



Consolidated Financial Statements

The Corporation of the Municipality of
Greenstone

December 31, 2017



MUNICIPALITY OF
GREENSTONE

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 2017 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

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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, 2017 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, 2017, 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.

Thunder Bay, Canada
July 9, 2018

Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Municipality of Greenstone Consolidated Statement of Financial Position

As at December 31	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents <i>[note 5]</i>	4,819,529	4,992,981
Investments <i>[note 3]</i>	346,008	1,848,584
Taxes receivable <i>[note 4[a]]</i>	2,144,238	2,619,946
User charges receivable <i>[note 4[b]]</i>	1,272,646	1,054,956
Accounts receivable	1,067,878	1,313,299
Other assets	1,599,317	77,516
Total financial assets	11,249,616	11,907,282
LIABILITIES		
Accounts payable and accrued liabilities	2,055,993	2,725,251
Other liabilities	170,484	164,109
Deferred revenue <i>[note 6]</i>	1,452,503	2,079,263
Debt <i>[note 8]</i>	15,962,711	17,384,281
Landfill closure and post-closure liability <i>[note 9]</i>	1,518,338	1,434,971
Vested sick leave liability <i>[note 10]</i>	222,400	217,600
Total liabilities	21,382,429	24,005,475
NET DEBT	(10,132,813)	(12,098,193)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 11] [schedule 2]</i>	58,923,555	57,867,704
Inventories	46,974	37,456
Prepaid expenses	2,387	1,083
	58,972,916	57,906,243
Accumulated surplus <i>[schedule 1]</i>	48,840,103	45,808,050

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 2017 \$ <i>[note 15]</i>	Actual 2017 \$	Actual 2016 \$
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	3,960,496	3,993,101	3,855,559
Commercial and industrial	10,277,611	10,356,749	9,887,220
Taxation from other governments	243,722	243,722	495,115
	14,481,829	14,593,572	14,237,894
User charges			
Water and sewer billings	3,569,843	3,657,086	3,517,735
Other fees and service charges	570,153	649,147	574,732
	18,621,825	18,899,805	18,330,361
Government transfers			
Government of Canada	308,749	304,275	386,388
Province of Ontario	8,643,509	6,420,398	6,822,017
	8,952,258	6,724,673	7,208,405
Other			
Investment income	20,000	49,998	28,156
Penalties and late payment charges	579,740	586,485	582,978
Sale of fuel	727,194	877,100	697,297
Trailer park fees	90,192	89,747	88,427
Licences, permits and rents	452,785	410,316	429,656
Other	284,181	314,264	288,106
	2,154,092	2,327,910	2,114,620
Total revenues	29,728,175	27,952,388	27,653,386

	Budget 2017 \$ <i>[note 15]</i>	Actual 2017 \$	Actual 2016 \$
EXPENSES <i>[note 12] [schedule 3]</i>			
General government	3,808,541	4,001,631	4,246,677
Protection to persons and property	2,541,189	2,509,286	2,645,558
Transportation services	6,274,153	6,464,721	6,690,274
Environmental services	3,884,421	3,941,463	3,793,021
Health services	508,895	518,014	514,329
Social and family services	2,847,095	2,833,373	2,867,144
Recreation and cultural services	3,139,794	3,092,808	3,191,134
Planning and development	2,952,323	1,493,117	2,092,410
	25,956,411	24,854,413	26,040,547
NET REVENUES BEFORE UNDERNOTED ITEM	3,771,764	3,097,975	1,612,839
OTHER			
Loss on disposal of tangible capital assets	-	(65,922)	(35,589)
Annual surplus	3,771,764	3,032,053	1,577,250
Accumulated surplus, beginning of year	-	45,808,050	44,230,800
Accumulated surplus, end of year <i>[schedule 1]</i>	3,771,764	48,840,103	45,808,050

