



## **REQUEST FOR PROPOSAL 18-2019**

### **EXTERNAL AUDIT SERVICES**

For the Corporation of the Municipality of Oliver Paipoonge

#### **Proposal Closing Date and Time:**

**Friday, August 23<sup>rd</sup>, 2019  
at 1:00 p.m., local time**

**Proposals, clearly marked as to contents are to be emailed or delivered to:**

**Kevin Green Treasurer/Deputy CAO  
Municipality of Oliver Paipoonge  
3250 Hwy 130  
Rosslyn, ON P7K 0B1  
[treasurer@oliverpaipoonge.on.ca](mailto:treasurer@oliverpaipoonge.on.ca)**

Telephone, fax or late submissions will not be accepted

## EXTERNAL AUDIT SERVICES

### General Requirements

1. Each proposal shall be signed by an official authorized to bind the proponents and will provide the name(s), title(s), addresses, and email/phone number(s) of the individuals to contact during the evaluation and clarification process.
2. Two (2) copies of the proposal including the Proposal Pricing Form must be submitted.
3. It shall be the proponent's responsibility to clarify any points in question with the Municipal Contact prior to the question closing.
4. All submissions become the property of the Municipality and as such, are subject to the provisions of *Municipal Freedom of Information and Protection of Privacy Act*.
5. The Municipality of Oliver Paipoonge reserves the right to reject any or all proposals, or to award the Contract to other than the bidder submitting the lowest proposal, as in its opinion may be for the best interest of the Municipality of Oliver Paipoonge.
6. Evaluation and award for this project will be based on the proposal that offers the best overall assessed value.

### Grounds for Disqualification of Submission

The Municipality will disqualify or deem submissions non-compliant for the following reasons:

- Failure to submit documents in accordance with the closing date and time; or
- Failure to complete, sign and date the RFP submission;
- Failure to include with submission the required documentation attached or completed; or
- Submissions that contain restrictions on services by the vendor
- Failure to comply with any of the mandatory requirements.

### Questions/Inquiries

Communications and clarification requests concerning this RFP are to be sent in writing and directed to:

**Laura Gibson, Accounts Payable Clerk**  
Fax: (807) 935-2161  
E-mail: [laura.gibson@oliverpaipoonge.on.ca](mailto:laura.gibson@oliverpaipoonge.on.ca)

***Inquiries must not be directed to other Municipal employees or Elected Officials.*** Directing inquiries to other than those designated may result in your bid being rejected. The deadline for questions/inquiries will be Friday, **August 9<sup>th</sup>, 2019 at 1 pm local time.**

All clarification requests are to be sent in writing to the individual mentioned above. ***No clarification requests will be accepted by telephone.*** Responses to clarification requests will be provided to all interested parties.

Any and all changes to the Tender will be issued by the Treasurer/Deputy CAO (or designate) in the form of a written addendum.

## **1. Scope of Work:**

The Municipality of Oliver Paipoonge is requesting proposal from qualified firms of Certified Professional Accountants to audit its financial statements in accordance with the CPA handbook, the Public Sector Accounting and Auditing standards and the Province of Ontario municipal reporting requirements for municipalities. The audit is to address the Municipality, and other parties noted below as per statutory requirements in the Municipal Act.

The responsibilities of the auditors will generally be limited to the expression of an opinion on the financial statements, discussions with respect to presentation and disclosure, comments and observation in regards to any aspect of the accounting, reporting or financial affairs of the Municipality. The proposing firm should also have the required expertise to advise and give recommendations to the Municipality if required with respect to on-going changes in reporting requirements, new property tax legislation and performance measurement issues.

Responsibilities will also include the physical preparation of financial statements and FIR, which must be priced separately.

The Municipality reserves the right to prepare the Financial Statements and the Financial Information Return (FIR) in-house as part of our internal financial reporting. If the Municipality chooses to prepare these items, the price for the items per the Proposal Pricing Form will not apply.

## **2. Background:**

The Municipality of Oliver Paipoonge is a lower tier municipality with a population of approximately 5,900. The Municipality operates under the authority of the Ontario Municipal Act as well as other legislation as appropriate.

Audited financial statements must be provided for:

- The Corporation of the Municipality of Oliver Paipoonge
- The Corporation of the Municipality of Oliver Paipoonge Trust Funds
- The Oliver Paipoonge Library
- The Lakehead Rural Planning Board

In addition the auditor is required to also produce a “Management Letter” that outlines any concerns, shortcomings or suggested operational changes that the auditor deems appropriate to bring to Council’s attention.

## **3. Municipality of Oliver Paipoonge Departments:**

CAO/Clerk	Treasury	Economic Development
Building and Planning	Public Works	General Recreation
Fire & Emergency Mgmt	Cemetery/Landfill	Norwest Arena

Policing services are supplied through a contract with the Thunder Bay Police. The Municipality of Oliver Paipoonge’s software is Munisoft. For PSAB purposes, the Municipality uses Citywide.

