



Consolidated Financial Statements

The Corporation of the Municipality of
Greenstone

December 31, 2018



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 2018 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

Renaud Beaulieu, Mayor

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NATURE'S HOME TOWN

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of Greenstone ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of The Corporation of the Municipality of Greenstone as at December 31, 2018, and its results of operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Thunder Bay, Canada
May 27, 2019

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Municipality of Greenstone

Consolidated Statement of Financial Position

As at December 31	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents <i>[note 5]</i>	3,695,079	4,819,529
Investments <i>[note 3]</i>	3,939,597	346,008
Taxes receivable <i>[note 4[a]]</i>	2,388,789	2,144,238
User charges receivable <i>[note 4[b]]</i>	1,603,667	1,272,646
Accounts receivable	657,411	1,067,878
Other assets	115,199	1,599,317
Total financial assets	12,399,742	11,249,616
LIABILITIES		
Accounts payable and accrued liabilities	1,413,549	2,055,993
Other liabilities	199,828	170,484
Deferred revenue <i>[note 6]</i>	1,095,531	1,452,503
Debt <i>[note 8]</i>	14,488,439	15,962,711
Landfill closure and post-closure liability <i>[note 9]</i>	1,654,798	1,518,338
Employee future benefits <i>[note 10]</i>	227,800	222,400
Total liabilities	19,079,945	21,382,429
NET DEBT	(6,680,203)	(10,132,813)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 11] [schedule 2]</i>	57,387,503	58,923,555
Inventories	55,734	46,974
Prepaid expenses	2,411	2,387
	57,445,648	58,972,916
Accumulated surplus <i>[schedule 1]</i>	50,765,445	48,840,103

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 2018 \$ <i>[note 15]</i>	Actual 2018 \$	Actual 2017 \$
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	4,215,142	4,100,805	3,993,101
Commercial and industrial	10,368,654	10,543,750	10,356,749
Taxation from other governments	243,722	239,222	243,722
	14,827,518	14,883,777	14,593,572
User charges			
Water and sewer billings	3,701,230	3,954,052	3,657,086
Other fees and service charges	662,348	745,273	649,147
	19,191,096	19,583,102	18,899,805
Government transfers			
Government of Canada	918,950	720,844	304,275
Province of Ontario	5,156,871	4,102,022	6,420,398
	6,075,821	4,822,866	6,724,673
Other			
Investment income	28,000	80,751	49,998
Penalties and late payment charges	587,750	542,726	586,485
Sale of land and fuel	655,510	1,183,070	877,100
Trailer park fees	91,091	91,595	89,747
Licences, permits and rents	351,022	371,746	410,316
Other	445,046	2,014,349	314,264
	2,158,419	4,284,237	2,327,910
Total revenues	27,425,336	28,690,205	27,952,388

	Budget 2018 \$ <i>[note 15]</i>	Actual 2018 \$	Actual 2017 \$
EXPENSES <i>[note 12] [schedule 3]</i>			
General government	4,405,332	4,306,235	4,001,631
Protection to persons and property	2,533,815	2,602,358	2,509,286
Transportation services	7,611,414	7,818,556	6,464,721
Environmental services	4,609,878	4,782,763	3,941,463
Health services	537,025	561,710	518,014
Social and family services	2,851,783	2,883,095	2,833,373
Recreation and cultural services	3,338,921	3,251,031	3,092,808
Planning and development	578,222	441,287	1,493,117
	26,466,390	26,647,035	24,854,413
NET REVENUES BEFORE UNDERNOTED ITEM	958,946	2,043,170	3,097,975
OTHER			
Loss on disposal of tangible capital assets	-	(117,828)	(65,922)
Annual surplus	958,946	1,925,342	3,032,053
Accumulated surplus, beginning of year	48,840,103	48,840,103	45,808,050
Accumulated surplus, end of year <i>[schedule 1]</i>	49,799,049	50,765,445	48,840,103