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 2017 \$ <i>[note 15]</i>	Actual 2017 \$	Actual 2016 \$
Annual surplus	3,771,764	3,032,053	1,577,250
Acquisition of tangible capital assets	(7,431,577)	(4,173,818)	(2,202,064)
Amortization of tangible capital assets	3,087,116	3,037,484	3,061,329
Loss on disposal of tangible capital assets	-	80,483	35,589
Acquisition of prepaid expenses	-	(2,387)	(1,083)
Acquisition of inventory	-	(46,974)	(37,456)
Use of prepaid expenses	-	1,083	1,082
Consumption of inventory	-	37,456	29,439
Increase in net assets (debt)	(572,697)	1,965,380	2,464,086
Net debt, beginning of year	-	(12,098,193)	(14,562,279)
Net debt, end of year	(572,697)	(10,132,813)	(12,098,193)

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Greenstone

Consolidated Statement of Cash Flows

Year ended December 31	2017	2016
	\$	\$
OPERATIONS		
Annual surplus	3,032,053	1,577,250
Non-cash charges		
Amortization of tangible capital assets	3,037,484	3,061,329
Loss on disposal of tangible capital assets	80,483	35,589
Landfill closure and post-closure costs	83,367	(624,355)
Employee future benefits	4,800	(1,000)
	6,238,187	4,048,813
Net change in non-cash working capital balances		
Decrease in taxes receivable	475,709	273,220
Increase in user charges receivable	(217,690)	(175,447)
Decrease (increase) in accounts receivable	245,420	(916,273)
Increase in other assets	(1,521,801)	(1,054)
Increase (decrease) in accounts payable and accrued liabilities	(669,258)	1,109,726
Increase (decrease) in other liabilities	6,375	(450)
Increase (decrease) in deferred revenue	(626,760)	586,490
Increase in inventories	(9,518)	(8,017)
Decrease (increase) in prepaid expenses	(1,304)	(1)
Cash provided by operating transactions	3,919,360	4,917,007
CAPITAL		
Acquisition of tangible capital assets	(4,173,818)	(2,202,064)
Cash used in capital transactions	(4,173,818)	(2,202,064)
INVESTING		
Increase in investments	1,502,576	(2,289)
Cash provided by (used in) investing transactions	1,502,576	(2,289)
FINANCING		
Debt principal repayments	(1,421,570)	(1,118,586)
Proceeds from issue of debt	-	5,191,837
Capital lease obligation principal repayments	-	(3,883,216)
Cash provided by (used in) financing transactions	(1,421,570)	190,035
Increase in cash and cash equivalents	(173,452)	2,902,689
Opening cash and cash equivalents	4,992,981	2,090,292
Closing cash and cash equivalents	4,819,529	4,992,981

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2017

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

December 31, 2017

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

December 31, 2017

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.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2017

[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

December 31, 2017

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

December 31, 2017

2. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$nil [2016 - \$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 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

	2017 \$	2016 \$
Property and business taxes receivable	4,198,620	4,248,913
Allowance for property and business tax arrears	(2,054,382)	(1,628,967)
	2,144,238	2,619,946

[b] User charges receivable

	2017 \$	2016 \$
Trade receivables	296,416	322,255
Water receivables	1,721,376	1,296,044
Other receivables	21,999	46,582
Allowance for doubtful trade receivables	(193,394)	(159,456)
Allowance for doubtful water receivables	(573,751)	(450,469)
	1,272,646	1,054,956

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 [2016 - \$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, 2017

6. DEFERRED REVENUE

	Government Transfer \$	Other \$	Total 2017 \$	Total 2016 \$
Obligatory reserve funds				
Unearned Gas Tax proceeds	-	804,996	804,996	565,584
Other deferred revenue				
Unearned grant proceeds	151,170	-	151,170	1,025,043
Unearned grant proceeds - Social Services	496,337	-	496,337	488,636
	647,507	804,996	1,452,503	2,079,263

The continuity of deferred revenue is as follows:

	2017 \$	2016 \$
Balance, beginning of year	2,079,263	1,492,773
Interest income	-	3,974
Grant proceeds - Gas Tax	300,775	287,249
Grant proceeds - other	161,118	810,172
Gas Tax and grant revenue earned	(1,088,653)	(514,905)
Balance, end of year	1,452,503	2,079,263

