



Consolidated Financial Statements

The Corporation of the Municipality of
Greenstone

December 31, 2019



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.

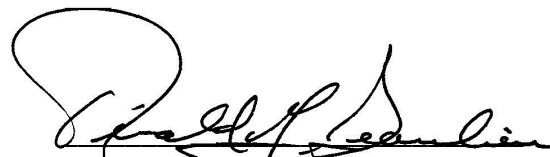
In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that Municipal assets are safeguarded from loss and that the accounting records are a reliable basis 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 to meet with Municipal Council to discuss their audit and the results of their examination.

The 2019 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



Renald Beaulieu, Mayor

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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

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, 2019, 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, 2019, 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
September 14, 2020

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Municipality of Greenstone

Consolidated Statement of Financial Position

As at December 31	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents <i>[note 5]</i>	7,365,283	3,695,079
Investments <i>[note 3]</i>	4,052,513	3,939,597
Taxes receivable <i>[note 4[a]]</i>	2,476,848	2,388,789
User charges receivable <i>[note 4[b]]</i>	1,095,678	1,603,667
Accounts receivable	91,707	657,411
Other assets	82,249	115,199
Total financial assets	15,164,278	12,399,742
LIABILITIES		
Accounts payable and accrued liabilities	2,129,612	1,413,549
Other liabilities	199,828	199,828
Deferred revenue <i>[note 6]</i>	2,028,305	1,095,531
Debt <i>[note 8]</i>	12,959,409	14,488,439
Landfill closure and post-closure liability <i>[note 9]</i>	1,642,818	1,654,798
Employee future benefits <i>[note 10]</i>	238,600	227,800
Total liabilities	19,198,572	19,079,945
NET DEBT	(4,034,294)	(6,680,203)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 11] [schedule 2]</i>	56,296,329	57,387,503
Inventories	68,628	55,734
Prepaid expenses	2,411	2,411
	56,367,368	57,445,648
Accumulated surplus <i>[schedule 1]</i>	52,333,074	50,765,445

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 2019 \$ <i>[note 15]</i>	Actual 2019 \$	Actual 2018 \$
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	4,226,600	4,207,222	4,100,805
Commercial and industrial	10,767,632	10,754,031	10,543,750
Taxation from other governments	243,722	243,722	239,222
	15,237,954	15,204,975	14,883,777
User charges			
Water and sewer billings	3,993,385	3,977,004	3,954,052
Other fees and service charges	727,538	791,240	734,052
	19,958,877	19,973,219	19,571,881
Government transfers			
Government of Canada	770,778	398,869	720,844
Province of Ontario	6,305,323	4,348,610	4,129,302
	7,076,101	4,747,479	4,850,146
Other			
Investment income	76,700	215,244	80,751
Penalties and late payment charges	564,500	573,693	542,726
Sale of land and fuel	838,650	709,819	1,183,070
Trailer park fees	92,400	94,433	91,595
Licences, permits and rents	372,005	427,408	366,489
Other	569,407	438,505	2,003,547
	2,513,662	2,459,102	4,268,178
Total revenues	29,548,640	27,179,800	28,690,205

	Budget 2019 \$ [note 15]	Actual 2019 \$	Actual 2018 \$
EXPENSES [note 12] [schedule 3]			
General government	4,141,425	4,564,176	4,263,819
Protection to persons and property	2,463,269	2,551,663	2,602,358
Transportation services	6,603,582	6,511,109	7,818,575
Environmental services	4,460,352	4,941,480	4,796,454
Health services	591,807	610,776	584,588
Social and family services	2,913,395	2,964,925	2,901,743
Recreation and cultural services	3,237,847	3,042,183	3,238,211
Planning and development	433,944	506,726	441,287
	24,845,621	25,693,038	26,647,035
NET REVENUES BEFORE UNDERNOTED ITEM	4,703,019	1,486,762	2,043,170
OTHER			
Gain (loss) on disposal of tangible capital assets	-	80,867	(117,828)
Annual surplus	4,703,019	1,567,629	1,925,342
Accumulated surplus, beginning of year	50,765,446	50,765,445	48,840,103
Accumulated surplus, end of year [schedule 1]	55,468,465	52,333,074	50,765,445

