



Consolidated Financial Statements

The Corporation of the Municipality of Oliver
Paipoonge

December 31, 2007



Statement of Administrative Responsibility

The management of **The Corporation of the Municipality of Oliver Paipoonge** 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 CICA.

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 Oliver Paipoonge**. The external auditors have access to, and meet with the Municipal Council to discuss their audit and the results of their examination.

The 2007 Financial Statements have been reported on by **The Corporation of the Municipality of Oliver Paipoonge's** external auditors, Grant Thornton LLP, the auditors appointed by the Municipal Council. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.


Sharron Martyn, CAO/Clerk


Lucy Kloosterhuis, Mayor

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Grant Thornton

Auditors' Report

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To the Members of Council, Inhabitants and Ratepayers of

The Corporation of the Municipality of Oliver Paipoonge

We have audited the consolidated statement of financial position of The Corporation of the Municipality of Oliver Paipoonge as at December 31, 2007 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Municipality's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2007 and the results of its operations and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Thunder Bay, Canada
February 15, 2008

Chartered Accountants
Licensed Public Accountants

The Corporation of the Municipality of Oliver Paipoonge Consolidated Statement of Financial Position

As at December 31	2007	2006
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	4,293,105	2,085,280
Investments and marketable securities <i>[note 3]</i>	736,741	747,528
Taxes receivable	793,960	604,545
User charges receivable	264,769	89,177
Accounts receivable	230,477	432,553
Due from trust funds	10,174	15,141
Other current assets	1,519	1,505
Note receivable	22,000	44,000
Total Financial Assets	6,352,745	4,019,729
LIABILITIES AND MUNICIPAL POSITION		
Liabilities		
Accounts payable and accrued liabilities	816,508	405,729
Deferred revenue <i>[note 9]</i>	893,189	95,653
Employee future benefit obligations <i>[note 10]</i>	38,021	49,117
Landfill closure and post-closure liability <i>[note 16]</i>	162,495	265,065
Long-term liabilities <i>[note 6]</i>	1,366,673	1,442,585
Other long-term liability	122,622	62,218
Total liabilities	3,399,508	2,320,367
Municipal position		
Operating fund <i>[schedule 1]</i>	447,845	206,887
Reserves <i>[note 8] [schedule 3]</i>	2,936,416	2,274,576
Reserve funds <i>[note 8] [schedule 3]</i>	1,306,019	1,041,033
Fund balances	4,690,280	3,522,496
Amounts to be recovered	(1,737,043)	(1,823,134)
Total municipal position	2,953,237	1,699,362
Total Liabilities and Municipal Position	6,352,745	4,019,729

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Oliver Paipoonge Consolidated Statement of Financial Activities

Year ended December 31	2007	2007	2006
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Taxation			
Residential and farm taxation	3,770,591	3,919,943	3,695,852
Commercial and industrial	1,212,379	1,258,495	1,242,739
Taxation from other governments	74,544	95,623	82,977
	5,057,514	5,274,061	5,021,568
Deduct			
Amounts received or receivable on behalf of school boards	(1,519,743)	(1,566,483)	(1,535,116)
	3,537,771	3,707,578	3,486,452
User charges			
Other fees and service charges	169,684	907,473	317,076
	3,707,455	4,615,051	3,803,528
Grants			
Government of Canada	152,390	165,034	222,292
Province of Ontario	5,835,865	5,793,792	4,409,037
	5,988,255	5,958,826	4,631,329
Other			
Investment income	61,935	223,832	124,903
Penalties and late payment charges	70,000	86,282	73,387
Rents and concessions	257,406	251,246	248,284
Sale of land, publications and equipment	4,240	11,888	3,884
Donations	400	3,562	2,909
Other	353,123	16,774	520,196
	747,104	593,584	973,563
Total revenues	10,442,814	11,167,461	9,408,420

	2007	2007	2006
	Budget	Actual	Actual
	\$	\$	\$
EXPENDITURES [note 12]			
Operating			
General government	652,849	706,851	610,611
Protection to persons and property	1,098,348	1,202,818	1,109,517
Transportation services	1,044,477	1,102,269	978,435
Environmental services	138,256	114,090	210,769
Health services	986,068	953,614	902,538
Social and family services	2,911,043	2,867,793	2,798,205
Recreation and cultural services	509,466	534,924	478,309
Planning and development	73,289	79,932	49,775
	7,413,796	7,562,291	7,138,159
Capital			
General government	15,050	11,717	131,138
Protection to persons and property	49,400	30,970	26,643
Transportation services	2,416,864	2,083,655	1,213,418
Environmental services	39,800	169,046	90,789
Health services	11,300	9,406	70,178
Recreation and cultural services	232,442	42,671	171,016
Planning and development	—	3,830	25,519
	2,764,856	2,351,295	1,728,701
Total expenditures	10,178,652	9,913,586	8,866,860
Excess of revenues over expenditures for the year	264,162	1,253,875	541,560
Proceeds from issue of other long-term liability	—	79,306	62,218
Debt principal repayments	(72,616)	(75,912)	(72,835)
Repayment of other long-term liability	—	(18,902)	—
Reduction of note receivable	22,000	22,000	22,000
Change in landfill liability	—	(102,570)	16,202
Change in prepaids, vacation pay, employee future benefit obligations and other liabilities	—	9,987	30,648
Increase (decrease) in amounts to be recovered	(50,616)	(86,091)	58,233
Change in fund balances	213,546	1,167,784	599,793

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Oliver Paipoonge Consolidated Statement of Changes in Financial Position