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 2017 was \$407,566 [2016 - \$418,028] for current service.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2017

8. DEBT

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

	2017 \$	2016 \$
Toronto Dominion Bank		
Term loan repayable in monthly instalments of \$30,653, including interest at 3.5%, maturing March, 2022.	1,451,013	1,762,163
Term loan repayable in monthly instalments of \$16,678, including interest at 3.66%, maturing November, 2020.	553,087	729,465
Term loan repayable in monthly instalments of \$23,407 including interest at 3.19%, maturing July, 2023.	1,434,956	1,666,069
RBC		
Term loan repayable in monthly instalments of \$18,751, including interest at 2.47%, maturing October 27, 2026.	1,783,677	1,962,464
OSIFA		
Term loan repayable in monthly instalments of \$18,193, including interest at 2.85%, maturing December 1, 2035.	3,071,215	3,200,000
Debenture payable in semi-annual instalments of \$67,663 for principal and interest at 5.01%, maturing December, 2032.	1,415,263	1,477,332
Debenture payable in semi-annual instalments of \$160,454 for principal and interest at 4.93%, maturing November, 2031.	3,217,597	3,374,078
Carried forward	12,926,808	14,171,571

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2017

	2017 \$	2016 \$
Brought forward	12,926,808	14,171,571
OMEIFA		
Debenture payable in semi-annual instalments of \$98,725 for principal and interest at 5.03%, maturing December, 2034.	2,238,444	2,320,204
Debenture payable in semi-annual instalments of \$66,989 for principal and interest at 4.48%, maturing December, 2024.	797,459	892,506
	15,962,711	17,384,281

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

	\$
2018	1,474,233
2019	1,529,010
2020	1,569,130
2021	1,532,778
2022	1,124,184
Thereafter	8,733,376
	15,962,711

[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 \$658,285 [2016 - \$573,895].

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

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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 \$83,367 [2016 - \$(624,355)] based on a total estimated undiscounted outflow in the future of \$4,062,275 [2016 - \$3,918,867], leaving an amount to be recognized in the future of \$2,543,937 [2016 - \$2,483,896] 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

	2017	2016
	\$	\$
Employee future benefits obligation	231,700	217,600
Unamortized actuarial loss	(9,300)	-
	222,400	217,600

Retirement and Other Employee Future Benefits Expenses

Current year benefit cost	39,500	17,800
Interest on accrued benefit obligation	8,300	7,600
Amortization of actuarial loss	800	-
Employee future benefits expenses	48,600	25,400
Benefit payments	(43,800)	(26,400)
Change in liability	4,800	(1,000)

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, 2017 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, 2017

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at December 31, 2017 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:

	2017	2016
	%	%
Wage and salary escalation	2.2	1.9
Discount on accrued benefit obligations	3.2	3.4

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 2017 [2016 - \$nil].

Interest capitalized during 2017 was \$nil [2016 - \$nil].

There were no contributed tangible capital assets in 2017 [2016 - \$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, 2017

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, 2017

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, 2017

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:

	2017 \$	2016 \$
Reserves		
Balance, beginning of year	4,941,883	4,432,960
Increases		
Transfers to reserves	-	2,096,928
Decreases		
Transfers from reserves	-	1,588,005
Balance, end of year	4,941,883	4,941,883
Reserve funds		
Balance, beginning of year	439,674	437,893
Increases		
Contributions from capital operations	4,706	-
Interest earned	-	1,781
Balance, end of year	444,380	439,674

14. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$346,007 [2016 - \$1,813,602] to support reserve funds.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2017

