



## Consolidated Financial Statements

The Corporation of the Municipality of  
Greenstone

December 31, 2016

## Statement of Administrative Responsibility


The management of The Corporation of the Municipality of Greenstone have prepared the accompanying financial statements and are responsible for their accuracy and integrity. These statements consolidate all operations for which the Municipality has legislative and financial responsibility. The financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board [PSAB] of the CPA Canada.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that Municipal assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The Municipal Council reviews and approves the financial statements before such statements are submitted to the Ministry of Municipal Affairs and Housing and published for the residents of The Corporation of the Municipality of Greenstone. The external auditors have access to, and meet with Municipal Council to discuss their audit and the results of their examination.

The 2016 Financial Statements have been reported on by The Corporation of the Municipality of Greenstone's external auditors, Grant Thornton LLP, the auditors appointed by Municipal Council. The independent auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

  
\_\_\_\_\_  
Mark Wright, Chief Administrative Officer

  
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Renald Beaulieu, Mayor

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# Independent Auditor's Report

Grant Thornton LLP  
Suite 300  
979 Alloy Drive  
Thunder Bay, ON  
P7B 5Z8  
T +1 807 345 6571  
F +1 807 345 0032  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Municipality of Greenstone

We have audited the accompanying consolidated financial statements of The Corporation of the Municipality of Greenstone, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations and accumulated surplus, changes 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 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 Corporation of the Municipality of Greenstone as at December 31, 2016, and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Thunder Bay, Canada  
July 10, 2017

Chartered Professional Accountants  
Licensed Public Accountants

# The Corporation of the Municipality of Greenstone

## Consolidated Statement of Financial Position

As at December 31	2016	2015
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents <i>[note 5]</i>	4,992,981	2,090,292
Investments <i>[note 3]</i>	1,848,584	1,846,295
Taxes receivable <i>[note 4[a]]</i>	2,619,946	2,893,166
User charges receivable <i>[note 4[b]]</i>	1,054,956	879,509
Accounts receivable	1,313,299	397,026
Other assets	77,516	76,462
<b>Total financial assets</b>	<b>11,907,282</b>	<b>8,182,750</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	2,725,251	1,615,525
Other liabilities	164,109	164,559
Deferred revenue <i>[note 6]</i>	2,079,263	1,492,773
Debt <i>[note 8]</i>	17,384,281	13,311,030
Capital lease obligation <i>[note 9]</i>	-	3,883,216
Landfill closure and post-closure liability <i>[note 10]</i>	1,434,971	2,059,326
Vested sick leave liability <i>[note 11]</i>	217,600	218,600
<b>Total liabilities</b>	<b>24,005,475</b>	<b>22,745,029</b>
<b>NET DEBT</b>	<b>(12,098,193)</b>	<b>(14,562,279)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 12] [schedule 2]</i>	57,867,704	58,762,558
Inventories	37,456	29,439
Prepaid expenses	1,083	1,082
	<b>57,906,243</b>	<b>58,793,079</b>
<b>Accumulated surplus <i>[schedule 1]</i></b>	<b>45,808,050</b>	<b>44,230,800</b>

See accompanying notes to the consolidated financial statements.

# The Corporation of the Municipality of Greenstone Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31

	Budget 2016 \$ <i>[note 16]</i>	Actual 2016 \$	Actual 2015 \$
<b>REVENUES [schedule 3]</b>			
<b>Taxation</b>			
Residential and farm taxation	3,895,350	3,855,559	3,762,275
Commercial and industrial	10,054,168	9,887,220	9,404,352
Taxation from other governments	243,722	495,115	549,776
	<b>14,193,240</b>	<b>14,237,894</b>	13,716,403
<b>User charges</b>			
Water and sewer billings	3,405,217	3,517,735	3,289,458
Other fees and service charges	580,405	574,732	623,195
	<b>18,178,862</b>	<b>18,330,361</b>	17,629,056
<b>Government transfers</b>			
Government of Canada	306,300	386,388	29,466
Province of Ontario	12,051,409	6,822,017	4,268,046
	<b>12,357,709</b>	<b>7,208,405</b>	4,297,512
<b>Other</b>			
Investment income	19,000	28,156	27,847
Penalties and late payment charges	539,000	582,978	567,847
Sale of fuel	862,419	697,297	762,384
Trailer park fees	88,704	88,427	88,236
Licences, permits and rents	434,038	429,656	416,638
Other	273,955	288,106	502,124
	<b>2,217,116</b>	<b>2,114,620</b>	2,365,076
<b>Total revenues</b>	<b>32,753,687</b>	<b>27,653,386</b>	24,291,644

	Budget 2016 \$ <i>[note 16]</i>	Actual 2016 \$	Actual 2015 \$
<b>EXPENSES <i>[note 13] [schedule 3]</i></b>			
General government	3,419,675	4,246,677	3,910,988
Protection to persons and property	2,606,390	2,645,558	2,817,117
Transportation services	6,150,529	6,690,274	6,279,382
Environmental services	3,588,307	3,793,021	4,048,355
Health services	521,904	514,329	500,798
Social and family services	3,082,445	2,867,144	2,917,258
Recreation and cultural services	2,999,584	3,191,134	2,894,512
Planning and development	5,090,431	2,092,410	534,084
	<b>27,459,265</b>	<b>26,040,547</b>	23,902,494
<b>NET REVENUES BEFORE UNDERNOTED ITEM</b>			
	<b>5,294,422</b>	<b>1,612,839</b>	389,150
<b>OTHER</b>			
Loss on disposal of tangible capital assets	-	(35,589)	(62,326)
<b>Annual surplus</b>			
	<b>5,294,422</b>	<b>1,577,250</b>	326,824
Accumulated surplus, beginning of year	-	<b>44,230,800</b>	43,903,976
<b>Accumulated surplus, end of year <i>[schedule 1]</i></b>			
	<b>5,294,422</b>	<b>45,808,050</b>	44,230,800

See accompanying notes to the consolidated financial statements.



## The Corporation of the Municipality of Greenstone Consolidated Statement of Changes in Net Debt

Year ended December 31

	Budget 2016 \$ <i>[note 16]</i>	Actual 2016 \$	Actual 2015 \$
<b>Annual surplus</b>	<b>5,294,422</b>	<b>1,577,250</b>	326,824
Acquisition of tangible capital assets	<b>(8,204,855)</b>	<b>(2,202,064)</b>	(644,412)
Amortization of tangible capital assets	<b>3,061,329</b>	<b>3,061,329</b>	3,127,849
Loss on disposal of tangible capital assets	-	<b>35,589</b>	62,326
Acquisition of prepaid expenses	-	<b>(1,083)</b>	(1,082)
Acquisition of inventory	-	<b>(37,456)</b>	(29,439)
Use of prepaid expenses	-	<b>1,082</b>	2,078
Consumption of inventory	-	<b>29,439</b>	28,654
Increase in net debt	<b>150,896</b>	<b>2,464,086</b>	2,872,798
Net debt, beginning of year	-	<b>(14,562,279)</b>	(17,435,077)
<b>Net assets (debt), end of year</b>	<b>150,896</b>	<b>(12,098,193)</b>	(14,562,279)

See accompanying notes to the consolidated financial statements.