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 2019 \$ <i>[note 15]</i>	Actual 2019 \$	Actual 2018 \$
Annual surplus	4,703,019	1,567,629	1,925,342
Acquisition of tangible capital assets	(8,625,973)	(2,146,129)	(1,702,279)
Amortization of tangible capital assets	3,174,181	3,181,992	3,117,170
Gain (Loss) on disposal of tangible capital assets	-	(80,867)	117,828
Proceeds on disposal of tangible capital assets	-	136,178	3,333
Acquisition of prepaid expenses	-	-	(2,411)
Acquisition of inventory	-	(68,628)	(55,734)
Use of prepaid expenses	-	-	2,387
Consumption of inventory	-	55,734	46,974
Increase in net assets (debt)	(748,773)	2,645,909	3,452,610
Net debt, beginning of year	(6,680,203)	(6,680,203)	(10,132,813)
Net debt, end of year	(7,428,976)	(4,034,294)	(6,680,203)

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Greenstone

Consolidated Statement of Cash Flows

Year ended December 31	2019	2018
	\$	\$
OPERATIONS		
Annual surplus	1,567,629	1,925,342
Non-cash charges		
Amortization of tangible capital assets	3,181,992	3,117,170
(Gain) loss on disposal of tangible capital assets	(80,867)	117,828
Landfill closure and post-closure costs	(11,980)	136,460
Employee future benefits	10,800	5,400
	4,667,574	5,302,200
Net change in non-cash working capital balances		
(Increase) in taxes receivable	(88,059)	(244,551)
Decrease (Increase) in user charges receivable	507,989	(331,021)
Decrease in accounts receivable	565,704	410,467
Decrease in other assets	32,950	1,484,118
Increase (decrease) in accounts payable and accrued liabilities	716,063	(642,444)
Increase in other liabilities	-	29,344
Increase (decrease) in deferred revenue	932,774	(356,972)
Increase in inventories	(12,894)	(8,760)
Decrease (increase) in prepaid expenses	-	(24)
Cash provided by operating transactions	7,322,101	5,642,357
CAPITAL		
Acquisition of tangible capital assets	(2,146,129)	(1,702,279)
Proceeds on disposal of tangible capital assets	136,178	3,333
Cash used in capital transactions	(2,009,951)	(1,698,946)
INVESTING		
Increase in investments	(112,916)	(3,593,589)
Cash provided by (used in) investing transactions	(112,916)	(3,593,589)
FINANCING		
Debt principal repayments	(1,529,030)	(1,474,272)
Cash used in financing transactions	(1,529,030)	(1,474,272)
Increase (decrease) in cash and cash equivalents	3,670,204	(1,124,450)
Opening cash and cash equivalents	3,695,079	4,819,529
Closing cash and cash equivalents	7,365,283	3,695,079

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2019

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.

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, 2019

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, 2019

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, 2019

[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, 2019

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 estimated 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 receivables 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, 2019

2. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$306,084 [2018 - \$297,492] 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 2020 and 2021 yielding rates of return between 1.19 - 2.58% and investments in money market funds.