Year ended December 31	2007	2006
	\$	\$
OPERATIONS		
Excess of revenues over expenditures for the year	1,253,875	541,560
Uses		
Increase in taxes receivable	(189,415)	(41,589)
Increase in user charges receivable	(175,592)	(33,814)
Increase in other assets	(14)	—
Increase in due from trust funds	—	(31,680)
Decrease in deferred revenue	—	(105,347)
Decrease in employee future benefit obligations	(11,096)	—
Decrease in landfill closure and post-closure liability	(102,570)	—
	775,188	329,130
Sources		
Increase in accounts payable and accrued liabilities	410,779	89,954
Increase in deferred revenue	797,536	—
Increase in employee future benefit obligations	—	4,708
Increase in landfill closure and post-closure liability	—	16,202
Decrease in due from trust funds	4,967	—
Decrease in accounts receivable	202,076	119,293
Decrease in other assets	—	182
	1,415,358	230,339
Increase in cash from operations	2,190,546	559,469
INVESTING		
Decrease in investments	10,787	514,643
Decrease in note receivable	22,000	22,000
Increase in cash from investing	32,787	536,643
FINANCING		
Debt principal repayments	(75,912)	(72,835)
Proceeds from issue of other long-term liability	79,306	62,218
Repayment of other long-term liability	(18,902)	—
Decrease in cash from financing	(15,508)	(10,617)
Change in cash and cash equivalents	2,207,825	1,085,495
Opening cash and cash equivalents	2,085,280	999,785
Closing cash and cash equivalents	4,293,105	2,085,280

See accompanying notes to the consolidated financial statements.

The Corporation of the Municipality of Oliver Paipoonge

Notes to the Consolidated Financial Statements

December 31, 2007

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of The Corporation of the Municipality of Oliver Paipoonge 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 CICA. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement. The more significant of these accounting policies are as follows:

[a] Basis of consolidation

Consolidated financial statements

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the revenue fund, capital fund, reserves and reserve funds of the Municipality and include the activities of all committees of Council and the following Boards which are under the control of Council:

Oliver Paipoonge Public Library Board
Oliver Paipoonge Recreation Committee
Nor West Recreation Centre Board
Stanley Hill Cemetery Board
Oliver Paipoonge Museum Committee

All interfund balances and transactions have been eliminated.

Joint local boards

Certain joint local boards in which the Municipality participates are accounted for on a proportionate consolidation basis, consistent with the generally accepted accounting treatment for government partnerships. Under the proportionate consolidation basis of accounting, the Municipality's pro-rata share of the assets, liabilities, revenues and expenditures (including capital expenditures) that are subject to shared control is combined on a line-by-line basis with similar items in the Municipality's financial statements. Joint local boards accounted for in this manner are:

Thunder Bay District Health Unit
Thunder Bay District Social Services Administration Board
District of Thunder Bay Homes for the Aged
Lakehead Rural Planning Board
Thunder Bay Area Emergency Measures Organization

Trust funds

Trust funds administered by the Municipality have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities. They are reported separately on the Trust Fund Statement of Financial Position and Statement of Continuity.

The Corporation of the Municipality of Oliver Paipoonge

Notes to the Consolidated Financial Statements

December 31, 2007

Accounting for school board transactions

The taxation, other revenues, expenditures, 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 and recognizes revenues as they are levied or earned and become measurable; expenditures 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.

In the case of grants from other governments, revenue recognition normally occurs when the Township has incurred the expenditures to which the grant entitlement is attached, or has otherwise met the necessary requirement upon which entitlement to the grant is based.

Employee benefits

Vacation pay, sick leave liability and post-employment benefits are charged to operations in the year earned.

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

Inventories of supplies, including vehicle parts and road maintenance materials are charged to operations when purchased. Inventories of goods held for resale are recorded as assets on the Consolidated Statement of Financial Position.

Capital assets

Capital assets are reported as an expenditure on the Consolidated Statement of Financial Activities in the year of acquisition. The historical cost and accumulated amortization of capital assets are not reported as the information is not readily available.

The Corporation of the Municipality of Oliver Paipoonge

Notes to the Consolidated Financial Statements

December 31, 2007

Cash and cash equivalents

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

Tangible Capital Assets - Transitional Provisions

Effective January 1, 2007, the Municipality adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook comes into effect on January 1, 2009.

During 2007, the Municipality worked towards compliance with the new recommendations for accounting for tangible capital assets. As of December 31, 2007, the Municipality has prepared a partial listing of all of their physical assets. A capital asset policy (asset categories, capitalization thresholds and amortization rates) as well as a listing of values for the assets is currently underway and is expected to be completed by December 31, 2008.

2. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$160,161 [2006 - \$147,866] have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities.

3. INVESTMENTS AND MARKETABLE SECURITIES

Investments consist of a term deposit, maturing in 2011 and yielding average rates of return of 4.1%. Investments also consist of ONE Fund Bond Fund and a 4% Northern Ontario Grow Bond due April, 2010. Marketable securities related to joint local boards include funds invested in pooled funds, which are held and managed by an external fund manager. The carrying value of these short-term investments reported on the Consolidated Statement of Financial Position closely reflect fair market value.

4. TEMPORARY LOANS

- [a] The Municipality has available a line of credit of \$1,000,000 [2006 - \$1,000,000] for the which the Municipality has provided a borrowing by-law and signed advisory letter of which \$nil [2006 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at bank prime minus 0.5% [5.50% at year-end].
- [b] The Municipality is also proportionately responsible for the availability of the credit facilities of the joint local boards of \$21,600 [2006 - \$21,600] for which the joint local boards have provided borrowing by-laws and of which \$nil [2006 - \$nil] was borrowed at year-end. Interest on the joint local boards' lines of credit is calculated at bank prime minus 0.5% [5.50% at year-end].

The Corporation of the Municipality of Oliver Paipoonge

Notes to the Consolidated Financial Statements

December 31, 2007

5. 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 2007 was \$46,852 [2006 - \$44,439] for current service.

