1, 2016. Any payments not paid on its due date will incur interest of 10% per annum on the balance of the outstanding principal, and any payments will forthwith become due and payable at the option of the Village of Hilton Beach.

The balance receivable at December 31, 2013 is \$14,140.

4. Landfill closure and post-closure liability

The liability for site restoration and abandonment of the Village is based on the Village's proportionate share of the present value of future cash flows associated with closure costs. The change in the liability is recorded based on the capacity of the landfill site used to date. The landfill is expected to reach its capacity in 2102 and the estimated remaining capacity is % of the site's total capacity. The recorded liability of \$454 (2012 - \$444) is based on a total estimated outflow in the future of \$1,333 leaving an amount to be recognized in the future of \$879 (2012 - \$889).

The municipality has adopted a policy of progressive closure which reduces final costs.

5. Deferred revenue - obligatory reserve funds

	<u>2013</u>	<u>2012</u>
Obligatory reserve funds - Federal Gas Tax	\$ -	\$ 8,123
Deferred Grant Revenue - Library	<u>359</u>	<u>-</u>
	<u>\$ 359</u>	<u>\$ 8,123</u>

Village of Hilton Beach
Notes to Consolidated Financial Statements

December 31, 2013

6. Long term liabilities

	<u>2013</u>	<u>2012</u>
Marina, with payments of \$20,500 yearly, due December 28, 2017	\$ 82,000	\$ 102,500
Marina and Waterfront Centre, with payments of \$16,900 yearly, due October 27, 2021	135,200	152,100
Water and Sewer, with payments of \$9,864 yearly, due October 30, 2015	18,089	27,956
Solar project, with payments of \$20,500 yearly, due June 30, 2024	204,000	-
Streetlights, with payments of \$16,700 yearly, due June 30, 2021	117,000	-
	<u>\$ 556,289</u>	<u>\$ 282,556</u>

The rates on all of the Village's loans outlined above are prime, except for the Water and Sewer loan which is prime plus 1.5%. Interest expense on net long term liabilities amounted to \$14,400 (2012 - \$12,755)

Principal repayments for each of the next five years and thereafter are due as follows:

2014	-	\$ 84,464
2015	-	\$ 82,828
2016	-	\$ 74,600
2017	-	\$ 74,600
2018	-	\$ 54,100
2019 and thereafter	-	\$ 185,697

7. Accumulated surplus

	<u>2013</u>	<u>2012</u>
<i>Reserves set aside for specific purposes by Council</i>		
Cash flow reserves	\$ 7,447	\$ 7,446
Reserves for operating purposes	8,855	8,855
Reserves for capital purposes	49,465	45,986
	<u>65,767</u>	<u>62,287</u>
Total reserves	65,767	62,287
Equity in tangible capital assets	7,952,949	8,157,316
Operating surplus (deficit)	68,696	59,166
<i>Amounts to be recovered from future revenues:</i>		
Unfunded landfill liabilities	(454)	(444)
Unfunded capital expenditures	(21,501)	(44,237)
	<u>\$ 8,065,457</u>	<u>\$ 8,234,088</u>

Village of Hilton Beach

Notes to Consolidated Financial Statements

December 31, 2013

8. Employee benefits plans liabilities

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

The municipality's contributions to OMERS equal those made by the employees. During the year, the municipality contributed \$10,963 (2012 - \$9,219) to the plan. As this is a multi-employer pension plan, these contributions are the municipality's pension benefit expense. Contribution amounts are determined by OMERS which adjusts rates to reflect actuarial requirements. Any surplus or deficit of the pension plan is not included in the municipality's financial statements.

9. Public Sector Salary Disclosure Act

For 2013, no employees were paid salaries, as defined in the Public Sector Salary Disclosure Act, 1996 of \$100,000 or more.

10. Commitments

The Village is currently under contract to complete two major projects in 2014. The Village is committed to \$37,325 in additional work related to the construction of street lights and is also committed to approximately \$55,000 of additional work related to Solar Panel installation in 2014.