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 2018 \$ <i>[note 15]</i>	Actual 2018 \$	Actual 2017 \$
Annual surplus	958,946	1,925,342	3,032,053
Acquisition of tangible capital assets	(4,020,712)	(1,702,279)	(4,173,818)
Amortization of tangible capital assets	3,117,461	3,117,170	3,037,484
Loss on disposal of tangible capital assets	-	117,828	80,483
Proceeds on disposal of tangible capital assets	-	3,333	-
Acquisition of prepaid expenses	-	(2,411)	(2,387)
Acquisition of inventory	-	(55,734)	(46,974)
Use of prepaid expenses	-	2,387	1,083
Consumption of inventory	-	46,974	37,456
Increase in net assets (debt)	55,695	3,452,610	1,965,380
Net debt, beginning of year	(10,132,813)	(10,132,813)	(12,098,193)
Net debt, end of year	(10,077,118)	(6,680,203)	(10,132,813)

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Greenstone

Consolidated Statement of Cash Flows

Year ended December 31	2018	2017
	\$	\$
OPERATIONS		
Annual surplus	1,925,342	3,032,053
Non-cash charges		
Amortization of tangible capital assets	3,117,170	3,037,484
Loss on disposal of tangible capital assets	117,828	80,483
Landfill closure and post-closure costs	136,460	83,367
Employee future benefits	5,400	4,800
	5,302,200	6,238,187
Net change in non-cash working capital balances		
(Increase) decrease in taxes receivable	(244,551)	475,709
Increase in user charges receivable	(331,021)	(217,690)
Decrease in accounts receivable	410,467	245,420
Decrease (increase) in other assets	1,484,118	(1,521,801)
Decrease in accounts payable and accrued liabilities	(642,444)	(669,258)
Increase in other liabilities	29,344	6,375
Decrease in deferred revenue	(356,972)	(626,760)
Increase in inventories	(8,760)	(9,518)
Decrease (increase) in prepaid expenses	(24)	(1,304)
Cash provided by operating transactions	5,642,357	3,919,360
CAPITAL		
Acquisition of tangible capital assets	(1,702,279)	(4,173,818)
Proceeds on disposal of tangible capital assets	3,333	-
Cash used in capital transactions	(1,698,946)	(4,173,818)
INVESTING		
Increase in investments	(3,593,589)	1,502,576
Cash provided by (used in) investing transactions	(3,593,589)	1,502,576
FINANCING		
Debt principal repayments	(1,474,272)	(1,421,570)
Cash used in financing transactions	(1,474,272)	(1,421,570)
Increase in cash and cash equivalents	(1,124,450)	(173,452)
Opening cash and cash equivalents	4,819,529	4,992,981
Closing cash and cash equivalents	3,695,079	4,819,529

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2018

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

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

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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.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

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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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Notes to the Consolidated Financial Statements

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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 receivable 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 Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

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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].

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.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

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2. TRUST FUNDS

Trust funds administered by the Municipality amounting to 297,932 [2017 - \$276,383] 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.

3. INVESTMENTS

Investments consist of Guaranteed Investment Certificates, maturing in 2019 yielding rates of return up to 2.3% and investments in money market funds.

4. TAXES AND USER CHARGES RECEIVABLE

[a] Taxes receivable

	2018 \$	2017 \$
Property and business taxes receivable	4,772,916	4,198,620
Allowance for property and business tax arrears	(2,384,127)	(2,054,382)
	2,388,789	2,144,238

[b] User charges receivable

	2018 \$	2017 \$
Trade receivables	377,705	296,416
Water receivables	2,204,784	1,721,376
Other receivables	35,073	21,999
Allowance for doubtful trade receivables	(269,099)	(193,394)
Allowance for doubtful water receivables	(744,796)	(573,751)
	1,603,667	1,272,646

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 [2017 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at bank prime [3.95% at year-end].

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

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6. DEFERRED REVENUE

	Government Transfer \$	Other \$	Total 2018 \$	Total 2017 \$
Obligatory reserve funds				
Unearned Gas Tax proceeds	190,948	-	190,948	804,996
Other deferred revenue				
Unearned grant proceeds	401,477	-	401,477	151,170
Unearned grant proceeds - Social Services	503,106	-	503,106	496,337
	1,095,531	-	1,095,531	1,452,503

The continuity of deferred revenue is as follows:

	2018 \$	2017 \$
Balance, beginning of year	1,452,503	2,079,263
Grant proceeds - Gas Tax	309,273	300,775
Grant proceeds - other	47,746	161,118
Gas Tax and grant revenue earned	(713,991)	(1,088,653)
Balance, end of year	1,095,531	1,452,503