The Municipality's proportionate share of joint local boards' contributions to OMERS for 2007 was \$34,147 [2006 - \$32,281] for current service.

6. LONG-TERM LIABILITIES

[a] The balance of long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following:

	2007 \$	2006 \$
Total long-term liabilities with various rates of interest ranging from 0% to 8% incurred by the Municipality and outstanding at the end of the year amount to	137,098	190,878
Total long-term liabilities incurred by the joint local boards and outstanding at the end of the year amount to	1,344,673	1,398,585
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage assistance loans has been assumed by individuals. At the end of the year, the outstanding principal amount of the liability is	(115,098)	(146,878)
	1,366,673	1,442,585

[b] Principal due on long-term liabilities is summarized as follows:

	\$
2008	78,934
2009	59,988
2010	63,200
2011	66,604
2012	70,204
Thereafter	1,027,743
	1,366,673

The Corporation of the Municipality of Oliver Paipoonge

Notes to the Consolidated Financial Statements

December 31, 2007

- [c] The long-term liabilities in [a], issued in the name of the Municipality, have received approval of the Ontario Municipal Board for those approved on or before December 31, 1992. Those 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] Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for an NOHFC loan has been assumed by a corporate entity. At year-end, the outstanding principal amount of the liability is \$22,000 [2006 - \$44,000].
- [e] The Municipality is contingently liable for the long-term liabilities with respect to the tile drainage assistance loans and the NOHFC loan.
- [f] All principal and interest owing on the tile drainage and NOHFC loans was paid out as of December 31, 2007.

7. RESOURCES AVAILABLE

Resources available at year-end are comprised of the following:

	2007 \$	2006 \$
To be used to offset taxation or user charges		
General municipal activities	264,467	50,865
Local boards and joint local boards	183,378	156,022
	447,845	206,887
Reserves and reserve funds [note 8]		
General municipal activities	3,438,474	2,605,767
Local boards and joint local boards	803,961	709,842
	4,242,435	3,315,609
Total resources available	4,690,280	3,522,496

The Corporation of the Municipality of Oliver Paipoonge

Notes to the Consolidated Financial Statements

December 31, 2007

8. RESERVES AND RESERVE FUNDS

Reserves and reserve funds are made up of the following:

	2007	2006
	\$	\$
Reserves set aside for specific purposes by Council		
For working capital	455,573	455,573
For acquisition of capital assets	2,357,543	1,675,959
For Murillo Hall	20,189	9,572
For recreation programs and facilities	84,557	84,557
For cemetery development	11,596	18,596
For joint local boards	6,958	30,319
Total reserves	2,936,416	2,274,576
Reserve funds set aside for specific purposes by Council		
For administration activities	39,403	32,903
For River Road	83,789	7,339
For other recreation activities	30,547	25,507
For acquisition of fire department capital assets	35,693	34,564
For Kakabeka Community Centre building	30,784	25,705
For winter control	40,865	34,123
For municipal landfill expansion	208,300	173,934
For museum development	39,635	27,435
For joint local boards	797,003	679,523
Total reserve funds	1,306,019	1,041,033
Total reserves and reserve funds	4,242,435	3,315,609

The continuity of reserves and reserve funds is as follows:

	2007	2006
	\$	\$
Reserves		
Balance, beginning of year	2,274,576	1,727,478
Revenue		
Transfer from current operations	902,488	594,764
Transfer from capital operations	—	622,795
	902,488	1,217,559
Expenditures		
Transfer to current operations	23,361	2,045
Transfer to capital operations	217,287	668,416
	240,648	670,461
Balance, end of year	2,936,416	2,274,576

The Corporation of the Municipality of Oliver Paipoonge

Notes to the Consolidated Financial Statements

December 31, 2007

	2007 \$	2006 \$
Reserve funds		
Balance, beginning of year	1,041,033	1,023,575
Revenue		
Transfer from current operations	285,642	258,649
Interest earned	108,179	49,255
	393,821	307,904
Expenditures		
Transfer to current operations	113,835	136,730
Transfer to capital operations	15,000	153,716
	128,835	290,446
Balance, end of year	1,306,019	1,041,033

9. DEFERRED REVENUE

	2007 \$	2006 \$
Recreational purposes	79,808	61,632
Gas tax proceeds	2,971	6,943
Other grant revenue	745,674	—
Joint local boards	64,736	27,078
	893,189	95,653

The continuity of deferred revenue is as follows:

	2007 \$	2006 \$
Balance, beginning of year	95,653	201,000
Contributions from developers and property owners	6,000	5,000
Investment income	14,530	10,187
Revenue recognized	(165,034)	(222,293)
Net contributions from joint local boards	37,658	(6,228)
Gas tax proceeds	158,708	107,987
Rural infrastructure proceeds	580,674	—
Museum expansion proceeds	165,000	—
Balance, end of year	893,189	95,653

The Corporation of the Municipality of Oliver Paipoonge

Notes to the Consolidated Financial Statements

December 31, 2007

10. EMPLOYEE FUTURE BENEFIT OBLIGATIONS

Employee future benefit obligations represent the Municipality's proportionate share of joint local boards' liability for sick leave benefits, severance/termination costs and Workplace Safety and Insurance Board obligations.

11. DESIGNATED ASSETS

Of the cash and cash equivalents, and investments reported on the Consolidated Statement of Financial Position, the Council and joint local boards have designated \$2,080,219 [2006 - \$2,039,463] to support reserve funds.

12. EXPENDITURES BY OBJECT

	2007	2006
	\$	\$
Salaries, wages and employee benefits	1,940,370	1,617,265
Contracted and general services	4,193,884	4,248,579
Materials, goods, supplies and utilities	1,354,477	1,194,012
Other	73,560	78,303
	7,562,291	7,138,159

13. JOINT LOCAL BOARDS

The following joint local boards represent government partnerships in which the Municipality participates:

The Thunder Bay District Health Unit promotes public health and provides health education to all inhabitants of the District of Thunder Bay.