11 Comparative figures

Comparative figures have been restated where necessary to conform to the presentation adopted for the current year.

12. Budget

The Financial Plan (Budget) By-Law adopted by Council on July 1, 2013 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net debt represent the Financial Plan adopted by Council on July 1, 2013 with adjustments as follows:

	<u>2013</u>
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	3,500
Debt principal payments	64,400
Less:	
Net inter-fund transfers from reserves	(8,005)
Amortization	<u>(231,943)</u>
Budget surplus (deficit) per statement of operations	\$ <u>(172,048)</u>

Village of Hilton Beach

Notes to Consolidated Financial Statements

December 31, 2013

13. Segmented information

The municipality is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal 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.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

Protection

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

Transportation

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems and winter control.

Environmental

The environmental department consist of two distinct utilities - water and solid waste disposal. The department provides drinking water to ratepayers and purchases services for garbage disposal, hazardous waste, and recycling.

Health

Through the Algoma Public Health Unit, the municipality contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services.

Social and family

Through the Algoma District Services Administration Board, the municipality contributes to social assistance payments, child care services and social housing.

Recreation and cultural

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, fitness, marina, and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information and cultural needs of the municipality's citizens through the contribution to the local library and museum.

Village of Hilton Beach
Notes to Consolidated Financial Statements

December 31, 2013

13. Segmented information *(continued)*

Planning

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2 - Consolidated Schedule of Segment Disclosure.

Village of Hilton Beach
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended December 31, 2013

	Land	Land Improvements	Buildings	Equipment, Machinery, and Furnishings	Vehicles	Roads, Water and Sewer Infrastructure	Marina Infrastructure	Library Collection	Total
Cost, beginning of year	\$ 331,196	\$ 369,313	\$ 2,750,878	\$ 2,195,806	\$ 50,677	\$ 2,895,277	\$ 3,310,484	\$ 81,196	\$ 11,984,827
Additions	-	-	-	143,913	-	59,578	54,053	4,369	261,913
Cost, end of year	331,196	369,313	2,750,878	2,339,719	50,677	2,954,855	3,364,537	85,565	12,246,740
Accumulated amortization, beginning of year	-	283,476	669,554	822,696	32,030	668,911	982,830	46,062	3,505,559
Amortization	-	51,084	46,193	56,644	1,832	40,711	28,210	7,269	231,943
Accumulated amortization, end of year	-	334,560	715,747	879,340	33,862	709,622	1,011,040	53,331	3,737,502
Net carrying amount, end of year	\$ 331,196	\$ 34,753	\$ 2,035,131	\$ 1,460,379	\$ 16,815	\$ 2,245,233	\$ 2,353,497	\$ 32,234	\$ 8,509,238

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Village of Hilton Beach
Schedule 1 - Consolidated Tangible Capital Assets (Continued)

For the year ended December 31, 2012 (comparative figures)

	Land	Land Improvements	Buildings	Equipment, Machinery, and Furnishings	Vehicles	Roads, Water, and Sewer Infrastructure	Marina Infrastructure	Library Collection	Total
Cost, beginning of year	\$ 331,196	\$ 357,049	\$ 2,750,878	\$ 2,170,237	\$ 50,677	\$ 2,872,009	\$ 3,296,055	\$ 77,324	\$ 11,905,425
Additions	-	12,264	-	25,569	-	23,268	14,429	3,872	79,402
Cost, end of year	331,196	369,313	2,750,878	2,195,806	50,677	2,895,277	3,310,484	81,196	11,984,827
Accumulated amortization, beginning of year	-	232,512	623,358	766,370	27,616	628,324	949,685	38,575	3,266,440
Amortization	-	50,964	46,196	56,326	4,414	40,587	33,145	7,487	239,119
Accumulated amortization, end of year	-	283,476	669,554	822,696	32,030	668,911	982,830	46,062	3,505,559
Net carrying amount, end of year	\$ 331,196	\$ 85,837	\$ 2,081,324	\$ 1,373,110	\$ 18,647	\$ 2,226,366	\$ 2,327,654	\$ 35,134	\$ 8,479,268