# The Corporation of the Municipality of Greenstone

## Consolidated Statement of Cash Flows

Year ended December 31	2016	2015
	\$	\$
<b>OPERATIONS</b>		
Annual surplus	1,577,250	326,824
<b>Non-cash charges</b>		
Amortization of tangible capital assets	3,061,329	3,127,849
Loss on disposal of tangible capital assets	35,589	62,326
Landfill closure and post-closure costs	(624,355)	21,087
Employee future benefits	(1,000)	(3,500)
	<b>4,048,813</b>	<b>3,534,586</b>
<b>Net change in non-cash working capital balances</b>		
Decrease (increase) in taxes receivable	273,220	(119,401)
Increase in user charges receivable	(175,447)	(128,111)
Decrease (increase) in accounts receivable	(916,273)	95,372
Increase in other assets	(1,054)	(91)
Increase (decrease) in accounts payable and accrued liabilities	1,109,726	(432,317)
Decrease in other liabilities	(450)	-
Increase in deferred revenue	586,490	358,916
Increase in inventories	(8,017)	(785)
Decrease (increase) in prepaid expenses	(1)	996
<b>Cash provided by operating transactions</b>	<b>4,917,007</b>	<b>3,309,165</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(2,202,064)	(644,412)
<b>Cash used in capital transactions</b>	<b>(2,202,064)</b>	<b>(644,412)</b>
<b>INVESTING</b>		
Increase in investments	(2,289)	(19,417)
<b>Cash used in investing transactions</b>	<b>(2,289)</b>	<b>(19,417)</b>
<b>FINANCING</b>		
Debt principal repayments	(1,118,586)	(1,084,818)
Proceeds from issue of debt	5,191,837	-
Capital lease obligation principal repayments	(3,883,216)	(85,455)
<b>Cash used in financing transactions</b>	<b>190,035</b>	<b>(1,170,273)</b>
<b>Increase in cash and cash equivalents</b>	<b>2,902,689</b>	<b>1,475,063</b>
Opening cash and cash equivalents	2,090,292	615,229
<b>Closing cash and cash equivalents</b>	<b>4,992,981</b>	<b>2,090,292</b>

See accompanying notes to the consolidated financial statements.

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

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December 31, 2016

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### GENERAL

The Corporation of the Municipality of Greenstone is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of The Corporation of the Municipality of Greenstone are prepared by management in accordance with accounting policies generally accepted for the local government as prescribed by the Public Sector Accounting Board ("PSAB") of the CPA Canada. The more significant of these accounting policies are as follows:

#### [a] Basis of consolidation

##### Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, local boards, and committees accountable for the administration of their financial affairs and resources, to the Municipality, and which are controlled by the Municipality. Accordingly, the following is consolidated in these financial statements.

The Greenstone Public Library Board

All interfund balances and transactions have been eliminated.

##### Government partnerships

Certain organizations in which the Municipality participates are accounted for on a proportionate consolidation basis, consistent with the treatment for government partnerships. Under the proportionate consolidation basis of accounting, the Municipality pro-rata share of the assets, liabilities, revenues and expenses that are subject to shared control is combined on a line-by-line basis with similar items in the Municipality's financial statements. The entity that is accounted for in this manner is:

Thunder Bay Area Emergency Measures Organization

##### Local boards

The financial activities of certain entities associated with the Municipality are not consolidated. The Municipality's contribution to these entities are recorded in the Consolidated Statement of Operations and Accumulated Surplus. The entities that are accounted for in this manner are:

Thunder Bay District Health Unit

The District of Thunder Bay Social Services Administration Board

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

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December 31, 2016

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### **Trust funds**

Certain assets have been conveyed or assigned to the Municipality to be administered as directed by agreement or statute. The Municipality holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries, as a result, the trust funds and assets are excluded from their financial statements.

### **Accounting for school board transactions**

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards, are not reflected in these consolidated financial statements.

## **[b] Basis of accounting**

### **Accrual accounting**

The Municipality uses the accrual basis of accounting which recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent. It recognizes a liability until the obligation or conditions underlying the liability is partly or wholly satisfied and recognizes an asset until the future economic benefit underlying the asset is partly or wholly used or lost.

### **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balances in banks.

### **Investments**

The Municipality accounts for investments using the cost method. The carrying value of an investment is written-down to its net recoverable amount if a decline in market value is judged to be other than temporary.

### **Inventories held for resale**

Inventories held for resale are recorded at the lower of cost and net realizable value.

### **Pension and employee benefits**

The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer defined benefit plan, as a defined contribution plan. Obligations for sick leave under employee benefits payable are accrued as the employees render the services necessary to earn the benefits. Vacation pay and other post-employment benefits are charged to operations in the year earned.

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

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December 31, 2016

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### Non-financial assets

Non-financial assets are not available to discharge existing liabilities and 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. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

[a] Tangible capital assets

[i] Tangible capital assets are recorded at cost less accumulated amortization and write-downs, if any. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	10 to 60 years
Buildings	15 to 60 years
Machinery and equipment	8 to 40 years
Furniture and equipment	8 to 20 years
Vehicles	9 to 25 years
Computer hardware and software	3 to 10 years
Library collection	10 years
Linear assets	
- sanitary and storm sewer	15 to 50 years
- roads	10 to 50 years
- culverts and bridges	40 to 60 years
- water distribution	30 to 60 years
- other	10 to 25 years

Annual amortization is charged for six months in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

[ii] Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

[iii] Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value, because of the difficulty of determining a tenable valuation. The most significant of such assets are the Municipality's road allowances and vacant property.

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

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December 31, 2016

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### [iv] Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property to the Municipality are accounted for as the acquisition of a capital asset and the incurrence of an obligation. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

### [b] Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost.

### Reserves and reserve funds

Council segregates its accumulated surplus into various categories including reserves which are specifically for future operating and capital purposes.

### Taxation revenue

Taxes are recognized as assets and revenue when they meet the definition of an asset, are authorized and the taxable event occurs.

At each financial statement date, management evaluates the extent to which its taxes receivables are ultimately collectible and valuation allowances are used to reflect tax receivables at their net recoverable amount.