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	14,481,829	-	14,481,829
User charges	4,139,996	-	4,139,996
Government transfers	8,952,258	-	8,952,258
Other	4,148,625	(1,994,533)	2,154,092
	31,722,708	(1,994,533)	29,728,175
Expenses			
General government	5,492,609	(1,684,068)	3,808,541
Protection to persons and property	3,049,849	(508,660)	2,541,189
Transportation services	6,597,710	(323,557)	6,274,153
Environmental services	6,297,821	(2,413,400)	3,884,421
Health services	517,895	(9,000)	508,895
Social and family services	2,982,640	(135,545)	2,847,095
Recreation and cultural services	3,616,861	(477,067)	3,139,794
Planning and development	3,167,323	(215,000)	2,952,323
	31,722,708	(5,766,297)	25,956,411
Annual surplus	-	3,771,764	3,771,764
Interfund transfers	(1,994,533)	(1,994,533)	
Capital items	7,431,577	7,431,577	
Debt repayments	1,421,836	1,421,836	
Amortization	-	(3,087,116)	
Approved surplus	6,858,880	3,771,764	

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2017

16. COMMITMENTS

The Municipality leases certain equipment under operating leases and has other financial operating commitments. The future minimum annual lease payment over the next year is as follows:

	\$
2018	1,283

17. 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 2017 charges from the Agency of \$852,536 [2016 - \$887,943]. The estimated cost for this service and water services for 2018 is approximately \$nil.

[b] Water Services

The Ontario Clean Water Agency also provides for the operation of the Municipality's water supply system. The 2017 charges of \$1,094,229 [2016 - \$1,334,978] 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	2017	2016
	\$	\$
Surplus (deficit)		
General fund	2,207,005	1,573,305
Library	26,729	22,336
Investment in tangible capital assets	58,923,555	57,867,704
Unfunded		
Debt	(15,962,711)	(17,384,281)
Employee future benefits	(222,400)	(217,600)
Landfill closure and post-closure liabilities	(1,518,338)	(1,434,971)
Total surplus	43,453,840	40,426,493
Reserves set aside for specific purposes by Council		
For working capital	1,648,473	1,648,473
For capital expenditures	3,293,410	3,293,410
Total reserves	4,941,883	4,941,883
Reserve funds set aside for specific purposes by Council		
For future projects	444,380	439,674
Total reserve funds	444,380	439,674
Accumulated surplus	48,840,103	45,808,050