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Village of Hilton Beach
Schedule 2 - Consolidated Segment Disclosure

For the year ended December 31, 2013

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning and Development	Consolidated Total
Revenue									
Taxation	\$ 183,419	\$ 40,963	\$ 3,706	\$ 25,343	\$ 25,517	\$ 34,162	\$ 10,194	\$ 11,105	\$ 334,409
Government grants - Provincial	73,388	16,390	1,483	10,140	10,210	13,669	30,259	30,066	185,605
Government grants - Federal	-	-	18,675	-	-	-	2,193	-	20,868
Other municipalities	-	1,057	-	20,272	-	-	7,502	-	28,831
User fees and service charges	-	-	-	125,782	-	-	36,734	215,225	377,741
Licences, permits and rents	1,158	-	-	10,116	-	-	10,066	-	21,340
Penalties and interest on taxes	8,048	-	-	-	-	-	-	-	8,048
Other	1,180	-	-	1,781	-	-	-	-	2,961
	267,193	58,410	23,864	193,434	35,727	47,831	96,948	256,396	979,803
Expenses									
Salaries and benefits	128,689	4,872	7,518	8,015	-	-	39,023	42,880	230,997
Materials and supplies	57,659	14,378	29,948	150,709	-	-	109,039	127,475	489,208
Contracted services	40,005	22,515	840	18,414	-	-	7,235	4,301	93,310
Rents and financial	7,733	-	1,962	-	-	-	-	15,263	24,958
External transfers and other	-	-	-	-	33,358	44,660	-	-	78,018
Amortization	9,341	2,839	3,785	90,071	-	-	44,038	81,869	231,943
	243,427	44,604	44,053	267,209	33,358	44,660	199,335	271,788	1,148,434
Net surplus	\$ 23,766	\$ 13,806	\$ (20,189)	\$ (73,775)	\$ 2,369	\$ 3,171	\$ (102,387)	\$ (15,392)	\$ (168,631)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Village of Hilton Beach
Schedule 2 - Consolidated Segment Disclosure (Continued)

For the year ended December 31, 2012 (comparative figures)

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 134,884	\$ 28,680	\$ 33,276	\$ 7,882	\$ 20,327	\$ 31,915	\$ 25,878	\$ 31,842	\$ 314,684
Government grants - Provincial	57,351	12,193	14,148	16,707	8,643	13,570	19,558	13,538	155,708
Government grants - Federal	-	-	11,082	-	-	-	10,912	-	21,994
Other municipalities	-	328	-	16,840	-	-	10,209	-	27,377
User fees and service charges	-	-	-	120,833	-	-	23,490	203,297	347,620
Licences, permits and rents	2,420	-	-	19,777	-	-	9,216	-	31,413
Penalties and interest on taxes	6,938	-	-	-	-	-	-	-	6,938
Investment income	1,000	537	-	-	-	-	-	-	1,537
Other	453	1,274	-	1,514	-	-	-	-	3,241
	203,046	43,012	58,506	183,553	28,970	45,485	99,263	248,677	910,512
Expenses									
Salaries and benefits	104,384	4,362	1,396	10,419	-	-	45,434	39,599	205,594
Materials and supplies	52,220	10,521	16,767	151,153	-	-	87,295	129,350	447,306
Contracted services	39,302	18,098	638	13,298	-	-	10,310	4,705	86,351
Rents and financial	6,803	-	-	-	-	-	-	15,298	22,101
External transfers and other	-	-	-	-	31,362	49,316	-	-	80,678
Amortization	10,868	5,421	3,696	90,038	-	-	42,669	86,427	239,119
	213,577	38,402	22,497	264,908	31,362	49,316	185,708	275,379	1,081,149
Net surplus (deficit)	\$ (10,531)	\$ 4,610	\$ 36,009	\$ (81,355)	\$ (2,392)	\$ (3,831)	\$ (86,445)	\$ (26,702)	\$ (170,637)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Hilton Union Fire Department
Financial Statements
For the year ended December 31, 2013