At each financial statement date, management evaluates the likelihood of having to repay taxes collected under tax measures that have been deemed authorized using the concept of legislative convention and recognizes a liability when required. Related refunds are accounted for in the period in which the change in estimate occurs.

### Government transfers

Government transfers are transfers of monetary assets or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction, expected to be repaid in the future or expected to produce a direct financial return. Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers made to a recipient by the Municipality are recorded as an expense when they are authorized and the recipient meets all eligibility criteria.

The Municipality receives Gas Tax proceeds from the Federal Government through the Association of Municipalities of Ontario. These funds, by their nature, are restricted in their use and, until applied to specific expenses are recorded as deferred revenue. Amounts applied to qualifying projects are recorded as revenue in the fiscal period they are expended [note 6].

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

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December 31, 2016

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### Revenue recognition

User charges and fees are recognized as revenue in the period in which the related services are performed. Amounts collected for which the related services have yet to be performed are recognized as a liability and recognized as revenue when the related services are performed.

Interest is recognized as it is earned. Investment income earned on surplus funds are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue balance.

Funds received, other than government transfers and tax revenue, for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus in the year in which it is used for the specified purpose.

### Landfill closure and post-closure liability

The obligation to close and maintain solid waste landfill sites is based on the estimated future expenses in current dollars, adjusted for estimate inflation and is charged to expenses as the landfill site's capacity is used.

### 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include valuation allowances for trade receivable and water receivable, valuation allowances for taxes receivable, estimated useful lives of tangible capital assets, employee benefits payable, vested sick leave and solid waste landfill closure and post-closure liability. Actual results could differ from these estimates.

## 2. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$276,383 [2015 - \$266,058] have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

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December 31, 2016

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### 3. INVESTMENTS

Investments consist of Guaranteed Investment Certificates, maturing in 2017 and 2018 yielding rates of return of 0.70 - 1.70% and investments in money market funds.

### 4. TAXES AND USER CHARGES RECEIVABLE

[a] Taxes receivable

	2016 \$	2015 \$
Property and business taxes receivable	4,248,913	4,195,763
Allowance for property and business tax arrears	(1,628,967)	(1,302,597)
	<b>2,619,946</b>	<b>2,893,166</b>

[b] User charges receivable

	2016 \$	2015 \$
Trade receivables	322,255	369,683
Water receivables	1,296,044	960,326
Other receivables	46,582	16,943
Allowance for doubtful trade receivables	(159,456)	(165,185)
Allowance for doubtful water receivables	(450,469)	(302,258)
	<b>1,054,956</b>	<b>879,509</b>

### 5. CASH AND CASH EQUIVALENTS

The Municipality has available an operating loan of \$4,000,000 for which the Municipality has provided a borrowing by-law, of which \$nil [2015 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at bank prime [3.0% at year-end].



# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

December 31, 2016

### 6. DEFERRED REVENUE

	Government Transfer \$	Other \$	Total 2016 \$	Total 2015 \$
Obligatory reserve funds				
Unearned Gas Tax proceeds	-	565,584	565,584	653,745
Other deferred revenue				
Unearned grant proceeds	1,025,043	-	1,025,043	200,313
Unearned grant proceeds - Social Services	488,636	-	488,636	638,715
	<b>1,513,679</b>	<b>565,584</b>	<b>2,079,263</b>	<b>1,492,773</b>

The continuity of deferred revenue is as follows:

	2016 \$	2015 \$
<b>Balance, beginning of year</b>	<b>1,492,773</b>	1,133,857
Interest income	3,974	9,345
Grant proceeds - Gas Tax	287,249	273,571
Grant proceeds - other	810,172	76,000
Gas Tax revenue earned	(364,826)	-
Other grant revenue earned	(150,079)	-
<b>Balance, end of year</b>	<b>2,079,263</b>	<b>1,492,773</b>

### 7. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2016 was \$418,028 [2015 - \$443,264] for current service.

# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

December 31, 2016

### 8. DEBT

[a] The balance of debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2016 \$	2015 \$
<b>Toronto Dominion Bank</b>		
Term loan repayable in monthly instalments of \$30,653, including interest at 3.5%, maturing March, 2022.	1,762,163	2,062,418
Term loan repaid during year.	-	18,464
Term loan repayable in monthly instalments of \$16,678, including interest at 3.66%, maturing November, 2020.	729,465	899,426
Term loan repayable in monthly instalments of \$23,407 including interest at 3.19%, maturing July, 2023.	1,666,069	1,889,772
<b>RBC</b>		
Term loan repayable in monthly instalments of \$18,751, including interest at 2.47%, maturing October 27, 2026.	1,962,464	-
<b>OSIFA</b>		
Term loan repayable in monthly instalments of \$18,193, including interest at 2.85%, maturing December 1, 2035.	3,200,000	-
Debenture payable in semi-annual instalments of \$67,663 for principal and interest at 5.01%, maturing December, 2032.	1,477,332	1,536,414
Debenture payable in semi-annual instalments of \$160,454 for principal and interest at 4.93%, maturing November, 2031.	3,374,078	3,523,101
Carried forward	14,171,571	9,929,595

# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

December 31, 2016

	2016 \$	2015 \$
Brought forward	14,171,571	9,929,595
<b>OMEIFA</b>		
Debenture payable in semi-annual instalments of \$98,725 for principal and interest at 5.03%, maturing December, 2034.	2,320,204	2,398,001
Debenture payable in semi-annual instalments of \$66,989 for principal and interest at 4.48%, maturing December, 2024.	892,506	983,434
	<b>17,384,281</b>	<b>13,311,030</b>

[b] Principal due on debt is summarized as follows:

	\$
2017	1,424,551
2018	1,474,233
2019	1,529,010
2020	1,569,130
2021	1,532,807
Thereafter	9,854,550
	<b>17,384,281</b>

[c] The debt approved after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ontario Ministry of Municipal Affairs and Housing.

[d] Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$573,895 [2015 - \$607,309].

### 9. CAPITAL LEASE OBLIGATION

During the year, the Municipality acquired the municipal building under capital lease for \$3,171,920. The building has been reclassified from leased assets to building.

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

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December 31, 2016

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### 10. LANDFILL CLOSURE AND POST-CLOSURE

The main components of the landfill closure plan includes final capping using selected specific layers of impermeable materials based on an engineered cap design and implementation of a drainage management plan and gas management plan. The post-closure care requirements will involve cap maintenance, groundwater monitoring, gas management system operation and maintenance and annual inspections and reports as in accordance with Ministry of Environment regulations.