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

Year ended December 31, 2017

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	Construction	Assets Under Construction	2017	2016																																																																																																																																																																																																																												
COST																																																																																																																																																																																																																																													
Balance, beginning of year	16,982,382	30,291,704	-	12,956,312	1,159,743	7,041,225	398,738	1,979,013	9,617,987	30,175,509	4,072,040	9,828,478	-	390,612	124,893,743	123,611,201																																																																																																																																																																																																																													
Add:																	Additions during the year	-	331,950	-	753,870	-	368,829	-	40,381	53,082	471,019	-	975,744	-	1,178,943	4,173,818	2,829,890	Less:																	Disposals during the year	37,600	83,600	-	57,300	-	300,910	-	-	10,800	-	-	22,148	-	14,562	526,920	1,547,346	Balance, end 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	ACCUMULATED AMORTIZATION																	Balance, beginning of year	5,054,425	16,501,664	-	8,762,392	1,041,257	5,556,887	327,555	1,819,939	5,088,849	17,967,516	1,953,123	2,952,432	-	-	67,025,039	64,846,643	Add:																	Amortization during the year	385,104	482,064	-	181,546	16,060	202,200	26,368	31,024	385,661	777,403	27,627	522,407	-	-	3,037,484	3,061,329	Less:																	Accumulated amortization on disposals	-	83,600	-	57,300	-	273,403	-	-	10,170	-	-	21,964	-	-	446,437	863,833	Balance, end 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	Net book value of tangible capital assets, beginning of year	11,927,957	13,790,040	-	4,193,920	118,486	1,484,338	71,183	159,074	4,529,138	12,207,993	2,118,917	6,876,046	-	390,612	57,867,704	58,762,558	Net book value of tangible capital assets, end 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	58,923,565	57,867,704
Additions during the year	-	331,950	-	753,870	-	368,829	-	40,381	53,082	471,019	-	975,744	-	1,178,943	4,173,818	2,829,890																																																																																																																																																																																																																													
Less:																	Disposals during the year	37,600	83,600	-	57,300	-	300,910	-	-	10,800	-	-	22,148	-	14,562	526,920	1,547,346	Balance, end 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	ACCUMULATED AMORTIZATION																	Balance, beginning of year	5,054,425	16,501,664	-	8,762,392	1,041,257	5,556,887	327,555	1,819,939	5,088,849	17,967,516	1,953,123	2,952,432	-	-	67,025,039	64,846,643	Add:																	Amortization during the year	385,104	482,064	-	181,546	16,060	202,200	26,368	31,024	385,661	777,403	27,627	522,407	-	-	3,037,484	3,061,329	Less:																	Accumulated amortization on disposals	-	83,600	-	57,300	-	273,403	-	-	10,170	-	-	21,964	-	-	446,437	863,833	Balance, end 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	Net book value of tangible capital assets, beginning of year	11,927,957	13,790,040	-	4,193,920	118,486	1,484,338	71,183	159,074	4,529,138	12,207,993	2,118,917	6,876,046	-	390,612	57,867,704	58,762,558	Net book value of tangible capital assets, end 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	58,923,565	57,867,704																																		
Disposals during the year	37,600	83,600	-	57,300	-	300,910	-	-	10,800	-	-	22,148	-	14,562	526,920	1,547,346																																																																																																																																																																																																																													
Balance, end 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																																																																																																																																																																																																																													
ACCUMULATED AMORTIZATION																																																																																																																																																																																																																																													
Balance, beginning of year	5,054,425	16,501,664	-	8,762,392	1,041,257	5,556,887	327,555	1,819,939	5,088,849	17,967,516	1,953,123	2,952,432	-	-	67,025,039	64,846,643																																																																																																																																																																																																																													
Add:																	Amortization during the year	385,104	482,064	-	181,546	16,060	202,200	26,368	31,024	385,661	777,403	27,627	522,407	-	-	3,037,484	3,061,329	Less:																	Accumulated amortization on disposals	-	83,600	-	57,300	-	273,403	-	-	10,170	-	-	21,964	-	-	446,437	863,833	Balance, end 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	Net book value of tangible capital assets, beginning of year	11,927,957	13,790,040	-	4,193,920	118,486	1,484,338	71,183	159,074	4,529,138	12,207,993	2,118,917	6,876,046	-	390,612	57,867,704	58,762,558	Net book value of tangible capital assets, end 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	58,923,565	57,867,704																																																																																																																							
Amortization during the year	385,104	482,064	-	181,546	16,060	202,200	26,368	31,024	385,661	777,403	27,627	522,407	-	-	3,037,484	3,061,329																																																																																																																																																																																																																													
Less:																	Accumulated amortization on disposals	-	83,600	-	57,300	-	273,403	-	-	10,170	-	-	21,964	-	-	446,437	863,833	Balance, end 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	Net book value of tangible capital assets, beginning of year	11,927,957	13,790,040	-	4,193,920	118,486	1,484,338	71,183	159,074	4,529,138	12,207,993	2,118,917	6,876,046	-	390,612	57,867,704	58,762,558	Net book value of tangible capital assets, end 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	58,923,565	57,867,704																																																																																																																																																									
Accumulated amortization on disposals	-	83,600	-	57,300	-	273,403	-	-	10,170	-	-	21,964	-	-	446,437	863,833																																																																																																																																																																																																																													
Balance, end 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																																																																																																																																																																																																																													
Net book value of tangible capital assets, beginning of year	11,927,957	13,790,040	-	4,193,920	118,486	1,484,338	71,183	159,074	4,529,138	12,207,993	2,118,917	6,876,046	-	390,612	57,867,704	58,762,558																																																																																																																																																																																																																													
Net book value of tangible capital assets, end 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	58,923,565	57,867,704																																																																																																																																																																																																																													