4. TAXES AND USER CHARGES RECEIVABLE

[a] Taxes receivable

	2019	2018
	\$	\$
Property and business taxes receivable	5,467,485	4,772,916
Allowance for doubtful property and business tax arrears	(2,990,637)	(2,384,127)
	2,476,848	2,388,789

[b] User charges receivable

	2019	2018
	\$	\$
Trade receivables	469,708	377,705
Water receivables	1,701,607	2,204,784
Other receivables	16,856	35,073
Allowance for doubtful trade receivables	(252,885)	(269,099)
Allowance for doubtful water receivables	(839,608)	(744,796)
	1,095,678	1,603,667

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 [2018 - \$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

December 31, 2019

6. DEFERRED REVENUE

	Government Transfer \$	Other \$	Total 2019 \$	Total 2018 \$
Obligatory reserve funds				
Unearned Gas Tax proceeds	819,216	-	819,216	190,948
Other deferred revenue				
Unearned grant proceeds	678,820	-	678,820	401,477
Unearned grant proceeds - Social Services	530,269	-	530,269	503,106
	2,028,305	-	2,028,305	1,095,531

The continuity of deferred revenue is as follows:

	2019 \$	2018 \$
Balance, beginning of year	1,095,531	1,452,503
Grant proceeds - Gas tax	597,867	309,273
Grant proceeds - other	357,547	47,746
Interest on Gas tax funds	25,107	-
Gas tax and other revenue earned	(47,747)	(713,991)
Balance, end of year	2,028,305	1,095,531

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 2019 was \$529,155 [2018 - \$455,626] for current service.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2019

8. DEBT

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

	2019 \$	2018 \$
Toronto Dominion Bank		
Term loan repayable in monthly instalments of \$30,653, including interest at 3.5%, maturing March, 2022.	795,118	1,128,795
Term loan repayable in monthly instalments of \$16,678, including interest at 3.66%, maturing November, 2020.	180,395	370,146
Term loan repayable in monthly instalments of \$23,407 including interest at 3.19%, maturing July, 2023.	950,043	1,196,361
RBC		
Term loan repayable in monthly instalments of \$18,751, including interest at 2.47%, maturing October 27, 2026.	1,412,663	1,600,447
OSIFA		
Term loan repayable in monthly instalments of \$18,193, including interest at 2.85%, maturing December 1, 2035.	2,802,381	2,938,711
Debenture payable in semi-annual instalments of \$67,663 for principal and interest at 5.01%, maturing December, 2032.	1,281,497	1,350,035
Debenture payable in semi-annual instalments of \$160,454 for principal and interest at 4.93%, maturing November, 2031.	2,880,839	3,053,317
Carried forward	10,302,936	11,637,812

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2019

	2019 \$	2018 \$
Brought forward	10,302,936	11,637,812
OMEIFA		
Debenture payable in semi-annual instalments of \$98,725 for principal and interest at 5.03%, maturing December, 2034.	2,062,221	2,152,521
Debenture payable in semi-annual instalments of \$66,989 for principal and interest at 4.48%, maturing December, 2024.	594,252	698,106
	12,959,409	14,488,439

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

	\$
2019	1,569,461
2020	1,450,969
2021	1,206,076
2022	1,049,507
2023	922,758
Thereafter	6,760,638
	12,959,409

[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 \$550,806 [2018 - \$605,583].

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, 2019

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 \$11,980 [2018 - \$136,460] based on a total estimated undiscounted outflow in the future of \$2,850,600 [2018 - \$5,019,475], leaving an amount to be recognized in the future of \$1,207,782 [2018 - \$3,364,677] 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 62 years and the remaining capacity of the sites ranges from 4,400 to 88,950 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

	2019	2018
	\$	\$
Employee future benefits obligation	238,600	236,100
Unamortized actuarial loss	-	(8,300)
	238,600	227,800

Retirement and Other Employee Future Benefits Expenses

Current year benefit cost	42,500	41,200
Interest on accrued benefit obligation	8,300	8,000
Amortization of actuarial loss	1,000	1,000
Employee future benefits expenses	51,800	50,200
Benefit payments	(41,000)	(44,800)
Change in liability	10,800	5,400

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, 2019 was determined by an actuarial valuation prepared for the year ended December 31, 2018.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2019

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at December 31, 2019 are based on actuarial valuations for accounting purposes as at December 31, 2018. 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:

	2019	2018
	%	%
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 2019 [2018 - \$nil].