The estimated liability for this care is the present value for future cash flows associated with closure and post-closure costs discounted using the Municipality's average long-term borrowing rate of 4%. The change in the recorded liability is \$(624,355) [2015 - \$21,087] based on a total estimated undiscounted outflow in the future of \$3,918,867 [2015 - \$2,791,761], leaving an amount to be recognized in the future of \$2,483,896 [2015 - \$732,435] over the closure and post-closure period. The liability is not currently funded. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

The estimated remaining lives of the sites range from 2 to 66 years and the remaining capacity of the sites ranges from 10,080 to 108,950 cubic metres respectively. Post-closure care is estimated to continue for a period of approximately 25 years.

### 11. EMPLOYEE FUTURE BENEFITS

#### Employee Future Benefits Liabilities

	2016	2015
	\$	\$
Employee future benefits liability	<b>217,600</b>	218,600

#### Retirement and Other Employee Future Benefits Expenses

Current year benefit cost	<b>17,800</b>	17,500
Interest on accrued benefit obligation	<b>7,600</b>	7,700
<b>Employee future benefits expenses</b>	<b>25,400</b>	25,200
Benefit payments	<b>(26,400)</b>	(28,700)
<b>Change in liability</b>	<b>(1,000)</b>	(3,500)

Under the sick leave benefit plan, unused sick leave can accumulate. The Municipality recognizes these costs in the period in which the employees rendered the services. The accrued benefit liability at December 31, 2016 was determined by an actuarial valuation prepared for the year ended December 31, 2013 and projected to December 31, 2016.

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

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December 31, 2016

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### Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at December 31, 2016 are based on actuarial valuations for accounting purposes as at December 31, 2013. These actuarial valuations were based on assumptions about future events. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Municipality's best estimates of expected rates of:

	2016	2015
	%	%
Wage and salary escalation	1.9	1.9
Discount on accrued benefit obligations	3.4	3.4

### 12. TANGIBLE CAPITAL ASSETS

Schedule 2 provides information on the tangible capital assets of the Municipality by major asset class, as well as accumulated amortization of the assets controlled.

There were no write-downs of assets during 2016 [2015 - \$nil].

Interest capitalized during 2016 was \$nil [2015 - \$nil].

There were no contributed tangible capital assets in 2016 [2015 - \$nil].

### 13. SEGMENTED INFORMATION

The Corporation of the Municipality of Greenstone is a diversified municipal government institution that provides a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations and Accumulated Surplus by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

#### General government

General government comprises various administrative services, including Corporate Services Department, and Mayor and Council.

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

December 31, 2016

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### **Protection to persons and property**

The Protective Services Department is comprised of police services, volunteer fire services and protective services. The police services are contracted from the Ontario Provincial Police. Volunteer fire services is responsible for fire suppression, fire prevention programs, training and education related to prevention, detection or extinguishment of fires, and includes the Caramat Sector, Jellicoe Sector, Beardmore Sector, Longlac Sector, Geraldton Sector and Nakina Sector of the Greenstone Volunteer Fire Department. Protective services is responsible for the protection of the residents of the Municipality by ensuring an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws; and for maintaining animal control services through the enforcement of Provincial regulations and by-laws that apply to the regulating and keeping of animals. Protective services also represents the Municipality's contribution to the activities of the Thunder Bay Area Emergency Measures Organization (EMO). EMO is responsible for promoting, developing and maintaining emergency programs throughout the District of Thunder Bay.

### **Transportation services**

Transportation services is the delivery of a number of municipal public works services by the Public Services Department that include airports, roadways, winter control, and street lighting. Airports covers the delivery of services related to the operation and maintenance of the Municipality's two airports. Roadways covers the delivery of services related to the planning, development and maintenance of the Municipality's roadway system, including culverts and sidewalks. Winter control includes snowplowing, sanding and salting, snow removal and flood control. Street lighting includes the development of street lighting plans and the maintenance of the street lighting system.

### **Environmental services**

Environmental services include waterworks, sanitary sewer, waste collection and disposal, and recycling. Waterworks services and sanitary sewer services are contracted from the Ontario Clean Water Agency which provides drinking water to the citizens of Greenstone, and collects and treats wastewater. The Public Services Department is responsible for waste collection and disposal and recycling and includes the collection of solid waste, operations at the various landfill sites and waste minimization programs.

### **Health services**

Health services include public health services and ambulance services. Public health services represents the Municipality of Greenstone's contribution to the activities of the Thunder Bay District Health Unit (TBDHU). The Thunder Bay District Health Unit provides health information and prevention-related clinical services; advocates for healthy public policy; investigates reportable diseases; and upholds regulations that apply to public health. Ambulance services are contracted from the Superior North Emergency Medical Services (EMS). The EMS is responsible for providing emergency medical and ambulatory services to the residents of the District of Thunder Bay.

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

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December 31, 2016

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### **Social and family services**

Social and family services include general assistance, assistance to aged persons, child care and assistance to the disabled. General assistance, assistance to aged persons, childcare and assistance to the disabled represents the Municipality's contribution to the activities of The District of Thunder Bay Social Services Administration Board (TBDSSAB). TBDSSAB is responsible for Ontario Works program delivery, child care services and social housing.

### **Recreation and cultural services**

Recreation and cultural services include recreation programs, parks and facilities, public library, and contributions to recreational and cultural organizations. The Community Services Department provides services that contribute to community development and sustainability through the provision of recreation and leisure programs and services such as fitness and aquatic programs. Parks and facilities is the responsibility of the Public Services Department which provides services that develop and maintain various recreational facilities, and parks and open spaces. The Greenstone Public Library system provides community access to local and global information resources that support lifelong learning, research and leisure activities. The Municipality makes contributions to various cultural and recreational organizations under specific funding programs.

### **Planning and development**

The Planning Department provides planning and development services by managing the land and resources of the Municipality to ensure orderly community development and the efficient provision of services. The Strategic Initiatives and Economic Development Department is responsible for providing economic development services by fostering sustainability and economic growth through the sourcing of Federal and Provincial funding programs and initiatives, and the development of public and private partnerships.

For additional information see the Consolidated Schedule of Segment Disclosure (Schedule 3).