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

Schedule 3

Year ended December 31, 2017

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Revenues										
Taxation	14,593,572	14,237,894	-	-	-	-	-	-	-	-
Grants	2,536,435	2,215,100	-	-	1,326,884	1,862,719	-	-	-	-
User fees and service charges	-	-	12,486	8,527	79,069	27,936	3,733,620	3,586,799	15,293	27,648
Other municipalities	-	-	55,517	40,042	-	-	-	-	-	-
Other revenues	586,484	769,692	165,489	160,110	1,164,195	962,051	5,250	-	15,224	-
Interest income - general	49,998	28,156	-	-	-	-	-	-	-	-
	17,766,489	17,250,842	233,492	208,679	2,570,148	2,852,706	3,738,870	3,586,799	30,517	27,648
Expenses										
Salaries, wages and employee benefits	1,709,597	1,686,159	463,364	437,016	2,695,080	2,564,000	-	-	-	-
Long-term debt charges	77,757	266,136	19,434	6,573	99,724	81,184	439,288	424,405	-	-
Materials	1,263,645	1,308,208	386,228	346,231	1,801,211	2,161,251	578,362	107,370	6,172	5,369
Contracted services	463,231	551,278	1,528,319	1,701,328	454,081	367,187	2,060,629	2,454,502	416,837	413,956
Rent and financials	216,062	211,754	-	-	-	-	-	-	-	-
External transfers to others	4,319	3,634	-	-	-	-	-	-	94,310	94,309
Amortization	267,020	219,508	111,941	154,410	1,414,625	1,516,652	863,184	806,744	695	695
	4,001,631	4,246,677	2,509,286	2,645,558	6,464,721	6,690,274	3,941,463	3,793,021	518,014	514,329
Net revenues (expenses) before undernoted item	13,764,858	13,004,165	(2,275,794)	(2,436,879)	(3,894,573)	(3,837,568)	(202,593)	(206,222)	(487,497)	(486,681)
Loss on disposal of tangible capital assets	(38,415)	(6,700)	-	-	(27,507)	-	-	(28,889)	-	-
Annual surplus (deficit)	13,726,443	12,997,465	(2,275,794)	(2,436,879)	(3,922,080)	(3,837,568)	(202,593)	(235,111)	(487,497)	(486,681)

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

Year ended December 31, 2017

Schedule 3 (continued)

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	
Revenues							
Taxation	-	-	-	-	-	-	14,237,894
Grants	1,419,646	1,549,484	258,053	63,677	1,183,655	1,517,425	6,724,673
User fees and service charges	234,444	236,065	231,321	205,492	-	-	4,306,233
Other municipalities	-	-	-	-	-	-	55,517
Other revenues	39,196	32,919	239,597	109,384	6,960	12,266	2,222,395
Interest income - general	-	-	-	-	-	-	49,998
	1,693,286	1,818,468	728,971	378,553	1,190,615	1,529,691	27,952,388
Expenses							
Salaries, wages and employee benefits	1,562,971	1,592,246	1,182,728	1,675,922	82,525	100,877	7,696,265
Long-term debt charges	-	-	409,427	9,170	12,767	3,400	1,058,397
Materials	302,454	275,177	1,079,995	1,087,015	1,310,811	1,839,004	6,728,878
Contracted services	124,775	130,827	78,242	93,309	87,014	149,129	5,213,128
Rent and financials	-	-	-	1,263	-	-	216,062
External transfers to others	804,088	830,029	1,482	-	-	-	904,199
Amortization	39,085	38,865	340,934	324,455	-	-	3,037,484
	2,833,373	2,867,144	3,092,808	3,191,134	1,493,117	2,092,410	24,854,413
Net revenues (expenses) before undernoted item	(1,140,087)	(1,048,676)	(2,363,837)	(2,812,581)	(302,502)	(562,719)	3,097,975
Loss on disposal of tangible capital assets	-	-	-	-	-	-	(65,922)
Annual surplus (deficit)	(1,140,087)	(1,048,676)	(2,363,837)	(2,812,581)	(302,502)	(562,719)	1,577,250

Independent Auditor's Report

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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, 2017 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, 2017, 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 9, 2018

Chartered Professional Accountants
Licensed Public Accountants

Greenstone Public Library Board Statement of Financial Position

As at December 31	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	32,812	37,340
Accounts receivable	9,263	12,344
Total financial assets	42,075	49,684
LIABILITIES		
Accounts payable	9,056	20,692
Deferred grant revenue	8,677	7,739
Total liabilities	17,733	28,431
NET FINANCIAL ASSETS	24,342	21,253
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 2]</i>	221,008	224,753
Prepaid expenses	2,387	1,083
	223,395	225,836
Accumulated surplus <i>[note 3]</i>	247,737	247,089

See accompanying notes to the financial statements.