The Thunder Bay District Social Services Administration Board delivers provincially mandated social services on behalf of the inhabitants of the District of Thunder Bay.

The District of Thunder Bay Homes for the Aged ("Homes") provided facility-based long-term care for elderly residents who could no longer live independently in their communities. The licence to operate the homes was transferred to Versa Care Limited on September 30, 1999. However, the Homes retained the balance of the Reserves as at December 31, 1999, the cash account and any other assets owned by the Board of Management. The Homes has been dissolved and the remaining assets were liquidated and distributed to participating municipalities in early 2008.

The Lakehead Rural Planning Board provides planning services to participating Municipalities in the District of Thunder Bay.

The Thunder Bay Area Emergency Measures Organization provides contingency planning services to participating Municipalities in the District of Thunder Bay.

The Corporation of the Municipality of Oliver Paipoonge

Notes to the Consolidated Financial Statements

December 31, 2007

The following table provides condensed supplementary information for the government partnerships:

	Thunder Bay District Health Unit 4.32% \$	Thunder Bay DSSAB 3.367% \$	District of Thunder Bay Homes for the Aged 14.123% \$	Lakehead Rural Planning Board 49.89% \$	Thunder Bay Area Emergency Measures Organization 21.53% \$
FINANCIAL POSITION					
Financial assets	130,948	1,050,079	18,558	14,774	2,204
Current liabilities	122,234	157,165	18,558	13,213	1,904
Long-term liabilities	—	1,344,673	—	—	—
Net assets	8,714	(451,759)	—	1,561	300
RESULTS OF OPERATIONS					
Revenues	697,601	3,035,622	1,677	25,615	8,784
Expenditures					
Operating	685,369	2,825,512	28,243	37,106	8,784
Capital	—	—	—	—	—
	685,369	2,825,512	28,243	37,106	8,784
Excess (deficiency) of revenues over expenditures	12,232	210,110	(26,566)	(11,491)	—

14. CONTINGENCIES

[a] The introduction of the Province of Ontario's new assessment property tax legislation has resulted in many property owners appealing their Current Value Assessment, the outcome of which is uncertain.

[b] There are outstanding claims and litigation pending against the Municipality for which the amount of settlement, if any, is not determinable and will be charged to expenditures when determined.

15. BUDGET AMOUNTS

The budgeted figures presented for comparative purposes are unaudited and are those as approved by Council and joint local boards.

Certain figures have been restated to conform with the requirements under PSAB.

The Corporation of the Municipality of Oliver Paipoonge

Notes to the Consolidated Financial Statements

December 31, 2007

16. LANDFILL CLOSURE AND POST-CLOSURE

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

The estimated liability for this care is the present value of future cash flows associated with closure and post-closure costs discounted using the Municipality's average long-term borrowing rate of 6%. The change in the recorded liability is \$(102,570) [2006 - \$16,202] based on a total estimated undiscounted outflow in the future of \$2,346,734 [2006 - \$1,553,612], leaving an amount to be recognized in the future of \$2,184,239 [2006 - \$1,288,547] over the closure and post-closure period. The liability is not currently fully funded. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill. An amount of \$208,300 [2006 - \$173,934] has been provided for these costs as a reserve.

The estimated remaining life of the sites is approximately 42 and 22 years [2006 - 1 and 23 years]. Post-closure care is estimated to continue for a period of approximately 20 years.

17. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been restated to conform to the current year's presentation.

**The Corporation of the Municipality of Oliver Paipoonge
Operating Fund Operations** **Schedule 1**

Year ended December 31	2007	2007	2006
	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Taxation, net	3,537,771	3,707,578	3,486,452
User charges	169,684	907,473	317,076
Province of Ontario grants	4,170,865	4,525,367	3,716,870
Penalties and late payment charges	70,000	86,282	73,387
Rents and concessions	257,406	251,246	248,284
Donations	400	3,562	2,909
Interest income	61,935	115,653	75,648
Sale of land, publications and equipment	4,240	11,888	3,884
Other	353,123	6,407	421,159
	8,625,424	9,615,456	8,345,669
Expenditures			
General government	652,849	706,851	610,611
Protection to persons and property	1,098,348	1,202,818	1,109,517
Transportation services	1,044,477	1,102,269	978,435
Environmental services	138,256	114,090	210,769
Health services	986,068	953,614	902,538
Social and family services	2,911,043	2,867,793	2,798,205
Recreation and cultural services	509,466	534,924	478,309
Planning and development	73,289	79,932	49,775
	7,413,796	7,562,291	7,138,159
Excess of revenues over expenditures for the year	1,211,628	2,053,165	1,207,510
Financing and transfers			
Net interfund transfers			
To capital fund	(710,360)	(675,182)	(515,868)
To reserves and reserve funds	(592,907)	(1,050,934)	(714,638)
Debt principal repayment	(72,616)	(75,912)	(72,835)
Repayment of other long-term liability	—	(18,902)	—
Reduction of note receivable	22,000	22,000	22,000
Change in prepaids, vacation, sick leave liability, and other liabilities	—	9,987	30,648
Change in landfill liability	—	(102,570)	16,202
Proceeds from issue of other long-term liability	—	79,306	62,218
	(1,353,883)	(1,812,207)	(1,172,273)
Change in operating fund balance	(142,255)	240,958	35,237
Opening balance	61,015	206,887	171,650
Closing balance	(81,240)	447,845	206,887