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 2018 was \$445,626 [2017 - \$407,566] for current service.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

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8. DEBT

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

	2018 \$	2017 \$
Toronto Dominion Bank		
Term loan repayable in monthly instalments of \$30,653, including interest at 3.5%, maturing March, 2022.	1,128,795	1,451,013
Term loan repayable in monthly instalments of \$16,678, including interest at 3.66%, maturing November, 2020.	370,146	553,087
Term loan repayable in monthly instalments of \$23,407 including interest at 3.19%, maturing July, 2023.	1,196,361	1,434,956
RBC		
Term loan repayable in monthly instalments of \$18,751, including interest at 2.47%, maturing October 27, 2026.	1,600,447	1,783,677
OSIFA		
Term loan repayable in monthly instalments of \$18,193, including interest at 2.85%, maturing December 1, 2035.	2,938,711	3,071,215
Debenture payable in semi-annual instalments of \$67,663 for principal and interest at 5.01%, maturing December, 2032.	1,350,035	1,415,263
Debenture payable in semi-annual instalments of \$160,454 for principal and interest at 4.93%, maturing November, 2031.	3,053,317	3,217,597
Carried forward	11,637,812	12,926,808

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Notes to the Consolidated Financial Statements

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	2018 \$	2017 \$
Brought forward	11,637,812	12,926,808
OMEIFA		
Debenture payable in semi-annual instalments of \$98,725 for principal and interest at 5.03%, maturing December, 2034.	2,152,521	2,238,444
Debenture payable in semi-annual instalments of \$66,989 for principal and interest at 4.48%, maturing December, 2024.	698,106	797,459
	14,488,439	15,962,711

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

	\$
2019	1,529,010
2020	1,569,130
2021	1,533,203
2022	1,124,590
2023	1,049,644
Thereafter	7,682,862
	14,488,439

[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 \$605,583 [2017 - \$658,285].

9. 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 Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2018

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 \$136,460 [2017 - \$83,367] based on a total estimated undiscounted outflow in the future of \$5,019,475 [2017 - \$4,062,275], leaving an amount to be recognized in the future of \$3,364,677 [2017 - \$2,543,937] 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 1 to 65 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.

10. EMPLOYEE FUTURE BENEFITS

Employee Future Benefits Liabilities

	2018	2017
	\$	\$
Employee future benefits obligation	236,100	231,700
Unamortized actuarial loss	(8,300)	(9,300)
	227,800	222,400

Retirement and Other Employee Future Benefits Expenses

Current year benefit cost	41,200	39,500
Interest on accrued benefit obligation	8,000	8,300
Amortization of actuarial loss	1,000	800
Employee future benefits expenses	50,200	48,600
Benefit payments	(44,800)	(43,800)
Change in liability	5,400	4,800

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, 2018 was determined by an actuarial valuation prepared for the year ended December 31, 2017.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2018

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at December 31, 2018 are based on actuarial valuations for accounting purposes as at December 31, 2017. 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:

	2018	2017
	%	%
Wage and salary escalation	2.2	2.2
Discount on accrued benefit obligations	3.2	3.2

11. 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 2018 [2017 - \$nil].

Interest capitalized during 2018 was \$nil [2017 - \$nil].

There were no contributed tangible capital assets in 2018 [2017 - \$nil].

12. 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.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2018

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.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2018

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, childcare 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).

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2018

13. 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:

	2018 \$	2017 \$
Reserves		
Balance, beginning of year	4,941,883	4,941,883
Increases		
Transfers to reserves	3,988,803	-
Decreases		
Balance, end of year	8,930,686	4,941,883
Reserve funds		
Balance, beginning of year	444,380	439,674
Increases		
Contributions from capital operations	-	4,706
Balance, end of year	444,380	444,380

14. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$350,597 [2017 - \$346,007] to support reserve funds.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2018

