

---

**ALMAGUIN HIGHLANDS AIR PARK**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

---

# ALMAGUIN HIGHLANDS AIR PARK

## CONTENTS

---

	Page
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statements of Operations and Accumulated Surplus	4
Statement of Change in Net Debt	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 9

# Independent Auditor's Report

Grant Thornton LLP  
Suite 200  
222 McIntyre Street W  
North Bay, ON  
P1B 2Y8  
T (705) 472-6500  
F (705) 472-7760  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Members of Council, Inhabitants and Ratepayers of  
the contributing municipalities of the Almaguin Highlands Air Park

We have audited the accompanying financial statements of the Almaguin Highlands Air Park which comprise the statement of financial position as at December 31, 2015 and the statements of operations and accumulated surplus, change in net 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 financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

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

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

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Almaguin Highlands Air Park as at December 31, 2015, and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

North Bay, Canada  
April 12, 2016

Chartered Professional Accountants  
Licensed Public Accountants

**ALMAGUIN HIGHLANDS AIR PARK**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2015**

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash	\$ 100	\$ 100
Accounts receivable	491	1,153
Inventory held for resale	5,311	6,338
	<b>5,902</b>	<b>7,591</b>
<b>LIABILITIES</b>		
Due to the Township of Joly	7,292	10,400
	<b>7,292</b>	<b>10,400</b>
<b>NET DEBT</b>	<b>(1,390)</b>	<b>(2,809)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>(Note 2)</i>	65,385	67,079
Prepaid expenses	1,390	1,424
	<b>66,775</b>	<b>68,503</b>
<b>ACCUMULATED SURPLUS</b> <i>(Note 3)</i>	<b>\$ 65,385</b>	<b>\$ 65,694</b>

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_ Chairperson

**ALMAGUIN HIGHLANDS AIR PARK**  
**STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget 2015 <i>(see Note 4)</i>	Actual 2015	Actual 2014
<b>REVENUE</b>			
Municipal contributions -			
Village of Sundridge	22,608	18,289	6,896
Township of Joly	15,072	12,192	4,597
Other	28,382	28,895	28,120
<b>TOTAL REVENUE</b>	<b>66,062</b>	<b>59,376</b>	<b>39,613</b>
<b>EXPENSES</b>			
Salaries and wages	23,500	20,995	22,830
Materials and supplies	28,477	29,591	27,970
Contracted services <i>(Note 5)</i>	12,300	6,906	10,939
Rents and financial expenses	400	499	544
Amortization	1,700	1,694	1,694
<b>TOTAL EXPENSES</b>	<b>66,377</b>	<b>59,685</b>	<b>63,977</b>
<b>ANNUAL DEFICIT</b> <i>(Note 3)</i>	<b>(315)</b>	<b>(309)</b>	<b>(24,364)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>65,694</b>	<b>65,694</b>	<b>90,058</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 65,379</b>	<b>\$ 65,385</b>	<b>\$ 65,694</b>

The accompanying notes are an integral part of these financial statements

**ALMAGUIN HIGHLANDS AIR PARK**  
**STATEMENT OF CHANGE IN NET DEBT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget 2015 <i>(see Note 4)</i>	Actual 2015	Actual 2014
Annual deficit	\$ (315)	\$ (309)	\$ (24,364)
Amortization of tangible capital assets	1,700	1,694	1,694
Change in prepaid expenses	-	34	(91)
<b>Decrease (increase) in net debt</b>	<b>1,385</b>	<b>1,419</b>	<b>(22,761)</b>
<b>Net financial assets (debt), beginning of year</b>	<b>(2,809)</b>	<b>(2,809)</b>	<b>19,952</b>
<b>Net debt, end of year</b>	<b>\$ (1,424)</b>	<b>\$ (1,390)</b>	<b>\$ (2,809)</b>