**The Corporation of the Municipality of Oliver Paipoonge
Capital Fund Operations** **Schedule 2**

Year ended December 31	2007	2007	2006
	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Province of Ontario grants	1,665,000	1,268,425	692,167
Government of Canada grants	152,390	165,034	222,292
Other	—	10,367	99,037
	1,817,390	1,443,826	1,013,496
Expenditures			
General government	15,050	11,717	131,138
Protection to persons and property	49,400	30,970	26,643
Transportation services	2,416,864	2,083,655	1,213,418
Environmental services	39,800	169,046	90,789
Health services	11,300	9,406	70,178
Recreation and cultural services	232,442	42,671	171,016
Planning and development	—	3,830	25,519
	2,764,856	2,351,295	1,728,701
Deficiency of revenues over expenditures before the following	(947,466)	(907,469)	(715,205)
Financing and transfers			
Net interfund transfers			
From operating fund	710,360	675,182	515,868
From reserves and reserve funds	237,106	232,287	199,337
	947,466	907,469	715,205
Change in capital fund balance	—	—	—
Opening balance	—	—	—
Closing balance	—	—	—

**The Corporation of the Municipality of Oliver Paipoonge
Reserves and Reserve Funds** **Schedule 3**

Year ended December 31	2007	2007	2006
	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Interest income	—	108,179	49,255
Expenditures	—	—	—
Excess of revenues over expenditures before the following	—	108,179	49,255
Financing and transfers			
Net interfund transfers			
To capital operations	(237,106)	(232,287)	(199,337)
From current operations	592,907	1,050,934	714,638
	355,801	818,647	515,301
Change in reserves and reserve fund balance	355,801	926,826	564,556
Opening balance	2,605,767	3,315,609	2,751,053
Closing balance	2,961,568	4,242,435	3,315,609
Comprised of			
Reserves		2,936,416	2,274,576
Reserve funds		1,306,019	1,041,033
		4,242,435	3,315,609



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Auditors' Report

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To the Board Members, Members of Council, Inhabitants and Ratepayers of

Oliver Paipoonge Public Library Board

We have audited the statement of financial position of Oliver Paipoonge Public Library Board as at December 31, 2007 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2007 and the results of its operations and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Thunder Bay, Canada

July 31, 2008

Chartered Accountants
Licensed Public Accountants

Oliver Paipoonge Public Library Board Statement of Financial Position

As at December 31	2007	2006
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	12,321	16,034
Accounts receivable	12,522	5,532
Due from The Corporation of the Municipality of Oliver Paipoonge	90	—
Total Financial Assets	24,933	21,566
LIABILITIES AND FINANCIAL POSITION		
Liabilities		
Accounts payable and accrued liabilities	2,995	2,332
Due to The Corporation of the Municipality of Oliver Paipoonge	—	900
Total liabilities	2,995	3,232
Financial position		
Fund balance	21,938	18,334
Total Liabilities and Financial Position	24,933	21,566

See accompanying notes to the financial statements.

Oliver Paipoonge Public Library Board Statement of Financial Activities

Year ended December 31	2007	2007	2006
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Province of Ontario operating grants	19,113	29,917	32,917
Other grants	—	6,235	1,914
Municipal contributions	6,400	13,596	13,596
Sundry	1,600	5,893	4,150
Total revenues	27,113	55,641	52,577
EXPENDITURES			
Books, subscriptions and supplies	6,363	9,414	9,617
Capital	1,100	2,980	964
Professional fees	1,000	1,220	986
Salaries and benefits	24,850	30,127	29,020
Sundry	3,950	8,296	5,547
Total expenditures	37,263	52,037	46,134
Excess (deficiency) of revenues over expenditures for the year	(10,150)	3,604	6,443
Change in fund balance	(10,150)	3,604	6,443
Fund balance, beginning of year	10,150	18,334	11,891
Fund balance, end of year	—	21,938	18,334

See accompanying notes to the financial statements.

Oliver Paipoonge Public Library Board
Statement of Changes in Financial Position

Year ended December 31	2007	2006
	\$	\$
OPERATIONS		
Excess of revenues over expenditures for the year	3,604	6,443
Uses		
Increase in accounts receivable	(6,990)	(5,074)
Increase in due from The Corporation of the Municipality of Oliver Paipoonge	(990)	—
	(4,376)	1,369
Sources		
Increase in accounts payable and accrued liabilities	663	913
Increase in due to The Corporation of the Municipality of Oliver Paipoonge	—	776
	663	1,689
Increase (decrease) in cash from operations	(3,713)	3,058
Change in cash and cash equivalents	(3,713)	3,058
Opening cash and cash equivalents	16,034	12,976
Closing cash and cash equivalents	12,321	16,034

See accompanying notes to the financial statements.

Oliver Paipoonge Public Library Board

Notes to the Financial Statements

December 31, 2007

GENERAL

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

1. SIGNIFICANT ACCOUNTING POLICY

These financial statements of the Oliver Paipoonge Public Library 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 CICA. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement. The more significant of these accounting policies are as follows:

Basis of accounting

- [a] Revenues and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods and services and the creation of a legal obligation to pay.
- [b] The historical cost and accumulated amortization of capital assets are not recorded for municipal purposes. Capital assets acquired are reported as an expenditure on the Statement of Financial Activities in the year of acquisition.

**The Corporation of the Municipality of Oliver Paipoonge
Nor West Recreation Centre Board
Statement of Financial Position**

As at December 31	2007	2006
	\$	\$
FINANCIAL ASSETS		
Cash	400	400
Accounts receivable	31,449	25,964
Due from The Corporation of the Municipality of Oliver Paipoonge	11,136	37,230
Total Financial Assets	42,985	63,594
FINANCIAL POSITION		
Fund balance	(23,788)	(3,179)
Reserve <i>[note 1]</i>	66,773	66,773
Total Financial Position	42,985	63,594

See accompanying note to the financial statements.