Interest capitalized during 2019 was \$nil [2018 - \$nil].

There were no contributed tangible capital assets in 2019 [2018 - \$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, 2019

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.

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, 2019

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, 2019

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:

	2019 \$	2018 \$
Reserves		
Balance, beginning of year	8,930,686	4,941,883
Increases		
Transfers to reserves	2,162,492	3,988,803
Decreases		
Transfers from reserves	1,128,984	-
Balance, end of year	9,964,194	8,930,686
Reserve funds		
Balance, beginning of year	444,380	444,380
Increases		
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 \$360,279 [2018 - \$350,597] to support reserve funds.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2019

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	15,237,954	-	15,237,954
User charges	4,720,923	-	4,720,923
Government transfers	7,076,101	-	7,076,101
Other	4,791,467	(2,277,805)	2,513,662
	31,826,445	(2,277,805)	29,548,640
Expenses			
General government	4,156,046	(14,621)	4,141,425
Protection to persons and property	2,709,276	(246,007)	2,463,269
Transportation services	7,691,117	(1,087,535)	6,603,582
Environmental services	9,576,887	(5,116,535)	4,460,352
Health services	709,364	(117,557)	591,807
Social and family services	2,938,584	(25,189)	2,913,395
Recreation and cultural services	3,338,636	(100,789)	3,237,847
Planning and development	706,535	(272,591)	433,944
	31,826,445	(6,980,824)	24,845,621
Annual surplus	-	4,703,019	4,703,019
Interfund transfers	-	(2,138,752)	
Capital items	-	8,625,973	
Debt proceeds	-	(139,053)	
Debt repayments	-	1,529,032	
Amortization	-	(3,174,181)	
Approved surplus	-	4,703,019	

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2019

16. CONTRACTUAL OBLIGATIONS

[a] Ontario Clean Water Agency

In accordance with a service agreement entered into by the Municipality with the Ontario Clean Water Agency, the sewage systems are operated by the Agency. The Municipality is obligated to meet all operating and other costs related to the systems.

Included in the Consolidated Statement of Operations and Accumulated Surplus are the 2019 charges from the Agency of \$817,212 [2018 - \$919,946].

[b] Water Services

The Ontario Clean Water Agency also provides for the operation of the Municipality's water supply systems. The 2019 charges of \$1,447,006 [2018 - \$1,377,220] for this service are included in the Consolidated Statement of Operations and Accumulated Surplus.

The estimated cost for water and sewage services for 2020 is approximately \$2,300,000.

The Corporation of the Municipality of Greenstone

Notes to the Consolidated Financial Statements

December 31, 2019

17. SUBSEQUENT EVENTS

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In response to the pandemic and legislated closures of non-essential services, the Municipality closed the municipal office as well as all recreation facilities. The facilities have since reopened. As a result, the Municipality experienced an immaterial decline in rentals and user charges.

In April and May, 2020, the Municipality passed by-laws to amend the tax and water and wastewater fees and charges by-laws to allow for relief to ratepayers. Late payment interest and penalty charges were deferred until July 1, 2020 in respect of taxes that became due on March 31, April 30 and May 29, 2020 as well as in respect of water and sewer charges that became due on March 31, 2020. The Municipality anticipated a reduction in penalty and interest revenue of between \$5,000 and \$6,500 per month for the affected months.

The Municipality has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Municipality for future periods.