15. 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 \$
Revenues			
Taxation	14,827,518	-	14,827,518
User charges	4,363,578	-	4,363,578
Government transfers	6,075,821	-	6,075,821
Other	3,674,523	(1,516,104)	2,158,419
	28,941,440	(1,516,104)	27,425,336
Expenses			
General government	6,418,771	(2,013,439)	4,405,332
Protection to persons and property	2,742,824	(209,009)	2,533,815
Transportation services	7,855,840	(244,426)	7,611,414
Environmental services	4,628,508	(18,630)	4,609,878
Health services	536,678	347	537,025
Social and family services	3,000,093	(148,310)	2,851,783
Recreation and cultural services	3,072,112	266,809	3,338,921
Planning and development	686,614	(108,392)	578,222
	28,941,440	(2,475,050)	26,466,390
Annual surplus	-	958,946	958,946
Interfund transfers	(1,418,577)	(1,418,577)	
Capital items	4,020,712	4,020,712	
Debt repayments	1,474,272	1,474,272	
Amortization	-	(3,117,461)	
Approved surplus	4,076,407	958,946	

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2018

16. 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 2018 charges from the Agency of \$919,946 [2017 - \$852,536]. The estimated cost for this service and water services for 2019 is approximately \$nil.

[b] Water Services

The Ontario Clean Water Agency also provides for the operation of the Municipality's water supply system. The 2018 charges of \$1,377,220 [2017 - \$1,140,594] 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	2018	2017
	\$	\$
Surplus (deficit)		
General fund	356,410	2,207,005
Library	17,503	26,729
Investment in tangible capital assets	57,387,503	58,923,555
Unfunded		
Debt	(14,488,439)	(15,962,711)
Employee future benefits	(227,800)	(222,400)
Landfill closure and post-closure liabilities	(1,654,798)	(1,518,338)
Total surplus	41,390,379	43,453,840
Reserves set aside for specific purposes by Council		
For working capital	1,648,473	1,648,473
For capital expenditures	7,282,213	3,293,410
Total reserves	8,930,686	4,941,883
Reserve funds set aside for specific purposes by Council		
For future projects	444,380	444,380
Total reserve funds	444,380	444,380
Accumulated surplus	50,765,445	48,840,103

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

Year ended December 31, 2018

Schedule 2

	General				Infrastructure				Totals							
	Land and Land Improvements	Buildings	Capital Leased Asset - Building	Machinery and Equipment	Furniture and Equipment	Vehicles	Computer Hardware and Software	Library Collection	Sanitary and Storm Sewer	Roads	Bridges	Water Distribution	Other	Assets Under Construction	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST																
Balance, beginning of year	16,944,782	30,540,054	-	13,652,882	1,159,743	7,109,144	398,738	2,019,394	9,660,269	30,646,528	4,072,040	10,782,074	-	1,554,993	128,540,641	124,893,743
Add:																
Additions during the year	-	-	-	64,961	-	556,245	17,506	31,406	-	788,907	61,060	-	152,131	30,063	1,702,279	4,173,818
Less:																
Disposals during the year	-	221,600	-	10,000	70,308	50,986	9,415	-	30,060	119,337	220,263	-	-	-	502,291	526,920
Transfers	-	-	-	-	-	-	9,415	-	991,216	-	-	-	-	(1,220,894)	-	-
Balance, end of year	16,944,782	30,318,454	-	13,707,843	1,089,435	7,614,403	425,659	2,050,800	10,621,425	31,316,098	4,353,363	10,782,074	152,131	364,162	129,740,629	128,540,641
ACCUMULATED AMORTIZATION																
Balance, beginning of year	5,439,529	16,900,128	-	8,886,638	1,057,317	5,485,684	353,923	1,850,963	5,464,360	18,744,919	1,980,750	3,452,875	-	-	69,617,086	67,026,039
Add:																
Amortization during the year	382,586	468,168	-	193,326	16,145	251,799	27,636	30,979	441,343	775,411	88,269	432,051	9,417	-	3,117,170	3,037,484
Less:																
Accumulated amortization on disposals	-	208,029	-	10,000	32,810	25,783	-	-	24,949	79,559	-	-	-	-	381,130	446,437
Balance, end of year	5,822,115	17,160,267	-	9,069,964	1,040,652	5,711,700	381,559	1,881,942	5,880,754	19,440,771	2,069,019	3,884,966	9,417	72,353,126	69,617,086	
Net book value of tangible capital assets, beginning of year	11,505,253	13,639,926	-	4,766,244	102,426	1,623,460	44,815	168,431	4,195,909	11,901,609	2,091,290	7,329,199	-	1,554,993	58,923,555	57,987,704
Net book value of tangible capital assets, end of year	11,122,667	13,158,187	-	4,637,879	48,783	1,902,703	44,100	168,858	4,740,671	11,975,327	2,284,344	6,897,108	142,714	364,162	57,387,903	58,923,555