**The Corporation of the Municipality of Oliver Paipoonge
Nor West Recreation Centre Board
Statement of Financial Activities**

Year ended December 31	2007	2007	2006
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Arena rental	163,500	158,543	158,803
Concession sales	46,000	44,050	40,821
Meeting room rental	2,000	—	—
Municipal contribution	56,858	56,858	115,100
Provincial grant	—	—	50,200
Other	3,200	159	3,337
Total revenues	271,558	259,610	368,261
EXPENDITURES			
Capital	24,400	23,911	138,257
Concession	24,000	22,890	23,915
Energy	57,000	77,158	54,177
Insurance and other services	34,658	35,236	30,408
Repairs and maintenance	14,000	8,484	8,940
Supplies	3,500	8,116	8,839
Wages	114,000	104,424	106,904
Total expenditures	271,558	280,219	371,440
Deficiency of revenues over expenditures for the year	—	(20,609)	(3,179)
Change in fund balance	—	(20,609)	(3,179)
Fund balance, beginning of year	—	(3,179)	—
Fund balance, end of year	—	(23,788)	(3,179)

See accompanying note to the financial statements.

**The Corporation of the Municipality of Oliver Paipoonge
Nor West Recreation Centre Board
Note to the Financial Statements**

December 31, 2007

1. RESERVE

The total reserve of \$66,773 [2006 - \$66,773] is held by The Corporation of the Municipality of Oliver Paipoonge and made up of the following:

	2007	2006
	\$	\$
Reserve set aside for acquisition of capital assets	66,773	66,773

**The Corporation of the Municipality of Oliver Paipoonge
Stanley Hill Cemetery Board
Statement of Financial Position**

As at December 31	2007	2006
	\$	\$
FINANCIAL ASSETS		
Due from The Corporation of the Municipality of Oliver Paipoonge	30,205	31,428
FINANCIAL POSITION		
Fund balance	18,609	12,832
Reserve <i>[note 1]</i>	11,596	18,596
Total Financial Position	30,205	31,428

See accompanying note to the financial statements.

**The Corporation of the Municipality of Oliver Paipoonge
Stanley Hill Cemetery Board
Statement of Financial Activities**

Year ended December 31	2007	2007	2006
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Sale of plots	4,000	7,926	6,162
Less portion transferred to the Perpetual Care Trust Fund	—	3,324	2,561
	4,000	4,602	3,601
Municipal contribution	4,100	—	—
Transfer from trust fund	1,200	—	1,256
Donations and other	4,000	5,194	5,360
	9,300	5,194	6,616
Total revenues	13,300	9,796	10,217
EXPENDITURES			
Capital	11,300	9,406	1,994
Maintenance of buildings and grounds	4,000	751	1,585
Other	500	450	225
Wages	4,500	412	454
Total expenditures	20,300	11,019	4,258
Excess (deficiency) of revenues over expenditures for the year	(7,000)	(1,223)	5,959
Financing and transfers			
From reserve fund	7,000	7,000	—
Change in fund balance	—	5,777	5,959
Fund balance, beginning of year	12,832	12,832	6,873
Fund balance, end of year	12,832	18,609	12,832

See accompanying note to the financial statements.

**The Corporation of the Municipality of Oliver Paipoonge
Stanley Hill Cemetery Board
Note to the Financial Statements**

December 31, 2007

1. RESERVE

The total reserve of \$11,596 [2006 - \$18,596] is held by The Corporation of the Municipality of Oliver Paipoonge and made up of the following:

	2007	2006
	\$	\$
Reserve set aside for acquisition of capital assets	11,596	18,596



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To the Committee Members, Members of Council,
Inhabitants and Ratepayers of
The Corporation of the Municipality of Oliver Paipoonge

We have audited the statement of financial position of the Oliver Paipoonge Museum Committee as at December 31, 2007 and the statement of financial activities for the year then ended. These financial statements are the responsibility of the Committee's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Committee as at December 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Thunder Bay, Canada
February 15, 2008

Chartered Accountants
Licensed Public Accountants

**The Corporation of the Municipality of Oliver Paipoonge
Oliver Paipoonge Museum Committee
Statement of Financial Position**

As at December 31	2007	2006
	\$	\$
FINANCIAL ASSETS		
Cash	405	405
Due from The Corporation of the Municipality of Oliver Paipoonge	3,685	2,180
Total Financial Assets	4,090	2,585
FINANCIAL POSITION		
Fund balance	4,090	2,585

See accompanying notes to the financial statements.

**The Corporation of the Municipality of Oliver Paipoonge
Oliver Paipoonge Museum Committee
Statement of Financial Activities**

Year ended December 31	2007	2007	2006
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Contribution from The Corporation of the Municipality of Oliver Paipoonge	23,475	23,475	23,922
Province of Ontario	2,521	4,892	2,521
Fees and other revenue	1,000	984	1,010
Donations	400	588	313
Fundraising		6,780	4,650
Total revenues	27,396	36,719	32,416
EXPENDITURES			
Administration and utilities	10,102	11,420	9,975
Maintenance	1,000	253	248
Salaries	17,006	16,761	16,432
Total expenditures	28,108	28,434	26,655
Excess (deficiency) of revenues over expenditures for the year	(712)	8,285	5,761
Financing and transfers			
To reserve fund	—	(6,780)	(4,963)
Change in fund balance	(712)	1,505	798
Fund balance, beginning of year	2,585	2,585	1,787
Fund balance, end of year	1,873	4,090	2,585

See accompanying notes to the financial statements.

The Corporation of the Municipality of Oliver Paipoonge

Oliver Paipoonge Museum Committee

Notes to the Financial Statements

December 31, 2007

1. SIGNIFICANT ACCOUNTING POLICY

These financial statements of the Oliver Paipoonge Museum Committee 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 CICA. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment. The more significant of these accounting policies are as follows:

Basis of accounting

Revenues and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods and services and the creation of a legal obligation to pay.