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

Year ended December 31	2019	2018
	\$	\$
Surplus (deficit)		
General fund	443,251	356,410
Library	25,748	17,503
Investment in tangible capital assets	56,296,328	57,387,503
Unfunded		
Debt	(12,959,409)	(14,488,439)
Employee future benefits	(238,600)	(227,800)
Landfill closure and post-closure liabilities	(1,642,818)	(1,654,798)
Total surplus	41,924,500	41,390,379
Reserves set aside for specific purposes by Council		
For working capital	1,648,473	1,648,473
For capital expenditures	8,315,721	7,282,213
Total reserves	9,964,194	8,930,686
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	52,333,074	50,765,445

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

Schedule 2

Year ended December 31, 2019

	Land and Land Improvements		Capital Leased Asset - Building	General					Infrastructure					Assets Under Construction	Totals	
	\$	\$		Machinery and Equipment	Furniture and Equipment	Vehicles	Computer Hardware and Software	Library Collection	Sanitary and Storm Sewer	Roads	Culverts and Bridges	Water Distribution	Other		2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST																
Balance, beginning 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
Add:																
Additions during the year	-	173,257	-	173,273	-	955,937	-	31,406	129,094	-	-	508,815	131,909	42,438	2,146,129	1,702,279
Less:																
Disposals during the year	10,200	170,293	-	65,449	-	673,831	-	-	7,500	-	-	32,200	-	-	959,473	502,291
Transfers	-	12,811	-	-	-	-	-	-	-	-	-	3,440	17,305	(33,556)	-	-
Balance, end of year	16,934,582	30,334,229	-	13,815,667	1,089,435	7,896,509	425,659	2,082,206	10,743,019	31,316,098	4,353,363	11,262,129	301,345	373,044	130,927,285	129,740,629
ACCUMULATED AMORTIZATION																
Balance, beginning 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
Add:																
Amortization during the year	373,902	471,353	-	196,646	9,379	301,082	23,600	36,493	450,368	762,045	94,918	443,667	18,539	-	3,181,992	3,117,170
Less:																
Accumulated amortization on disposals	-	162,274	-	22,907	6,576	672,705	-	-	7,500	-	-	32,200	-	-	904,162	381,130
Balance, end of year	6,196,017	17,469,346	-	9,243,703	1,043,455	5,340,077	405,159	1,918,435	6,323,622	20,202,816	2,163,937	4,296,433	27,956	-	74,630,956	72,353,126
Net book value of tangible capital assets, beginning of year	11,122,667	13,158,187	-	4,637,879	48,783	1,902,703	44,100	168,858	4,740,671	11,875,327	2,284,344	6,897,108	142,714	364,162	57,387,503	58,923,555
Net book value of tangible capital assets, end of year	10,738,565	12,864,883	-	4,571,964	45,980	2,556,432	20,500	163,771	4,419,397	11,113,282	2,189,426	6,965,696	273,389	373,044	56,296,329	57,387,503

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

Schedule 3

Year ended December 31, 2019

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	15,204,975	14,883,777	-	-	-	-	-	-	-	-
Grants	2,221,297	2,989,041	-	-	513,092	325,709	663,860	-	-	-
User fees and service charges	-	-	6,349	7,616	60,758	67,664	4,094,374	4,032,458	16,342	21,422
Other municipalities	-	-	65,996	57,708	-	-	-	-	-	-
Other revenues	594,475	542,727	237,078	134,684	964,031	1,637,072	(3,721)	17,191	4,740	14,227
Interest income - general	215,244	80,751	-	-	-	-	-	-	-	-
	18,235,991	18,496,296	309,423	200,008	1,537,881	2,030,445	4,754,513	4,049,649	21,082	35,649
Expenses										
Salaries, wages and employee benefits	1,836,527	1,655,449	470,577	483,502	2,745,221	2,683,795	-	-	-	-
Long-term debt charges	56,623	67,360	15,422	17,460	75,918	88,043	386,172	413,280	-	-
Materials	1,871,342	1,656,511	461,725	480,605	1,615,210	3,084,617	1,302,900	1,103,360	27,126	35,592
Contracted services	289,953	402,670	1,481,268	1,505,259	586,794	507,597	2,349,283	2,397,290	496,944	454,339
Rent and financials	237,823	210,847	-	-	-	-	-	-	-	-
External transfers to others	8,794	7,789	-	-	-	-	-	-	86,706	94,310
Amortization	263,114	263,193	122,671	115,532	1,487,966	1,454,523	903,125	882,524	-	347
	4,564,176	4,263,819	2,551,663	2,602,358	6,511,109	7,818,575	4,941,480	4,796,454	610,776	584,588
Net revenues (expenses) before undernoted item	13,671,815	14,232,477	(2,242,240)	(2,402,350)	(4,973,228)	(5,788,130)	(186,967)	(746,805)	(589,694)	(548,939)
Gain (loss) on disposal of tangible capital assets	80,867	(51,069)	-	-	-	(45,778)	-	(5,111)	-	-
Annual surplus (deficit)	13,752,682	14,181,408	(2,242,240)	(2,402,350)	(4,973,228)	(5,833,908)	(186,967)	(751,916)	(589,694)	(548,939)