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

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December 31, 2016

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### 14. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds which make up part of accumulated surplus noted in Schedule 1 is as follows:

	2016 \$	2015 \$
<b>Reserves</b>		
Balance, beginning of year	4,432,960	3,255,181
<b>Increases</b>		
Transfers to reserves	2,096,928	1,252,779
<b>Decreases</b>		
Transfers from reserves	1,588,005	75,000
<b>Balance, end of year</b>	<b>4,941,883</b>	<b>4,432,960</b>
<b>Reserve funds</b>		
Balance, beginning of year	437,893	433,835
<b>Increases</b>		
Interest earned	1,781	4,058
<b>Balance, end of year</b>	<b>439,674</b>	<b>437,893</b>

### 15. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$1,813,602 [2015 - \$1,261,991] to support reserve funds.



# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

December 31, 2016

### 16. BUDGET FIGURES

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the Statement of Operations and Accumulated Surplus has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements:

	Approved Fiscal Plan \$	Adjustments \$	Fiscal Plan per Financial Statements \$
<b>Revenues</b>			
Taxation	14,193,240	-	14,193,240
User Charges	3,985,622	-	3,985,622
Government transfers	12,357,709	-	12,357,709
Other	3,909,648	(1,692,532)	2,217,116
	<b>34,446,219</b>	<b>(1,692,532)</b>	<b>32,753,687</b>
<b>Expenses</b>			
General government	5,442,724	(2,023,049)	3,419,675
Protection to persons and property	2,483,470	122,920	2,606,390
Transportation services	6,010,586	139,943	6,150,529
Environmental services	8,224,363	(4,636,056)	3,588,307
Health services	521,209	695	521,904
Social and family services	3,148,107	(65,662)	3,082,445
Recreation and cultural services	3,204,129	(204,545)	2,999,584
Planning and development	5,411,631	(321,200)	5,090,431
	<b>34,446,219</b>	<b>(6,986,954)</b>	<b>27,459,265</b>
<b>Annual surplus</b>	<b>-</b>	<b>5,294,422</b>	<b>5,294,422</b>
Interfund transfers	(1,588,005)	(1,588,005)	
Capital items	8,204,855	8,204,855	
Debt repayments	1,738,901	1,738,901	
Amortization	-	(3,061,329)	
<b>Approved surplus</b>	<b>8,355,751</b>	<b>5,294,422</b>	

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# The Corporation of the Municipality of Greenstone

## Notes to the Consolidated Financial Statements

December 31, 2016

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### 17. COMMITMENTS

The Municipality leases certain equipment under operating leases and has other financial operating commitments. The future minimum annual lease payments over the next two years are as follows:

	\$
2017	2,132
2018	1,283
	<hr/> 3,415

### 18. CONTRACTUAL OBLIGATIONS

#### [a] Ontario Clean Water Agency

In accordance with a service agreement entered into by the Municipality with the Ministry of Environment (now the Ontario Clean Water Agency), the sewage system is partially owned and is operated by the Agency. The Municipality is obligated to meet all operating costs and repay the long-term liabilities related to this project.

Included in the Consolidated Statement of Operations and Accumulated Surplus are the 2016 charges from the Agency of \$887,943 [2015 - \$824,191]. The estimated cost for this service and water services for 2017 is approximately \$2,250,000.

#### [b] Water Services

The Ontario Clean Water Agency also provides for the operation of the Municipality's water supply system. The 2016 charges of \$1,334,978 [2015 - \$1,204,204] for this service are included in the Consolidated Statement of Operations and Accumulated Surplus.

**The Corporation of the Municipality of Greenstone**  
**Schedule 1**  
**Consolidated Schedule of Accumulated Surplus**

Year ended December 31	2016	2015
	\$	\$
<b>Surplus (deficit)</b>		
General fund	1,573,305	(29,428)
Library	22,336	42,684
Investment in tangible capital assets	57,867,704	58,762,558
Unfunded		
Debt	(17,384,281)	(13,254,725)
Employee future benefits	(217,600)	(218,600)
Capital lease obligation	-	(3,883,216)
Landfill closure and post-closure liabilities	(1,434,971)	(2,059,326)
<b>Total surplus</b>	<b>40,426,493</b>	<b>39,359,947</b>
<b>Reserves set aside for specific purposes by Council</b>		
For working capital	1,648,473	1,648,473
For capital expenditures	3,293,410	2,784,487
<b>Total reserves</b>	<b>4,941,883</b>	<b>4,432,960</b>
<b>Reserve funds set aside for specific purposes by Council</b>		
For future projects	439,674	437,893
<b>Total reserve funds</b>	<b>439,674</b>	<b>437,893</b>
<b>Accumulated surplus</b>	<b>45,808,050</b>	<b>44,230,800</b>

# The Corporation of the Municipality of Greenstone Consolidated Schedule of Tangible Capital Assets

## Schedule 2

Year ended December 31, 2016

	Land and Land Improvements		Capital Leased Asset - Building	General			Computer Hardware and Software	Library Collection	Infrastructure					Totals		
	\$	\$		Machinery and Equipment	Furniture and Equipment	Vehicles			Sanitary and Storm Sewer	Roads	Culverts and Bridges	Water Distribution	Other	Assets Under Construction	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>																
Balance, beginning of year	16,989,082	26,629,416	4,744,754	13,110,024	1,159,743	6,992,156	369,146	1,946,942	9,017,847	27,483,069	4,072,040	8,095,381	2,625,925	375,676	123,611,201	123,029,115
Add:																
Additions during the year	-	69,261	-	27,866	-	165,417	29,592	32,071	657,650	100,000	-	1,733,097	-	14,936	2,829,890	644,412
Less:																
Disposals during the year	6,700	-	1,151,727	181,578	-	116,348	-	-	57,510	33,485	-	-	-	-	1,547,348	62,326
Other transfers	-	3,593,027	(3,593,027)	-	-	-	-	-	-	2,625,925	-	-	(2,625,925)	-	-	-
<b>Balance, end of year</b>	<b>16,982,382</b>	<b>30,291,704</b>	<b>-</b>	<b>12,956,312</b>	<b>1,159,743</b>	<b>7,041,225</b>	<b>398,738</b>	<b>1,979,013</b>	<b>9,617,987</b>	<b>30,175,509</b>	<b>4,072,040</b>	<b>9,828,478</b>	<b>-</b>	<b>390,612</b>	<b>124,893,743</b>	<b>123,611,201</b>
<b>ACCUMULATED AMORTIZATION</b>																
Balance, beginning of year	4,649,367	16,074,319	523,901	8,774,657	1,025,305	5,337,981	294,574	1,794,764	4,695,444	16,023,585	1,872,539	2,575,769	1,206,438	-	64,848,643	61,720,794
Add:																
Amortization during the year	405,058	427,345	-	169,313	15,952	335,254	32,981	25,175	422,026	770,978	80,584	376,663	-	-	3,061,329	3,127,849
Less:																
Accumulated amortization on disposals	-	-	523,901	181,578	-	116,348	-	-	28,621	33,485	-	-	-	-	883,933	-
Other transfers	-	-	-	-	-	-	-	-	-	1,206,438	-	-	(1,206,438)	-	-	-
<b>Balance, end of year</b>	<b>5,054,425</b>	<b>16,501,664</b>	<b>-</b>	<b>8,762,392</b>	<b>1,041,257</b>	<b>5,556,887</b>	<b>327,555</b>	<b>1,819,939</b>	<b>5,088,849</b>	<b>17,967,516</b>	<b>1,953,123</b>	<b>2,952,432</b>	<b>-</b>	<b>-</b>	<b>67,026,039</b>	<b>64,848,643</b>
Net book value of tangible capital assets, beginning of year	12,339,715	10,555,097	4,220,853	4,335,367	134,438	1,654,175	74,572	152,178	4,322,403	11,459,484	2,199,501	5,519,612	1,419,487	375,676	58,762,558	61,308,321
<b>Net book value of tangible capital assets, end of year</b>	<b>11,927,957</b>	<b>13,790,040</b>	<b>-</b>	<b>4,193,920</b>	<b>118,486</b>	<b>1,484,338</b>	<b>71,183</b>	<b>159,074</b>	<b>4,529,138</b>	<b>12,207,993</b>	<b>2,118,917</b>	<b>6,876,046</b>	<b>-</b>	<b>390,612</b>	<b>57,867,704</b>	<b>58,762,558</b>