The historical cost and accumulated amortization of capital assets are not recorded for municipal purposes. Capital assets acquired are reported as an expenditure on the Statement of Financial Activities in the year of acquisition.

2. RESERVE FUND

The Corporation of the Municipality of Oliver Paipoonge holds a reserve fund for museum development in the amount of \$39,635 [2006 - \$27,435]. This reserve fund has not been reflected in the statements of the Oliver Paipoonge Museum Committee.

Auditors' Report

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To the Committee Members, Members of Council,
Inhabitants and Ratepayers of
The Corporation of the Municipality of Oliver Paipoonge

We have audited the statement of financial position of the Trust Funds of The Corporation of the Municipality of Oliver Paipoonge as at December 31, 2007 and the statement of continuity for the year then ended. These financial statements are the responsibility of the Municipality's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of The Corporation of the Municipality of Oliver Paipoonge as at December 31, 2007 and the continuity of Trust Funds for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Thunder Bay, Canada
February 15, 2008

Chartered Accountants
Licensed Public Accountants

**The Corporation of the Municipality of Oliver Paipoonge
Trust Funds
Statement of Financial Position**

As at December 31

2007

2006

	Cemetery Perpetual Care \$	Quarry Rehabilitation \$	Total \$	Total \$
FINANCIAL ASSETS				
Cash	86,369	83,956	170,325	144,302
Short-term deposits	—	—	—	18,255
Interest receivable	—	—	—	450
Due to (from) The Corporation of the Municipality of Oliver Paipoonge	6,497	(16,670)	(10,173)	(15,141)
Total Financial Assets	92,866	67,286	160,152	147,866
FUND BALANCES				
Capital	88,236	44,717	132,953	127,986
Income	4,630	22,569	27,199	19,880
Total Fund Balances	92,866	67,286	160,152	147,866

See accompanying note to the financial statements.

The Corporation of the Municipality of Oliver Paipoonge
Trust Funds
Statement of Continuity

Year ended December 31

2007

2006

	Cemetery Perpetual Care \$	Quarry Rehabilitation \$	Total \$	Total \$
Balance, beginning of year	84,273	63,593	147,866	140,120
REVENUES				
Capital receipts				
Portion of plot sales	3,324	—	3,324	2,561
Monument fees	1,643	—	1,643	1,399
Interest earned	3,626	3,693	7,319	5,042
	8,593	3,693	12,286	9,002
EXPENDITURES				
Transfers to cemetery board	—	—	—	1,256
Excess of revenues over expenditures for the year	8,593	3,693	12,286	7,746
Balance, end of year	92,866	67,286	160,152	147,866

See accompanying note to the financial statements.

**The Corporation of the Municipality of Oliver Paipoonge
Trust Funds
Note to the Financial Statements**

December 31, 2007

SIGNIFICANT ACCOUNTING POLICY

Basis of accounting

Capital receipts and income are reported on the accrual basis of accounting.

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



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To the Board Members, Members of Council, Inhabitants and Ratepayers
of the Participating Municipalities as listed in
note 3 to the financial statements

We have audited the statement of financial position of the Thunder Bay Area Emergency Measures Organization as at December 31, 2007 and the statement of financial activities for the year then ended. These financial statements are the responsibility of the Organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Thunder Bay Area Emergency Measures Organization as at December 31, 2007 and the results of its operations for the year then ended in accordance with the Canadian generally accepted accounting principles.

Grant Thornton LLP

Thunder Bay, Canada
February 15, 2008

Chartered Accountants
Licensed Public Accountants

Thunder Bay Area Emergency Measures Organization Statement of Financial Position

As at December 31	2007	2006
	\$	\$
FINANCIAL ASSETS		
Cash and short-term deposit	500	500
Due from The Corporation of the Municipality of Oliver Paipoonge	9,730	5,158
Total Financial Assets	10,230	5,658
LIABILITIES AND FINANCIAL POSITION		
Liabilities		
Unexpended donations <i>[note 3]</i>	1,000	1,000
Financial position		
Fund balance	1,394	1,394
Equipment reserve	7,836	3,264
Total financial position	9,230	4,658
Total Liabilities and Financial Position	10,230	5,658

See accompanying notes to the financial statements.

Thunder Bay Area Emergency Measures Organization Statement of Financial Activities

Year ended December 31	2007	2007	2006
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Municipal grants			
Municipal levies <i>[note 2]</i>	40,804	40,804	34,004
Other revenue	—	—	29
Total revenues	40,804	40,804	34,033
EXPENDITURES			
Mobile equipment maintenance	6,600	6,625	6,594
Office supplies and other expenses	2,500	2,153	2,036
Other expenditures	3,100	3,198	—
Other services	—	—	72
Salaries, wages and benefits	24,200	23,958	29,193
Travel	600	298	96
Total expenditures	37,000	36,232	37,991
Excess (deficiency) of revenues over expenditures for the year	3,804	4,572	(3,958)
Financing and transfers			
From (to) reserves	(3,804)	(4,572)	3,958
Change in fund balance	—	—	—
Fund balance, beginning of year	1,394	1,394	1,394
Fund balance, end of year	1,394	1,394	1,394

See accompanying notes to the financial statements.

Thunder Bay Area Emergency Measures Organization

Notes to the Financial Statements

December 31, 2007

1. SIGNIFICANT ACCOUNTING POLICY

These financial statements of the Thunder Bay Area Emergency Measures Organization 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 CICA. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment. The more significant of these accounting policies are as follows:

Basis of accounting

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

[b] Capital assets

The historical cost and accumulated amortization for capital assets are not recorded for municipal purposes. Purchases of capital assets are included in expenditures in the year of acquisition on the Statement of Financial Activities.

