

Town of Colonsay

SYNOPSIS OF ANNUAL FINANCIAL STATEMENT

Management's Responsibility

To the Ratepayers of the Town of Colonsay:

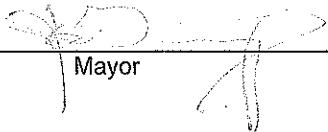
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

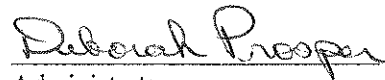
The Council is composed of elected officials who are not employees of the Municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Breen & Associates, an independent firm of Chartered Accountants, is appointed by the council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to meet periodically and separately with both the Council and administration to discuss their audit findings.

June 30, 2014



Mayor



Administrator

INDEPENDENT AUDITORS' REPORT

To the Councillors of the Town of Colonsay:

We have audited the consolidated statement of financial position of Town of Colonsay as at December 31, 2013 and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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.

Basis for Qualified Opinion

The accompanying financial statements consolidate the operations and activities of the Colonsay and District Parks and Recreation Board (Board).

Revenues include fundraising and similar activities reported by the Board, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board, and we were unable to determine whether any adjustments might have been necessary in respect of unrecorded fundraising or similar revenues, surplus for the year, or accumulated surplus.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the above Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material results, the consolidated financial position of the Town of Colonsay as at December 31, 2013 and the results of its operations, changes in net financial position and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Other Matters

In accordance with the terms of our engagement, we have not audited, nor do we express an opinion on the budget figures included in the accompanying financial statements.

Breen & Associates

Breen & Associates
Chartered Accountants

June 30, 2014

Town of Colonsay
 Consolidated Statement of Financial Position
 As at December 31, 2013

Statement 1

	2013	2012
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	280,802	261,888
Taxes Receivable - Municipal (Note 3)	63,298	43,721
Other Accounts Receivable (Note 4)	87,317	97,106
Land for Resale (Note 5)	25,103	25,103
Long-Term Investments		
Other (Specify)		
Total Financial Assets	456,520	427,818
LIABILITIES		
Bank Indebtedness		
Accounts Payable	5,395	8,074
Accrued Liabilities Payable		978
Deposits	18,280	18,425
Deferred Revenue		
Accrued Landfill Costs		
Other Liabilities		
Long-Term Debt		27,969
Lease Obligations		
Total Liabilities	23,675	55,446
NET FINANCIAL ASSETS	432,845	372,372
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	2,038,284	1,948,487
Prepayments and Deferred Charges	2,155	2,345
Stock and Supplies	5,107	4,350
Other		
Total Non-Financial Assets	2,045,546	1,955,182
Accumulated Surplus (Deficit) (Schedule 8)	2,478,391	2,327,554

Town of Colonsay
 Consolidated Statement of Operations
 As at December 31, 2013

Statement 2

	2013 Budget	2013	2012
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	496,470	497,774	515,940
Fees and Charges (Schedule 4, 5)	181,950	175,419	176,683
Conditional Grants (Schedule 4, 5)	-	13,419	3,000
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	(41,066)	-
Land Sales - Gain (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	1,550	1,947	2,394
Other Revenues (Schedule 4, 5)	300,331	240,522	300,240
Total Revenues	980,301	888,015	998,257
Expenses			
General Government Services (Schedule 3)	100,550	105,284	97,344
Protective Services (Schedule 3)	57,410	42,154	39,768
Transportation Services (Schedule 3)	141,840	168,989	224,094
Environmental and Public Health Services (Schedule 3)	34,230	31,266	23,166
Planning and Development Services (Schedule 3)	-	-	-
Recreation and Cultural Services (Schedule 3)	280,711	271,185	315,268
Utility Services (Schedule 3)	159,890	145,185	160,936
Total Expenses	774,631	764,063	860,576
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	205,670	123,952	137,681
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	26,880	26,885	28,735
Surplus (Deficit) of Revenues over Expenses	232,550	150,837	166,416
Accumulated Surplus (Deficit), Beginning of Year	2,327,554	2,327,554	2,161,138
Accumulated Surplus (Deficit), End of Year	2,560,104	2,478,391	2,327,554

Town of Colonsay

Consolidated Statement of Change in Net Financial Assets

As at December 31, 2013

Statement 3

	2013 Budget	2013	2012
Surplus (Deficit)	232,550	150,837	166,416
(Acquisition) of tangible capital assets	(203,000)	(232,487)	(270,301)
Amortization of tangible capital assets	88,390	96,374	88,169
Proceeds on disposal of tangible capital assets		5,250	
Loss (gain) on the disposal of tangible capital assets		41,066	-
Surplus (Deficit) of capital expenses over expenditures	(114,610)	(89,797)	(182,132)
(Acquisition) of supplies inventories	(2,155)	(2,155)	(4,350)
(Acquisition) of prepaid expense	(5,107)	(5,107)	(2,345)
Consumption of supplies inventory	4,350	4,350	5,240
Use of prepaid expense	2,345	2,345	25
Surplus (Deficit) of expenses of other non-financial over expenditures	(567)	(567)	(1,430)
Increase/Decrease in Net Financial Assets	117,373	60,473	(17,146)
Net Financial Assets - Beginning of Year	372,372	372,372	389,518
Net Financial Assets - End of Year	489,745	432,845	372,372

Town of Colonsay
 Consolidated Statement of Cash Flow
 As at December 31, 2013

Statement 4

	2013	2012
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	150,837	166,416
Amortization	96,374	88,169
Loss (gain) on disposal of tangible capital assets	41,066	-
	<u>288,277</u>	<u>254,585</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(19,577)	(1,704)
Other Receivables	9,789	(58,431)
Land for Resale	-	
Other Financial Assets	-	
Accounts and accrued liabilities payable	(3,657)	6,000
Deposits	(145)	60
Deferred Revenue		
Other Liabilities	-	
Stock and supplies for use	(757)	890
Prepayments and Deferred Charges	190	(2,320)
Other (specify)	-	
Net cash from (used for) operations	274,120	199,080
Capital:		
Acquisition of capital assets	(232,487)	(270,301)
Proceeds from the disposal of capital assets	5,250	-
Other capital		
Net cash from (used for) capital	(227,237)	(270,301)
Investing:		
Long-term investments		
Other investments		
Net cash from (used for) investing	-	-
Financing:		
Long-term debt issued		
Long-term debt repaid	(27,969)	(42,064)
Other financing		
Net cash from (used for) financing	(27,969)	(42,064)
Increase (Decrease) in cash resources	18,914	(113,285)
Cash and Temporary Investments - Beginning of Year	261,888	375,173
Cash and Temporary Investments - End of Year	280,802	261,888

Town of Colonsay
Schedule of Council Remuneration
As at December 31, 2013

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve/Mayor	James Gray	3,250	337	3,587
Councillor/Alderman	Jack Campbell	2,000	171	2,171
Councillor/Alderman	Scott Yausie	1,825	51	1,876
Councillor/Alderman	Amanda Brochu	1,600	51	1,651
Councillor/Alderman	Darlene Baczuk	1,725	143	1,868
Councillor/Alderman	Lonnie Burns	925		925
Councillor/Alderman	Warren Cooper	1,475	58	1,533
Total		12,800	811	13,611