**The Corporation of the Municipality of Greenstone**  
**Consolidated Schedule of Segment Disclosure**

**Schedule 3**

Year ended December 31, 2016

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
<b>Revenues</b>										
Taxation	14,237,894	13,716,403	-	-	-	-	-	-	-	-
Grants	2,215,100	2,613,073	-	-	1,862,719	-	-	-	-	-
User fees and service charges	-	-	8,527	8,493	27,936	79,204	3,586,799	3,403,920	27,648	18,667
Other municipalities	-	-	40,042	33,352	-	-	-	-	-	-
Other revenues	769,692	846,625	160,110	322,125	962,051	971,467	-	-	-	-
Interest income - general	28,156	23,790	-	-	-	-	-	-	-	-
Interest income - reserves and reserve funds	-	4,058	-	-	-	-	-	-	-	-
	<b>17,250,842</b>	17,203,949	<b>208,679</b>	363,970	<b>2,852,706</b>	1,050,671	<b>3,586,799</b>	3,403,920	<b>27,648</b>	18,667
<b>Expenses</b>										
Salaries, wages and employee benefits	1,686,159	1,555,737	437,016	372,189	2,564,000	2,409,576	-	-	-	-
Long-term debt charges	266,136	318,756	6,573	6,758	81,184	90,783	424,405	440,071	-	-
Materials	1,308,208	1,168,247	346,231	454,510	2,161,251	1,867,322	107,370	520,857	5,369	6,285
Contracted services	551,278	337,390	1,701,328	1,877,858	367,187	343,164	2,454,502	2,294,883	413,956	399,509
Rent and financials	211,754	222,795	-	-	-	-	-	-	-	-
External transfers to others	3,634	5,055	-	-	-	-	-	-	94,309	94,309
Amortization	219,508	303,008	154,410	105,802	1,516,652	1,568,537	806,744	792,544	695	695
	<b>4,246,677</b>	3,910,988	<b>2,645,558</b>	2,817,117	<b>6,690,274</b>	6,279,382	<b>3,793,021</b>	4,048,355	<b>514,329</b>	500,798
<b>Net revenues (expenses) before undernoted item</b>	<b>13,004,165</b>	13,292,961	<b>(2,436,879)</b>	(2,453,147)	<b>(3,837,568)</b>	(5,228,711)	<b>(206,222)</b>	(644,435)	<b>(486,681)</b>	(482,131)
Loss on disposal of tangible capital assets	(6,700)	(62,326)	-	-	-	-	(28,889)	-	-	-
<b>Annual surplus (deficit)</b>	<b>12,997,465</b>	13,230,635	<b>(2,436,879)</b>	(2,453,147)	<b>(3,837,568)</b>	(5,228,711)	<b>(235,111)</b>	(644,435)	<b>(486,681)</b>	(482,131)

**The Corporation of the Municipality of Greenstone**  
**Consolidated Schedule of Segment Disclosure**

**Schedule 3 (continued)**

Year ended December 31, 2016

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>								
Taxation	-	-	-	-	-	-	<b>14,237,894</b>	13,716,403
Grants	<b>1,549,484</b>	1,454,951	<b>63,677</b>	97,677	<b>1,517,425</b>	131,811	<b>7,208,405</b>	4,297,512
User fees and service charges	<b>236,065</b>	203,741	<b>205,492</b>	198,628	-	-	<b>4,092,467</b>	3,912,653
Other municipalities	-	-	-	-	-	-	<b>40,042</b>	33,352
Other revenues	<b>32,919</b>	29,794	<b>109,384</b>	125,215	<b>12,266</b>	8,650	<b>2,046,422</b>	2,303,876
Interest income - general	-	-	-	-	-	-	<b>28,156</b>	23,790
Interest income - reserves and reserve funds	-	-	-	-	-	-	-	4,058
	<b>1,818,468</b>	1,688,486	<b>378,553</b>	421,520	<b>1,529,691</b>	140,461	<b>27,653,386</b>	24,291,644
<b>Expenses</b>								
Salaries, wages and employee benefits	<b>1,592,246</b>	1,583,823	<b>1,675,922</b>	1,597,862	<b>100,877</b>	179,897	<b>8,056,220</b>	7,699,084
Long-term debt charges	-	-	<b>9,170</b>	10,484	<b>3,400</b>	4,992	<b>790,868</b>	871,844
Materials	<b>275,177</b>	248,328	<b>1,087,015</b>	896,209	<b>1,839,004</b>	249,099	<b>7,129,625</b>	5,410,857
Contracted services	<b>130,827</b>	146,589	<b>93,309</b>	69,559	<b>149,129</b>	100,096	<b>5,861,516</b>	5,569,048
Rent and financials	-	-	<b>1,263</b>	927	-	-	<b>213,017</b>	223,722
External transfers to others	<b>830,029</b>	900,726	-	-	-	-	<b>927,972</b>	1,000,090
Amortization	<b>38,865</b>	37,792	<b>324,455</b>	319,471	-	-	<b>3,061,329</b>	3,127,849
	<b>2,867,144</b>	2,917,258	<b>3,191,134</b>	2,894,512	<b>2,092,410</b>	534,084	<b>26,040,547</b>	23,902,494
<b>Net revenues (expenses) before undernoted item</b>	<b>(1,048,676)</b>	(1,228,772)	<b>(2,812,581)</b>	(2,472,992)	<b>(562,719)</b>	(393,623)	<b>1,612,839</b>	389,150
Loss on disposal of tangible capital assets	-	-	-	-	-	-	<b>(35,589)</b>	(62,326)
<b>Annual surplus (deficit)</b>	<b>(1,048,676)</b>	(1,228,772)	<b>(2,812,581)</b>	(2,472,992)	<b>(562,719)</b>	(393,623)	<b>1,577,250</b>	326,824