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

Year ended December 31, 2018

Schedule 3

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	14,883,777	14,593,572	-	-	-	-	-	-	-	-
Grants	2,989,040	2,536,435	-	-	325,709	1,326,884	-	-	-	-
User fees and service charges	-	-	7,616	12,486	67,664	79,069	4,032,458	3,733,620	21,422	15,293
Other municipalities	-	-	57,708	55,517	-	-	-	-	-	-
Other revenues	542,727	586,484	134,684	165,489	1,647,874	1,164,195	17,191	5,250	14,227	15,224
Interest income - general	80,751	49,998	-	-	-	-	-	-	-	-
	18,496,295	17,766,489	200,008	233,492	2,041,247	2,570,148	4,049,649	3,738,870	35,649	30,517
Expenses										
Salaries, wages and employee benefits	1,655,449	1,709,597	483,502	463,364	2,683,795	2,695,080	-	-	-	-
Long-term debt charges	67,360	77,757	17,460	19,434	88,043	99,724	413,280	439,288	-	-
Materials	1,700,288	1,263,645	480,605	386,228	3,084,598	1,801,211	1,089,669	578,362	14,462	6,172
Contracted services	401,309	463,231	1,505,259	1,528,319	507,597	454,081	2,397,290	2,060,629	452,591	416,837
Rent and financials	210,847	216,062	-	-	-	-	-	-	-	-
External transfers to others	7,789	4,319	-	-	-	-	-	-	94,310	94,310
Amortization	263,193	267,020	115,532	111,941	1,454,523	1,414,625	882,524	863,184	347	695
	4,306,235	4,001,631	2,602,358	2,509,286	7,818,556	6,464,721	4,782,763	3,941,463	561,710	518,014
Net revenues (expenses) before undernoted item	14,190,060	13,764,858	(2,402,350)	(2,275,794)	(5,777,309)	(3,894,573)	(733,114)	(202,593)	(526,061)	(487,497)
Loss on disposal of tangible capital assets	(51,069)	(38,415)	-	-	(45,778)	(27,507)	(5,111)	-	-	-
Annual surplus (deficit)	14,138,991	13,726,443	(2,402,350)	(2,275,794)	(5,823,087)	(3,922,080)	(738,225)	(202,593)	(526,061)	(487,497)

The Corporation of the Municipality of Greenstone

Schedule 3 (continued)

Consolidated Schedule of Segment Disclosure

Year ended December 31, 2018

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2018	2017	2018	2017	2018	2017	
Revenues							
Taxation	-	-	-	-	-	-	14,593,572
Grants	1,400,534	1,419,646	104,950	258,053	2,633	1,183,655	4,822,866
User fees and service charges	314,783	234,444	251,809	231,321	-	-	4,695,752
Other municipalities	-	-	-	-	-	-	57,708
Other revenues	36,807	39,196	1,748,522	239,597	7,319	6,960	4,149,351
Interest income - general	-	-	-	-	-	-	80,751
	1,752,124	1,693,286	2,105,281	728,971	9,952	1,190,615	28,690,205
							27,952,388
Expenses							
Salaries, wages and employee benefits	1,678,977	1,562,971	1,560,755	1,182,728	178,725	82,525	8,241,203
Long-term debt charges	-	-	7,814	409,427	11,608	12,767	605,565
Materials	272,523	302,454	1,111,926	1,079,995	190,671	1,310,811	7,944,742
Contracted services	135,173	124,775	205,536	78,242	60,283	87,014	5,665,038
Rent and financials	-	-	-	-	-	-	210,847
External transfers to others	758,075	804,088	1,941	1,482	-	-	862,115
Amortization	38,347	39,085	363,059	340,934	-	-	3,117,525
	2,883,095	2,833,373	3,251,031	3,092,808	441,287	1,493,117	26,647,035
							24,854,413
Net revenues (expenses) before undnotated item	(1,130,971)	(1,140,087)	(1,145,750)	(2,363,837)	(431,335)	(302,502)	2,043,170
Loss on disposal of tangible capital assets	(15,870)	-	-	-	-	-	(117,828)
Annual surplus (deficit)	(1,146,841)	(1,140,087)	(1,145,750)	(2,363,837)	(431,335)	(302,502)	1,925,342
							3,032,053