The Corporation of the Municipality of Greenstone

Schedule 3 (continued)

Consolidated Schedule of Segment Disclosure

Year ended December 31, 2019

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Taxation	-	-	-	-	-	-	15,204,975	14,883,777
Grants	1,322,175	1,424,244	19,671	111,152	7,384	-	4,747,479	4,850,146
User fees and service charges	282,675	294,819	307,746	264,126	-	-	4,768,244	4,688,105
Other municipalities	-	-	-	-	-	-	65,996	57,708
Other revenues	74,433	36,807	301,095	1,739,690	5,731	7,321	2,177,862	4,129,719
Interest income - general	-	-	-	-	-	-	215,244	80,751
	1,679,283	1,755,870	628,512	2,114,968	13,115	7,321	27,179,800	28,690,206
Expenses								
Salaries, wages and employee benefits	1,714,704	1,678,977	1,488,656	1,560,599	204,991	178,725	8,460,676	8,241,047
Long-term debt charges	-	-	8,234	9,755	10,409	11,608	552,778	607,506
Materials	284,839	291,171	1,081,580	1,099,609	218,474	190,671	6,863,196	7,942,136
Contracted services	148,350	135,173	101,977	205,536	72,852	60,283	5,527,421	5,668,147
Rent and financials	-	-	-	-	-	-	237,823	210,847
External transfers to others	773,652	758,075	-	-	-	-	869,152	860,174
Amortization	43,380	38,347	361,736	362,712	-	-	3,181,992	3,117,178
	2,964,925	2,901,743	3,042,183	3,238,211	506,726	441,287	25,693,038	26,647,035
Net revenues (expenses) before undernoted item	(1,285,642)	(1,145,873)	(2,413,671)	(1,123,243)	(493,611)	(433,966)	1,486,762	2,043,171
Gain (loss) on disposal of tangible capital assets	-	(15,870)	-	-	-	-	80,867	(117,828)
Annual surplus (deficit)	(1,285,642)	(1,161,743)	(2,413,671)	(1,123,243)	(493,611)	(433,966)	1,567,629	1,925,343

Independent Auditor's Report

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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, 2019, 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, 2019, 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
September 14, 2020

Chartered Professional Accountants
Licensed Public Accountants

Greenstone Public Library Board Statement of Financial Position

As at December 31	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	27,564	15,573
Accounts receivable	11,332	12,532
Total financial assets	38,896	28,105
LIABILITIES		
Accounts payable	13,148	9,136
Deferred grant revenue	-	3,878
Total liabilities	13,148	13,014
NET FINANCIAL ASSETS	25,748	15,091
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 2]</i>	208,659	214,668
Prepaid expenses	-	2,411
	208,659	217,079
Accumulated surplus <i>[note 3]</i>	234,407	232,170

See accompanying notes to the financial statements.