The accompanying notes are an integral part of these financial statements

**ALMAGUIN HIGHLANDS AIR PARK**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
<b>Operating transactions</b>		
Annual deficit	\$ (309)	\$ (24,364)
Non-cash charges to operations:		
Amortization	1,694	1,694
	1,385	(22,670)
Changes in non-cash items:		
Accounts receivable	662	243
Inventory held for resale	1,027	(4,088)
Accounts payable and accrued liabilities	-	(4,138)
Due to the Township of Joly	(3,108)	14,300
Prepaid expenses	34	(91)
	(1,385)	6,226
Cash applied to operating transactions	-	(16,444)
<b>Net change in cash</b>	<b>-</b>	<b>(16,444)</b>
<b>Cash, beginning of year</b>	<b>100</b>	<b>16,544</b>
<b>Cash, end of year</b>	<b>\$ 100</b>	<b>\$ 100</b>

The accompanying notes are an integral part of these financial statements



## ALMAGUIN HIGHLANDS AIR PARK

### NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2015

---

The Almaguin Highlands Air Park (the "organization") is a joint board of the Corporation of the Village of Sundridge and the Corporation of the Township of Joly, who contribute towards the organization in the following proportions: Sundridge - 60%; Joly - 40%. The Corporation of the Village of Sundridge withdrew from the organization effective December 31, 2015.

The financial statements of the organization are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

#### 1. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the organization are as follows:

##### Basis of Accounting

##### (i) Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

##### (ii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

##### (a) Tangible capital assets

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

Buildings - 50 years  
Machinery and equipment - 20 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as donations are recorded at their fair value at the date of receipt.

**ALMAGUIN HIGHLANDS AIR PARK****NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2015(iii) Government transfers

Government transfers are recognized in the financial statements as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.

(iv) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the organization may undertake in the future. Significant accounting estimates include estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

2. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the organization by major asset class are outlined below.

<b>2015</b>				
	Land	Buildings	Machinery and Equipment	TOTAL
<b>COST</b>				
Balance, beginning and end of year	\$ 36,430	\$ 49,000	\$ 32,287	\$ 117,717
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	-	30,870	19,768	50,638
Annual amortization	-	980	714	1,694
<b>BALANCE, END OF YEAR</b>	-	31,850	20,482	52,332
<b>TANGIBLE CAPITAL ASSETS-NET</b>	\$ 36,430	\$ 17,150	\$ 11,805	\$ 65,385

<b>2014</b>				
	Land	Buildings	Machinery and Equipment	TOTAL
<b>COST</b>				
Balance, beginning and end of year	\$ 36,430	\$ 49,000	\$ 32,287	\$ 117,717
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	-	29,890	19,054	48,944
Annual amortization	-	980	714	1,694
<b>BALANCE, END OF YEAR</b>	-	30,870	19,768	50,638
<b>TANGIBLE CAPITAL ASSETS-NET</b>	\$ 36,430	\$ 18,130	\$ 12,519	\$ 67,079

**ALMAGUIN HIGHLANDS AIR PARK**NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 20153. ACCUMULATED SURPLUS

The 2015 continuity of accumulated surplus reported on the Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
Tangible capital assets	\$ 67,079	\$ (1,694)	\$ 65,385
General operating surplus (deficit)	(1,385)	1,385	-
	<b>\$ 65,694</b>	<b>\$ (309)</b>	<b>\$ 65,385</b>

4. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
<b>ADOPTED BUDGET:</b>	
Change in general operating surplus	\$ 1,385
<b>ADJUSTMENTS:</b>	
Amortization of tangible capital assets	(1,700)
<b>ANNUAL DEFICIT</b>	<b>\$ (315)</b>

5. MUNICIPAL TRANSACTIONS

During the normal course of operations, the organization purchases administrative services from the Township of Joly at an annual cost of \$3,800 (2014 \$3,800). In addition, the Township of Joly provides winter maintenance services at a cost of NIL (2014 \$2,500). These costs are reported as contracted services on the Statement of Operations. All related party transactions are recorded at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. SEGMENT DISCLOSURE AND EXPENSES BY OBJECT

Since the organization's operations are not considered diverse and operations are managed as one department, no segment disclosure has been provided. Supplementary expenses by object information has been omitted as it would not provide additional information not readily determinable from the financial information provided on the Statement of Operations.

7. CHANGE IN ACCOUNTING POLICY

On January 1, 2015 the organization adopted Public Sector Accounting Standards section 3260 "Liability for contaminated sites". This new standard establishes the recognition, measurement and disclosure requirements for reporting liabilities associated with remediation of contaminated sites. The organization's adoption of this new standard has not resulted in any significant changes in liability recognition.