# Independent Auditor's Report

Grant Thornton LLP  
Suite 300  
979 Alloy Drive  
Thunder Bay, ON  
P7B 5Z8  
T +1 807 345 6571  
F +1 807 345 0032  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Board Members, Members of Council, Inhabitants and Ratepayers of  
Greenstone Public Library Board

We have audited the statement of financial position of Greenstone Public Library Board as at December 31, 2016 and the statements of operations and accumulated surplus, change 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 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 Greenstone Public Library Board as at December 31, 2016, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Thunder Bay, Canada  
July 10, 2017

Chartered Professional Accountants  
Licensed Public Accountants



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## Greenstone Public Library Board Statement of Financial Position

As at December 31	2016	2015
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	37,340	37,472
Accounts receivable	12,344	12,670
<b>Total financial assets</b>	<b>49,684</b>	<b>50,142</b>
<b>LIABILITIES</b>		
Accounts payable	20,692	8,540
Deferred grant revenue	7,739	-
<b>NET FINANCIAL ASSETS</b>	<b>21,253</b>	<b>41,602</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 2]</i>	224,753	227,236
Prepaid expenses	1,083	1,082
	<b>225,836</b>	<b>228,318</b>
<b>Accumulated surplus <i>[note 3]</i></b>	<b>247,089</b>	<b>269,920</b>

See accompanying notes to the financial statements.

# Greenstone Public Library Board

## Statement of Operations and Accumulated Surplus

Year ended December 31	2016	2016	2015
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 4]</i>		
<b>REVENUES</b>			
Municipal contribution - operating	382,452	382,452	366,300
Province of Ontario grants			
Operating grants	14,400	14,400	14,400
Pay equity - Provincial	4,020	4,020	4,020
Ministry of Culture	-	-	3,400
CAP funding	-	-	13,013
SOLS Connectivity grant	5,328	5,427	3,961
Capacity Building Grant	-	1,182	19,564
Donations	-	1,340	370
Fees	2,000	2,862	2,424
Other	650	1,614	772
Community needs assessment	3,400	-	-
<b>Total revenues</b>	<b>412,250</b>	<b>413,297</b>	<b>428,224</b>
<b>EXPENSES</b>			
Amortization	34,554	34,554	31,333
Audit fees	2,050	2,035	2,035
Books and periodicals	9,000	8,518	8,572
Cap Site	5,328	5,427	17,181
Capacity Building Grant	-	5,392	14,176
Community needs assessment	3,400	-	-
Insurance	6,120	6,281	6,120
Maintenance and repairs	2,090	2,283	2,323
Ministry of Culture	-	1,667	2,331
Miscellaneous	1,700	1,272	1,578
Operational supplies and services	14,605	22,572	21,779
Professional development	1,200	898	840
Professional fees	11,000	10,990	10,990
Rent	4,800	4,800	4,800
Salaries and benefits	322,308	336,837	315,172
Travel and conferences	6,800	5,720	5,835
Utilities	20,745	18,731	18,601
	<b>445,700</b>	<b>467,977</b>	<b>463,666</b>
<b>Net expenses before the following</b>	<b>(33,450)</b>	<b>(54,680)</b>	<b>(35,442)</b>
Recovery of salaries from school board	30,896	31,849	30,624
<b>Annual deficit</b>	<b>(2,554)</b>	<b>(22,831)</b>	<b>(4,818)</b>
Accumulated surplus, beginning of year	-	269,920	274,738
<b>Accumulated surplus, end of year</b>	<b>(2,554)</b>	<b>247,089</b>	<b>269,920</b>

See accompanying notes to the financial statements.

## Greenstone Public Library Board

### Statement of Change in Net Financial Assets

Year ended December 31

	Budget 2016 \$ <i>[note 4]</i>	Actual 2016 \$	Actual 2015 \$
<b>Annual deficit</b>	<b>(2,554)</b>	<b>(22,831)</b>	(4,818)
Acquisition of tangible capital assets	<b>(32,000)</b>	<b>(32,071)</b>	(32,353)
Amortization of tangible capital assets	<b>34,554</b>	<b>34,554</b>	31,333
Acquisition of prepaid expenses	-	<b>(1,083)</b>	(1,082)
Use of prepaid expenses	-	<b>1,082</b>	2,078
Decrease in net financial assets	-	<b>(20,349)</b>	(4,842)
Net financial assets, beginning of year	-	<b>41,602</b>	46,444
<b>Net financial assets, end of year</b>	-	<b>21,253</b>	41,602

See accompanying notes to the financial statements.

## Greenstone Public Library Board Statement of Cash Flows

Year ended December 31	2016	2015
	\$	\$
<b>OPERATIONS</b>		
Annual deficit	(22,831)	(4,818)
<b>Non-cash charges</b>		
Amortization of tangible capital assets	34,554	31,333
	11,723	26,515
<b>Net change in non-cash working capital balances</b>		
Decrease (increase) in accounts receivable	326	(1,549)
Increase in accounts payable	12,152	29
Decrease (increase) in prepaid expenses	(1)	996
Increase in deferred grant revenue	7,739	-
<b>Cash provided by operating transactions</b>	<b>31,939</b>	<b>25,991</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(32,071)	(32,353)
<b>Cash used in capital transactions</b>	<b>(32,071)</b>	<b>(32,353)</b>
<b>Decrease in cash</b>	<b>(132)</b>	<b>(6,362)</b>
Opening cash	37,472	43,834
<b>Closing cash</b>	<b>37,340</b>	<b>37,472</b>

See accompanying notes to the financial statements.

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# **Greenstone Public Library Board**

## **Notes to the Financial Statements**

December 31, 2016

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### **GENERAL**

The Greenstone Public Library Board ("Board") is dedicated to providing community access to local and global information resources that support lifelong learning, research and leisure activities.

The Board is a municipal organization.

### **1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements of the Board are prepared by management in accordance with accounting policies generally accepted for the local government sector as prescribed by the Public Sector Accounting Board ("PSAB") of the CPA Canada. The more significant of these accounting policies are as follows:

#### **Accrual accounting**

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are 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.

#### **Tangible capital assets**

Tangible capital assets are recorded at cost less accumulated amortization and write-downs, if any. Costs includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Library collection	10 years
Computer hardware and software	3 - 20 years
Furniture and equipment	5 - 25 years

Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

#### **Contributions of tangible capital assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

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# **Greenstone Public Library Board**

## **Notes to the Financial Statements**

December 31, 2016

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### **Reporting entity**

The financial statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the Board.

### **Revenue recognition**

Government grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

User fees and other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

### **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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Board may undertake in the future. Significant accounting estimates include allowance for doubtful accounts. Actual results could differ from those estimates.