Greenstone Public Library Board

Statement of Operations and Accumulated Surplus

Year ended December 31	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 4]</i>		
REVENUES			
Donations	-	120	255
Fees	2,500	2,981	2,615
Municipal contribution - operating	406,882	406,882	394,970
- capital	-	327	2,961
Other	600	552	703
Province of Ontario grants			
Capacity Building grant	-	1,271	-
Marketing Funding	-	2,280	11,720
Operating grants	14,400	14,400	14,400
Pay equity - Provincial	4,020	4,020	4,020
SOLS Connectivity grant	-	5,333	4,000
Total revenues	428,402	438,166	435,644
EXPENSES			
Amortization	37,626	37,626	37,746
Audit fees	2,050	2,144	2,035
Books and periodicals	9,500	9,796	8,191
Capital projects	-	-	2,961
Insurance	6,150	7,609	6,123
Marketing plan	-	-	11,720
Maintenance and repairs	2,040	1,719	1,805
Miscellaneous	6,825	6,921	7,156
Operational supplies and services	26,550	23,412	25,529
Professional development	1,200	305	348
Professional fees	11,400	11,601	11,601
Rent	4,800	4,800	4,800
Salaries and benefits	327,430	331,874	329,467
Travel and conferences	6,500	5,687	6,732
Utilities	19,250	18,619	18,563
	461,321	462,113	474,777
Net expenses before the following	(32,919)	(23,947)	(39,133)
Recovery of salaries from school board	27,793	26,184	23,567
Annual surplus (deficit)	(5,126)	2,237	(15,566)
Accumulated surplus, beginning of year	-	232,170	247,736
Accumulated surplus, end of year	(5,126)	234,407	232,170

See accompanying notes to the financial statements.

Greenstone Public Library Board

Statement of Changes in Net Financial Assets

Year ended December 31

	Budget 2019 \$ <i>[note 4]</i>	Actual 2019 \$	Actual 2018 \$
Annual surplus (deficit)	(5,126)	2,237	(15,566)
Acquisition of tangible capital assets	(32,500)	(31,617)	(31,406)
Amortization of tangible capital assets	37,626	37,626	37,746
Acquisition of prepaid expenses	-	-	(2,411)
Use of prepaid expenses	-	2,411	2,387
Increase (decrease) in net financial assets	-	10,657	(9,250)
Net financial assets, beginning of year	-	15,091	24,341
Net financial assets, end of year	-	25,748	15,091

See accompanying notes to the financial statements.

Greenstone Public Library Board Statement of Cash Flows

Year ended December 31	2019	2018
	\$	\$
OPERATIONS		
Annual surplus (deficit)	2,237	(15,566)
Non-cash charges		
Amortization of tangible capital assets	37,626	37,746
	39,863	22,180
Net change in non-cash working capital balances		
Decrease (increase) in accounts receivable	1,200	(3,269)
Increase in accounts payable	4,012	79
Decrease (increase) in prepaid expenses	2,411	(24)
Decrease in deferred grant revenue	(3,878)	(4,799)
Cash provided by operating transactions	43,608	14,167
CAPITAL		
Acquisition of tangible capital assets	(31,617)	(31,406)
Cash used in capital transactions	(31,617)	(31,406)
Increase (decrease) in cash	11,991	(17,239)
Opening cash	15,573	32,812
Closing cash	27,564	15,573

See accompanying notes to the financial statements.

Greenstone Public Library Board

Notes to the Financial Statements

December 31, 2019

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, 2019

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, 2019

2. TANGIBLE CAPITAL ASSETS

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

	Library collection \$	Computer hardware and software \$	Furniture and equipment \$	2019 Total \$	2018 Total \$
COST					
Balance, beginning of year	2,027,149	64,699	250,691	2,342,539	2,311,133
Add:					
Additions during the year	31,617	-	-	31,617	31,406
Balance, end of year	2,058,766	64,699	250,691	2,374,156	2,342,539
ACCUMULATED AMORTIZATION					
Balance, beginning of year	1,867,220	64,522	196,129	2,127,871	2,090,125
Add:					
Amortization during the year	31,087	115	6,424	37,626	37,746
Balance, end of year	1,898,307	64,637	202,553	2,165,497	2,127,871
Net book value of tangible capital assets, beginning of year	159,929	177	54,562	214,668	221,008
Net book value of tangible capital assets, end of year	160,459	62	48,138	208,659	214,668