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Independent Auditor's Report

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

Opinion

We have audited the statement of financial position of Greenstone Public Library Board ("the Board") as at December 31, 2018, which comprise the statement of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Greenstone Public Library Board as at December 31, 2018, and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Thunder Bay, Canada
June 20, 2019

Chartered Professional Accountants
Licensed Public Accountants

Greenstone Public Library Board Statement of Financial Position

As at December 31	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash	15,573	32,812
Accounts receivable	12,532	9,263
Total financial assets	28,105	42,075
LIABILITIES		
Accounts payable	9,136	9,057
Deferred grant revenue	3,878	8,677
Total liabilities	13,014	17,734
NET FINANCIAL ASSETS	15,091	24,341
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 2]</i>	214,668	221,008
Prepaid expenses	2,411	2,387
	217,079	223,395
Accumulated surplus <i>[note 3]</i>	232,170	247,736

See accompanying notes to the financial statements.

Greenstone Public Library Board

Statement of Operations and Accumulated Surplus

Year ended December 31	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 4]</i>		
REVENUES			
Donations	-	255	280
Fees	2,200	2,615	3,444
Municipal contribution - operating	394,970	394,970	400,112
- capital	6,000	2,961	-
Other	1,600	703	1,830
Province of Ontario grants			
Capacity Building grant	-	-	6,471
Marketing Funding	-	11,720	-
Ministry of Culture	-	-	6,816
Operating grants	14,400	14,400	14,400
Pay equity - Provincial	4,020	4,020	4,020
SOLS Connectivity grant	-	4,000	5,427
Total revenues	423,190	435,644	442,800
EXPENSES			
Amortization	37,746	37,746	36,176
Audit fees	2,050	2,035	2,035
Books and periodicals	4,254	8,191	9,229
Capacity Building grant	-	-	6,471
Capital projects	6,000	2,961	-
Insurance	5,000	6,123	4,847
Marketing plan	-	11,720	-
Maintenance and repairs	2,040	1,805	1,863
Ministry of Culture	-	-	4,942
Miscellaneous	6,900	7,156	6,827
Operational supplies and services	25,100	25,529	24,811
Professional development	1,400	348	1,495
Professional fees	11,400	11,601	11,601
Rent	4,800	4,800	4,800
Salaries and benefits	318,273	329,467	328,706
Travel and conferences	6,500	6,732	6,473
Utilities	19,425	18,563	19,158
	450,888	474,777	469,434
Net expenses before the following	(27,698)	(39,133)	(26,634)
Recovery of salaries from school board	27,698	23,567	27,281
Annual surplus (deficit)	-	(15,566)	647
Accumulated surplus, beginning of year	-	247,736	247,089
Accumulated surplus, end of year	-	232,170	247,736

See accompanying notes to the financial statements.

Greenstone Public Library Board

Statement of Changes in Net Financial Assets

Year ended December 31

	Budget 2018 \$ <i>[note 4]</i>	Actual 2018 \$	Actual 2017 \$
Annual surplus (deficit)	-	(15,566)	647
Acquisition of tangible capital assets	(32,000)	(31,406)	(32,431)
Amortization of tangible capital assets	34,554	37,746	36,176
Acquisition of prepaid expenses	-	(2,411)	(2,387)
Use of prepaid expenses	-	2,387	1,083
Increase (decrease) in net financial assets	2,554	(9,250)	3,088
Net financial assets, beginning of year	-	24,341	21,253
Net financial assets, end of year	2,554	15,091	24,341

See accompanying notes to the financial statements.

Greenstone Public Library Board Statement of Cash Flows

Year ended December 31	2018	2017
	\$	\$
OPERATIONS		
Annual surplus (deficit)	(15,566)	647
Non-cash charges		
Amortization of tangible capital assets	37,746	36,176
	22,180	36,823
Net change in non-cash working capital balances		
Decrease (increase) in accounts receivable	(3,269)	3,082
Increase (decrease) in accounts payable	79	(11,636)
(Increase) decrease in prepaid expenses	(24)	(1,304)
Increase (decrease) in deferred grant revenue	(4,799)	938
Cash provided by operating transactions	14,167	27,903
CAPITAL		
Acquisition of tangible capital assets	(31,406)	(32,431)
Cash used in capital transactions	(31,406)	(32,431)
Decrease in cash	(17,239)	(4,528)
Opening cash	32,812	37,340
Closing cash	15,573	32,812

See accompanying notes to the financial statements.