Greenstone Public Library Board

Statement of Operations and Accumulated Surplus

Year ended December 31	2017	2017	2016
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 4]</i>		
REVENUES			
Municipal contribution - operating	400,112	400,112	382,452
Province of Ontario grants			
Operating grants	14,400	14,400	14,400
Pay equity - Provincial	4,020	4,020	4,020
Ministry of Culture	-	6,816	-
SOLS Connectivity grant	-	5,427	5,427
Capacity Building grant	-	6,471	1,182
Donations	-	280	1,340
Fees	2,000	3,444	2,862
Other	600	1,830	1,614
Total revenues	421,132	442,800	413,297
EXPENSES			
Amortization	36,176	36,176	34,554
Audit fees	2,050	2,035	2,035
Books and periodicals	9,070	9,229	8,518
Cap Site	8,124	-	5,427
Capacity Building grant	-	6,471	5,392
Insurance	6,300	4,847	6,281
Maintenance and repairs	2,140	1,863	2,283
Ministry of Culture	-	4,942	1,667
Miscellaneous	7,028	6,827	1,272
Operational supplies and services	16,150	24,811	22,572
Professional development	1,200	1,495	898
Professional fees	11,400	11,601	10,990
Rent	4,800	4,800	4,800
Salaries and benefits	323,836	328,706	336,837
Travel and conferences	7,100	6,473	5,720
Utilities	21,250	19,158	18,731
	456,624	469,434	467,977
Net expenses before the following	(35,492)	(26,634)	(54,680)
Recovery of salaries from school board	31,746	27,281	31,849
Annual surplus (deficit)	(3,746)	647	(22,831)
Accumulated surplus, beginning of year	-	247,089	269,920
Accumulated surplus, end of year	(3,746)	247,736	247,089

See accompanying notes to the financial statements.

Greenstone Public Library Board

Statement of Change in Net Financial Assets

Year ended December 31

	Budget 2017 \$ <i>[note 4]</i>	Actual 2017 \$	Actual 2016 \$
Annual surplus (deficit)	(3,746)	647	(22,831)
Acquisition of tangible capital assets	(32,000)	(32,430)	(32,071)
Amortization of tangible capital assets	34,554	36,176	34,554
Acquisition of prepaid expenses	-	(2,387)	(1,083)
Use of prepaid expenses	-	1,083	1,082
Increase (decrease) in net financial assets	(1,192)	3,089	(20,349)
Net financial assets, beginning of year	-	21,253	41,602
Net financial assets, end of year	(1,192)	24,342	21,253

See accompanying notes to the financial statements.

Greenstone Public Library Board Statement of Cash Flows

Year ended December 31	2017	2016
	\$	\$
OPERATIONS		
Annual surplus (deficit)	647	(22,831)
Non-cash charges		
Amortization of tangible capital assets	36,176	34,554
	36,823	11,723
Net change in non-cash working capital balances		
Decrease in accounts receivable	3,082	326
Increase (decrease) in accounts payable	(11,636)	12,152
Increase in prepaid expenses	(1,304)	(1)
Increase in deferred grant revenue	937	7,739
Cash provided by operating transactions	27,902	31,939
CAPITAL		
Acquisition of tangible capital assets	(32,430)	(32,071)
Cash used in capital transactions	(32,430)	(32,071)
Decrease in cash	(4,528)	(132)
Opening cash	37,340	37,472
Closing cash	32,812	37,340

See accompanying notes to the financial statements.