3. ACCUMULATED SURPLUS

	2019 \$	2018 \$
General fund	25,748	17,502
Investment in tangible capital assets	208,659	214,668
	234,407	232,170

Greenstone Public Library Board

Notes to the Financial Statements

December 31, 2019

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 2019 Budget \$	PSAB Adjustment \$	PSAB Adjusted Budget \$
Revenue	456,195	-	456,195
Expenses	456,195	5,126	461,321
Annual deficit	-	(5,126)	(5,126)
Less:			
Acquisition of tangible capital assets	-	(32,500)	(32,500)
Add:			
Amortization of tangible capital assets	-	37,626	37,626
	-	5,126	5,126
Increase in net financial assets	-	-	-

Greenstone Public Library Board

Notes to the Financial Statements

December 31, 2019

5. SUBSEQUENT EVENTS

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Greenstone Public Library Board was closed from March 16, 2020 until June 1, 2020. On June 1, 2020 it reopened for staff and provided curbside pickup for library patrons. Currently, the Library is still not open to the public and they are unsure when they will reopen.

The Board has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Board for future periods.

Independent Auditor's Report

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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 Municipality of Greenstone Trust Funds ("the Trust Funds"), which comprise the statement of financial position as at December 31, 2019, 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 Municipality of Greenstone Trust Funds as at December 31, 2019, 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
September 14, 2020

Chartered Professional Accountants
Licensed Public Accountants

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

As at December 31

2019

2018

	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Esnagami Memorial Bursary \$	Total \$	Total \$
FINANCIAL ASSETS					
Cash	-	-	1,370	1,370	1,370
Receivable from the Municipality of Greenstone	703	27,673	-	28,376	30,047
Loan receivable	2,699	-	-	2,699	2,699
Interest receivable	-	2,693	119	2,812	2,427
Investments <i>[note 3]</i>	-	239,147	31,680	270,827	260,949
Total financial assets	3,402	269,513	33,169	306,084	297,492
Accumulated surplus	3,402	269,513	33,169	306,084	297,492

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

2019

2018

	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Esnagami Memorial Bursary \$	Total \$	Total \$
REVENUES					
Capital receipts	-	7,700	-	7,700	10,775
Interest income	-	2,693	892	3,585	2,838
Total revenues	-	10,393	892	11,285	13,613
EXPENSES					
Transfer to the Municipality of Greenstone	-	2,693	-	2,693	2,308
NET REVENUES	-	7,700	892	8,592	11,305
Annual surplus	-	7,700	892	8,592	11,305
Accumulated surplus, beginning of year	3,402	261,813	32,277	297,492	286,187
Accumulated surplus, end of year	3,402	269,513	33,169	306,084	297,492

See accompanying notes to the financial statements.

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

Year ended December 31	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Annual surplus	8,592	11,305
Net changes in non-cash working capital balances		
Increase (decrease) in receivable from the Municipality of Greenstone	1,671	(1,598,114)
Increase in interest receivable	(385)	(1,083)
Cash provided by (used in) operating activities	9,878	(1,587,892)
INVESTMENT ACTIVITY		
Increase in investments	(9,878)	(230,691)
Cash used in investment activity	(9,878)	(230,691)
(Decrease) in cash during year	-	(1,818,583)
Cash, beginning of year	1,370	1,819,953
Cash, end of year	1,370	1,370

See accompanying notes to the financial statements.

The Corporation of the Municipality of Greenstone Trust Funds

Notes to the Financial Statements

December 31, 2019

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 2020 and yielding interest of 1.50% and 1.95% over the term.