Greenstone Public Library Board

Notes to the Financial Statements

December 31, 2018

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.

Greenstone Public Library Board

Notes to the Financial Statements

December 31, 2018

Reporting entity

The financial statements reflect the assets, liabilities, revenues, 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, 2018

2. TANGIBLE CAPITAL ASSETS

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

	Library collection \$	Computer hardware and software \$	Furniture and equipment \$	2018 Total \$	2017 Total \$
COST					
Balance, beginning of year	1,995,743	64,699	250,691	2,311,133	2,278,702
Add:					
Additions during the year	31,406	-	-	31,406	32,431
Balance, end of year	2,027,149	64,699	250,691	2,342,539	2,311,133
ACCUMULATED AMORTIZATION					
Balance, beginning of year	1,836,241	64,332	189,552	2,090,125	2,053,949
Add:					
Amortization during the year	30,979	190	6,577	37,746	36,176
Balance, end of year	1,867,220	64,522	196,129	2,127,871	2,090,125
Net book value of tangible capital assets, beginning of year	159,502	367	61,139	221,008	224,753
Net book value of tangible capital assets, end of year	159,929	177	54,562	214,668	221,008

Greenstone Public Library Board

Notes to the Financial Statements

December 31, 2018

3. ACCUMULATED SURPLUS

	2018	2017
	\$	\$
General fund	17,502	26,728
Investment in tangible capital assets	214,668	221,008
	232,170	247,736

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:

Independent Auditor's Report

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

Opinion

We have audited the financial statements of The Corporation of the Township of Greenstone Trust Funds (“the Trust Funds”), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and accumulated surplus, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Greenstone Trust Funds as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Trust Fund's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Thunder Bay, Canada
May 27, 2019

Chartered Professional Accountants
Licensed Public Accountants

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

As at December 31

2018

2017

	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Esnagami Memorial Bursary \$	Total \$	Total \$
FINANCIAL ASSETS					
Cash	-	-	1,370	1,370	1,819,953
Receivable from (payable to) the Municipality of Greenstone	703	29,344	-	30,047	(1,568,067)
Loan receivable	2,699	-	-	2,699	2,699
Interest receivable	-	2,308	119	2,427	1,344
Investments <i>[note 3]</i>	-	230,161	30,788	260,949	30,258
Total financial assets	3,402	261,813	32,277	297,492	286,187
Accumulated surplus	3,402	261,813	32,277	297,492	286,187

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 2018 2017

	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Esnagami Memorial Bursary \$	Total \$	Total \$
REVENUES					
Capital receipts	-	10,775	-	10,775	10,775
Interest income	-	2,308	530	2,838	1,807
Total revenues	-	13,083	530	13,613	12,582
EXPENSES					
Transfer to the Municipality of Greenstone	-	2,308	-	2,308	2,778
NET REVENUES	-	10,775	530	11,305	9,804
Annual surplus	-	10,775	530	11,305	9,804
Accumulated surplus, beginning of year	3,402	251,038	31,747	286,187	276,383
Accumulated surplus, end of year	3,402	261,813	32,277	297,492	286,187

See accompanying notes to the financial statements.

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

Year ended December 31	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Annual surplus	11,305	9,804
Net changes in non-cash working capital balances		
(Decrease) in payable to the Municipality of Greenstone	(1,598,114)	1,515,292
Decrease (increase) in interest receivable	(1,083)	479
Cash provided by (used in) operating activities	(1,587,892)	1,525,575
INVESTMENT ACTIVITY		
Increase in investments	(230,691)	(258)
Cash used in investment activity	(230,691)	(258)
Increase (decrease) in cash during year	(1,818,583)	1,525,317
Cash, beginning of year	1,819,953	294,636
Cash, end of year	1,370	1,819,953

See accompanying notes to the financial statements.

The Corporation of the Municipality of Greenstone Trust Funds

Notes to the Financial Statements

December 31, 2018

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 internment 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 consist of Guaranteed Investment Certificates maturing in 2018 and yielding interest of 1.7% over the term.