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Independent Auditor's Comments

**To the Board Members, Members of Council, Inhabitants and Ratepayers
of the Participating Municipalities as listed in the Note to Financial Statements**

We have audited the financial statements of the Village of Hilton Beach, which comprise the statement of financial position as at December 31, 2013 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated October 8, 2014 which contained an unmodified opinion on those financial statements. The audit was performed to form an opinion on the financial statements as a whole. The supplementary statements of financial position as at December 31, 2013 and the statement of operations and continuity-reserves for Hilton Union Fire Department are presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

Restriction on Distribution and Use

The supplementary information is prepared to assist Hilton Union Fire Department to meet the financial reporting requirements of the participating municipalities. As a result, the supplementary information may not be suitable for another purpose. Our report is intended solely for the participating municipalities and should not be distributed to or used by other parties.


Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
October 8, 2014

Hilton Union Fire Department Statement of Financial Position

December 31	2013	2012
Financial assets		
Cash	\$ 15,742	\$ 15,389
Liabilities		
Accounts payable and accrued liabilities	-	-
Net financial assets	<u>15,742</u>	<u>15,389</u>
Non-financial assets		
Tangible capital assets		
	-	-
Accumulated amortization	-	-
Net tangible capital assets	-	-
Accumulated surplus	<u>\$ 15,742</u>	<u>\$ 15,389</u>
Accumulated surplus is comprised of:		
Reserves - see statement of continuity	\$ 96,236	\$ 75,883
Operating surplus or deficit	-	-
	<u>\$ 96,236</u>	<u>\$ 75,883</u>

Participating Municipalities

The municipalities participating in the Board are:

Township of Hilton
Village of Hilton Beach

Hilton Union Fire Department Statement of Operations

For the year ended December 31	Budget (Unaudited)	2013	2012
Revenue			
Grants			
- Municipal operating	\$ 57,950	\$ 57,950	\$ 50,625
Interest earned	-	-	1,073
	<u>57,950</u>	<u>57,950</u>	<u>51,698</u>
Expenses			
Amortization	6,136	-	-
Audit fees	800	-	-
Building maintenance	100	-	-
Communication expense	2,000	-	-
Compressor maintenance	500	-	-
Equipment purchases and repairs	3,000	-	-
Hydrant maintenance	1,500	-	-
Insurance	6,350	-	-
Inspections	500	-	-
Mileage	200	-	-
Miscellaneous	2,270	-	-
Mutual aid	125	-	-
Power	1,700	-	-
Prevention	200	-	-
SCBA's	3,500	-	-
Telephone	500	-	-
Training and seminars	2,500	-	-
Truck - Fuel	750	-	-
- Repairs and maintenance	2,000	-	-
Wages and benefits			
Chief and deputy	3,700	-	-
- Honorarium	3,700	-	-
- Benefits	2,055	-	-
	<u>44,086</u>	<u>-</u>	<u>-</u>
Annual surplus	13,864	57,950	51,698
Accumulated surplus, beginning of year	176,329	176,329	124,631
Accumulated surplus, end of year	\$ 190,193	\$ 234,279	\$ 176,329

Hilton Union Fire Department Statement of Continuity - Reserves

For the year ended December 31

	Equipment Fund Reserve	Working Fund Reserve	2013 Total	2012 Total
Balance, beginning of year	\$ 60,494	\$ 15,389	\$ 75,883	\$ 51,201
Revenue				
Contributions from operating fund	20,000	353	20,353	24,682
Balance, end of the year	\$ 80,494	\$ 15,742	\$ 96,236	\$ 75,883