# Greenstone Public Library Board

## Notes to the Financial Statements

December 31, 2016

### 2. TANGIBLE CAPITAL ASSETS

Details of year-end tangible capital asset balances are as follows:

	Library collection \$	Computer hardware and software \$	Furniture and equipment \$	2016 Total \$	2015 Total \$
<b>C</b>					
<b>O</b>					
<b>S</b>					
<b>T</b>					
Balance, beginning of year	1,931,241	64,699	250,691	2,246,631	2,224,778
Add:					
Additions during the year	32,071	-	-	32,071	32,353
Less:					
Disposals during the year	-	-	-	-	10,500
<b>Balance, end of year</b>	<b>1,963,312</b>	<b>64,699</b>	<b>250,691</b>	<b>2,278,702</b>	<b>2,246,631</b>
<b>ACCUMULATED AMORTIZATION</b>					
Balance, beginning of year	1,779,045	63,952	176,398	2,019,395	1,998,562
Add:					
Amortization during the year	27,787	190	6,577	34,554	31,333
Less:					
Accumulated amortization on disposals	-	-	-	-	10,500
<b>Balance, end of year</b>	<b>1,806,832</b>	<b>64,142</b>	<b>182,975</b>	<b>2,053,949</b>	<b>2,019,395</b>
Net book value of tangible capital assets, beginning of year	152,196	747	74,293	227,236	226,216
<b>Net book value of tangible capital assets, end of year</b>	<b>156,480</b>	<b>557</b>	<b>67,716</b>	<b>224,753</b>	<b>227,236</b>

# Greenstone Public Library Board

## Notes to the Financial Statements

December 31, 2016

### 3. ACCUMULATED SURPLUS

	2016	2015
	\$	\$
General fund	22,336	42,684
Investment in tangible capital assets	224,753	227,236
	<b>247,089</b>	<b>269,920</b>

### 4. BUDGET FIGURES

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the Statement of Operations and Accumulated Surplus has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements:

	Approved 2016 Budget \$	PSAB Adjustment \$	PSAB Adjusted Budget \$
<b>Revenue</b>	<b>443,146</b>	-	<b>443,146</b>
<b>Expenses</b>	<b>443,146</b>	<b>2,554</b>	<b>445,700</b>
<b>Annual surplus</b>	-	<b>(2,554)</b>	<b>(2,554)</b>
Less:			
Acquisition of tangible capital assets	-	<b>(32,000)</b>	<b>(32,000)</b>
Add:			
Amortization of tangible capital assets	-	<b>34,554</b>	<b>34,554</b>
	-	<b>2,554</b>	<b>2,554</b>
<b>Increase in net financial assets</b>	-	-	-



# Independent Auditor's Report

Grant Thornton LLP  
Suite 300  
979 Alloy Drive  
Thunder Bay, ON  
P7B 5Z8  
T +1 807 345 6571  
F +1 807 345 0032  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Municipality of Greenstone  
Trust Funds

We have audited the accompanying financial statements of the Trust Funds of The Corporation of the Municipality of Greenstone, which comprise the statement of financial position as at December 31, 2016 and the statements of operations and accumulated surplus 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 Trust Funds of The Corporation of the Municipality of Greenstone as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Thunder Bay, Canada  
July 10, 2017

Chartered Professional Accountants  
Licensed Public Accountants

# The Corporation of the Municipality of Greenstone Trust Funds Statement of Financial Position

As at December 31

2016

2015

	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Esnagami Memorial Bursary \$	Total \$	Total \$
<b>FINANCIAL ASSETS</b>					
Cash	-	292,037	2,599	294,636	287,897
Receivable from (payable to) the Municipality of Greenstone	703	(53,478)	-	(52,775)	(54,656)
Loan receivable	2,699	-	-	2,699	2,699
Interest receivable	-	1,704	119	1,823	118
Investments <i>[note 3]</i>	-	-	30,000	30,000	30,000
<b>Total financial assets</b>	<b>3,402</b>	<b>240,263</b>	<b>32,718</b>	<b>276,383</b>	<b>266,058</b>
<b>Accumulated surplus</b>	<b>3,402</b>	<b>240,263</b>	<b>32,718</b>	<b>276,383</b>	<b>266,058</b>

See accompanying notes to the financial statements.

**The Corporation of the Municipality of Greenstone  
Trust Funds  
Statement of Operations and Accumulated Surplus**

Year ended December 31

2016

2015

	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Esnagami Memorial Bursary \$	Total \$	Total \$
<b>REVENUES</b>					
Capital receipts	-	10,800	-	10,800	8,325
Interest income	-	1,668	525	2,193	4,809
<b>Total revenues</b>	-	12,468	525	12,993	13,134
<b>EXPENSES</b>					
Transfer to the Municipality of Greenstone	-	1,668	1,000	2,668	4,777
<b>NET REVENUES</b>	-	10,800	(475)	10,325	8,357
<b>Annual surplus</b>	-	10,800	(475)	10,325	8,357
Accumulated surplus, beginning of year	3,402	229,463	33,193	266,058	257,701
<b>Accumulated surplus, end of year</b>	3,402	240,263	32,718	276,383	266,058

See accompanying notes to the financial statements.

**The Corporation of the Municipality of Greenstone  
Trust Funds  
Statement of Cash Flows**

Year ended December 31	2016	2015
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus	10,325	8,357
Net changes in non-cash working capital balances		
Increase (decrease) in payable to the Municipality of Greenstone	(1,881)	2,501
Decrease (increase) in interest receivable	(1,705)	245
<b>Cash provided by operating activities</b>	<b>6,739</b>	<b>11,103</b>
<b>INVESTMENT ACTIVITY</b>		
Decrease in investments	-	251,405
<b>Cash provided by investment activity</b>	<b>-</b>	<b>251,405</b>
<b>Increase in cash during year</b>	<b>6,739</b>	<b>262,508</b>
Cash, beginning of year	287,897	25,389
<b>Cash, end of year</b>	<b>294,636</b>	<b>287,897</b>

See accompanying notes to the financial statements.

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# **The Corporation of the Municipality of Greenstone Trust Funds**

## **Notes to the Financial Statements**

December 31, 2016

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### **1. NATURE OF BUSINESS**

The Corporation of the Municipality of Greenstone administers a perpetual care trust fund for the future care of the cemetery. The cemetery provides interment services for the benefit of the citizens of Greenstone. The Esnagami Memorial Bursary trust fund holds monies in trust to earn income which is then distributed in the form of bursaries.

### **2. SIGNIFICANT ACCOUNTING POLICY**

#### **Basis of accounting**

Revenues and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenses as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

### **3. INVESTMENTS**

Investments consists of a Guaranteed Investment Certificates maturing in 2017 and yielding interest of 1.7% over the term.