Greenstone Public Library Board

Notes to the Financial Statements

December 31, 2017

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, 2017

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, 2017

2. TANGIBLE CAPITAL ASSETS

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

	Library collection \$	Computer hardware and software \$	Furniture and equipment \$	2017 Total \$	2016 Total \$
COST					
Balance, beginning of year	1,963,312	64,699	250,691	2,278,702	2,246,631
Add:					
Additions during the year	32,431	-	-	32,431	32,071
Balance, end of year	1,995,743	64,699	250,691	2,311,133	2,278,702
ACCUMULATED AMORTIZATION					
Balance, beginning of year	1,806,832	64,142	182,975	2,053,949	2,019,395
Add:					
Amortization during the year	29,409	190	6,577	36,176	34,554
Balance, end of year	1,836,241	64,332	189,552	2,090,125	2,053,949
Net book value of tangible capital assets, beginning of year	156,480	557	67,716	224,753	227,236
Net book value of tangible capital assets, end of year	159,502	367	61,139	221,008	224,753

Greenstone Public Library Board

Notes to the Financial Statements

December 31, 2017

3. ACCUMULATED SURPLUS

	2017 \$	2016 \$
General fund	26,729	22,336
Investment in tangible capital assets	221,008	224,753
	247,737	247,089

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 2017 Budget \$	PSAB Adjustment \$	PSAB Adjusted Budget \$
Revenue	452,878	-	452,878
Expenses	452,878	3,746	456,624
Annual deficit	-	(3,746)	(3,746)
Less:			
Acquisition of tangible capital assets	-	(32,430)	(32,430)
Add:			
Amortization of tangible capital assets	-	36,176	36,176
	-	3,746	3,746
Increase in net financial assets	-	-	-

Independent Auditor's Report

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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, 2017 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, 2017 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 9, 2018

Chartered Professional Accountants
Licensed Public Accountants

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

As at December 31

2017

2016

	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Esnagami Memorial Bursary \$	Total \$	Total \$
FINANCIAL ASSETS					
Cash	-	1,818,583	1,370	1,819,953	294,636
Receivable from (payable to) the Municipality of Greenstone	703	(1,568,770)	-	(1,568,067)	(52,775)
Loan receivable	2,699	-	-	2,699	2,699
Interest receivable	-	1,225	119	1,344	1,823
Investments <i>[note 3]</i>	-	-	30,258	30,258	30,000
Total financial assets	3,402	251,038	31,747	286,187	276,383
Accumulated surplus	3,402	251,038	31,747	286,187	276,383

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

2017

2016

	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Esnagami Memorial Bursary \$	Total \$	Total \$
REVENUES					
Capital receipts	-	10,775	-	10,775	10,800
Interest income	-	1,278	529	1,807	2,193
Total revenues	-	12,053	529	12,582	12,993
EXPENSES					
Transfer to the Municipality of Greenstone	-	1,278	1,500	2,778	2,668
NET REVENUES (EXPENSES)	-	10,775	(971)	9,804	10,325
Annual surplus (deficit)	-	10,775	(971)	9,804	10,325
Accumulated surplus, beginning of year	3,402	240,263	32,718	276,383	266,058
Accumulated surplus, end of year	3,402	251,038	31,747	286,187	276,383

See accompanying notes to the financial statements.

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

Year ended December 31	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Annual surplus	9,804	10,325
Net changes in non-cash working capital balances		
(Decrease) in payable to the Municipality of Greenstone	(1,156)	(1,881)
Decrease (increase) in interest receivable	479	(1,705)
Cash provided by operating activities	9,127	6,739
INVESTMENT ACTIVITY		
Decrease (increase) in investments	(258)	-
Cash provided by (used in) investment activity	(258)	-
Increase in cash during year	8,869	6,739
Cash, beginning of year	294,636	287,897
Cash, end of year	303,505	294,636

See accompanying notes to the financial statements.

The Corporation of the Municipality of Greenstone Trust Funds

Notes to the Financial Statements

December 31, 2017

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