2. MUNICIPAL LEVIES

	2007	2006
	\$	\$
Township of Conmee	1,081	901
Township of Dorion	625	521
Township of Gillies	745	621
Municipality of Greenstone	7,824	6,520
Township of Manitouwadge	4,284	3,570
Municipality of Neebing	3,066	2,555
Township of Nipigon	2,916	2,430
Township of O'Connor	1,075	896
Municipality of Oliver Paipoonge	8,849	7,374
Township of Red Rock	1,716	1,430
Township of Schreiber	2,167	1,806
Township of Shuniah	3,498	2,915
Township of Terrace Bay	2,958	2,465
	40,804	34,004

3. DONATIONS

Donations, which are accepted from the public, will be applied toward the purchase of a mobile site command post.



Grant Thornton

Auditors' Report

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To the Board Members, Members of Council, Inhabitants and Ratepayers of
the participating Municipalities as listed in note 5 to the financial statements

We have audited the statement of financial position of the Lakehead Rural Planning Board as at December 31, 2007 and the statement of financial activities and fund balance for the year then ended. These financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Thunder Bay, Canada
August 6, 2008

Chartered Accountants
Licensed Public Accountants

Lakehead Rural Planning Board Statement of Financial Position

As at December 31	2007	2006
	\$	\$
FINANCIAL ASSETS		
Cash	29,614	33,731
Accounts receivable	—	1,612
Prepaid expenses	—	464
Total Financial Assets	29,614	35,807
LIABILITIES AND FINANCIAL POSITION		
Liabilities		
Accounts payable and accrued liabilities	1,400	5,277
Deferred revenue	25,085	26,259
Total liabilities	26,485	31,536
Financial position		
Operating fund balance	3,129	4,271
Total Liabilities and Financial Position	29,614	35,807

See accompanying notes to the financial statements.

Lakehead Rural Planning Board

Statement of Financial Activities and Fund Balance

Year ended December 31	2007	2007	2006
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Municipal levies <i>[note 5]</i>	6,704	6,704	35,462
Province of Ontario			
Ministry of Municipal Affairs and Housing			
For planning services to the unorganized municipalities of Gorham and Ware	39,725	39,725	39,469
Business Case Funding	—	1,173	—
Consent applications fees	5,375	2,420	3,620
Letter of conformity fees	450	300	675
Amendment fees	2,065	1,000	1,810
Other fees	1,000	22	1,722
Total revenues	55,319	51,344	82,758
EXPENDITURES			
Operating			
Employee benefits	3,750	930	9,555
Meeting and mileage allowances	2,200	1,145	2,679
Miscellaneous	—	—	861
Office and administration	4,100	2,743	10,910
Official Plan - unincorporated areas	—	1,173	—
Planning fees <i>[note 6]</i>	20,000	21,073	—
Processing fees	—	3,692	—
Professional fees	1,400	1,424	1,400
Rent <i>[note 6]</i>	1,250	1,250	3,000
Salaries	20,000	19,056	56,476
Total expenditures	52,700	52,486	84,881
Excess (deficiency) of revenues over expenditures for year	2,619	(1,142)	(2,123)
Operating fund balance, beginning of year	4,271	4,271	6,394
Operating fund balance, end of year	6,890	3,129	4,271

See accompanying notes to the financial statements.

Lakehead Rural Planning Board

Notes to the Financial Statements

December 31, 2007

1. FUTURE OPERATIONS

The Board relies on funding from the Province for the delivery of planning services to the unincorporated portion of the Board's planning area. The Board's continuation as a "going-concern" is dependent upon the ability of the organization to continue to receive operating funds from government and/or member municipalities, and/or reduce operating expenditures.

2. SIGNIFICANT ACCOUNTING POLICY

The financial statements of the Lakehead Rural Planning Board are prepared by management in accordance with Canadian generally accepted accounting policies for the local government sector as prescribed by the Public Sector Accounting Board ("PSAB") of the CICA. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement. The more significant of these accounting policies are as follows:

Basis of accounting

Accrual accounting

The Board uses the accrual basis of accounting and recognizes revenues as they are levied and become available and measurable; expenditures are recognized as they are incurred and measurable as the result of receipt of goods or services and the creation of a legal obligation to pay.

Capital assets

The historical cost and accumulated amortization of capital assets are not reported for local government purposes. Capital assets acquired are reported as an expenditure on the statement of financial activities in the year of acquisition. The historical cost and accumulated amortization of capital assets are not reported in the notes to the financial statements as the information is not readily available.

3. INTERNAL RESTRICTIONS

In 2007, the Board has internally restricted net assets of \$2,619 [2006 - \$nil] for equipment purchases.

4. PENSION AGREEMENTS

The Board 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 2007 was \$nil [2006 - \$2,864] for current service.

Lakehead Rural Planning Board

Notes to the Financial Statements

December 31, 2007

5. MUNICIPAL LEVIES

	2007	2006
	\$	\$
Municipality of Oliver Paipoonge	3,108	17,603
Municipality of Neebing	2,049	11,263
Township of Conmee	540	2,363
Township of O'Connor	559	2,431
Township of Gillies	448	1,802
	6,704	35,462

6. RELATED PARTY TRANSACTIONS

During the year, the Board paid rent in the amount of \$1,250 [2006 - \$3,000] to the Municipality of Oliver Paipoonge, a participating municipality.

During the year, the Board also paid planning fees in the amount of \$21,073 [2006 - \$nil] to the Municipality of Oliver Paipoonge, a participating municipality.

7. STATEMENT OF CASH FLOWS

These financial statements do not contain a statement of cash flows since all information is readily apparent from the other financial statements.