## **4. Term of Contract:**

Section 296 (3) of the Municipal Act allows for the appointment of external auditors for up to five years. It will be the practice of the Municipality to appoint external auditors for the full five-year term, subject to satisfactory performance. However, performance will be reviewed annually and Council may in its discretion revoke the appointment upon thirty (30) days prior notice should there be any unsatisfactory aspect of performance. The opinion of the Municipality in this regard shall be final.

**5. Pricing:**

Contract and pricing to remain in effect for years 2019, 2020, 2021, 2022 and 2023.

**6. Eligibility Requirements:**

a. Long-Term Strength and Viability

Proponents must provide evidence of long-term strength and viability, and the flexibility to react to the changing needs of the Municipality, and have the ability to respond with innovative solutions to the Municipalities changing needs.

b. Licensed

Please provide evidence your organization is licensed to perform audits in the Province of Ontario under the *Ontario Public Accountancy Act*.

c. Service Experience

Provide information on the firm's experience in auditing computerized public sector clients, in particular municipalities and their boards, including a list of current and former clients indicating the number of years services have been provided with each organization.

d. Municipal Experience

Proponents must provide evidence of municipal experience including your familiarity with operations as well as demonstrated comprehensive knowledge of legislation governing municipal operations. Indicate the firm's understanding and familiarity with the *Municipal Act*, other relevant Federal and Provincial legislation and related regulations as well as familiarity with the requirements of relevant regulatory bodies as they relate to the reporting requirements for Ontario Municipalities, Oliver Paipoonge Public Library, Lakehead Rural Planning Board and all other boards and commissions.

e. Management Team

Outline the Management team you propose to assemble to service the needs of the Municipality including the qualifications and functions of each team member. Include the locations of the proposed servicing office and methods by which the Municipality will be able to interact with the proposed servicing office.

Indicate the firm's commitment to maintain the protocol of the process by providing the Treasurer with feedback and guidance in an effective manner to allow the Treasurer to prepare all audit schedules in the format acceptable to the firm so that accounting is not a function of the auditor and to ensure a good working relationship is maintained. It is imperative that the firm be prepared to work with the Treasurer as the lead for the audit so that the Treasurer is kept aware of every aspect of the process.

Members of the Management team will attend such meetings as are called to discuss their work and reports and shall provide such information as requested which will enhance the understanding of the Municipality.

f. Proponent References

Provide a list of current municipal clients and scope of operations to the Municipality of Oliver Paipoonge in your proposal. Please include a list of three (3) references including contact names, addresses and phone numbers.

**7. Scheduling of Work:**

Before November 30<sup>th</sup> of each year, the Municipality's auditors shall meet with appropriate staff members of the Municipality to discuss and agree upon a schedule for the completion of the audit on the various financial statements for the current year. The audit shall be completed no later than May 15<sup>th</sup> in the year following, allowing the Municipality to meet both internal and external reporting requirements.

The audit must be complete in sufficient time to meet all deadlines as set by the Federal and Provincial Government or regulatory bodies.

The Auditors shall attend all meetings as are called to discuss their work and reports and shall provide the information as requested which will enhance the understanding of Council members concerning matters of the financial statements.

**8. Proposal Information:**

Acceptable proposals must include all the elements of and be structured in the following format:

1. Name(s) and titles(s) of the person(s) authorized to submit the proposal and execute the services agreement.
2. A letter submitted on the firm's letterhead and signed by the corporate agent, owner or principal describing how the firm satisfies the mandatory eligibility requirements noted above and the firm's experience in performing municipal audits in the Province of Ontario.
3. A history of the firm as a business entity.
4. Describe the range of services that the firm offers (including any innovative or value added services)
5. Names of the partners, managers and key staff employees assigned to this engagement.
  - a. Describe their roles and provide a brief description of their professional experience.
  - b. Please identify the audit team leader and describe your firm's personnel development program and your continuing professional education requirements including the specialized area of municipal accounting and auditing.
6. Provide a list of your firm's current municipal audit engagement clients in Ontario, or previous engagements served within the last five years.
7. Provide a proposed work schedule and work plan for completing the audit. The work schedule should be structured so as to deliver the final audited financial statements of the Municipality of Oliver Paipoonge Council no later than May 15th each year.
8. Provide any additional information that supports the scope of work to be provided as set forth above.

**9. Proposal Cost:**

- a. Proposals will provide lump sum prices for the items listed on the attached Proposal Pricing Form for each of the years indicated. Include all fees in your prices.
- b. The scope of the engagement may only be broadened with express written authority of the Treasurer or CAO. The set fee should include all aspects of the Request for Proposal. Any report or item over and above the terms, conditions and specifications as outlined shall be detailed complete with pricing per addition.
- c. Bidders shall include a draft Engagement Letter with their proposal submission, which, along with the terms, conditions, and specification outlined in the proposal submission, shall be incorporated into the agreement formed between the successful Bidder and the Municipality.

**10. Proposal Evaluation:**

Proposals will be evaluated on the basis of information provided by the bidder at the time of submission, as well as the previous experience of the bidder in this marketplace.

Proposals will be evaluated by the CAO/Clerk and the Treasurer/Deputy Clerk of the Municipality. A “short list” will be compiled and will be contacted for interviews if deemed necessary. The Municipality may ask firms to provide further information or clarification on the contents of their submissions.

The evaluation criteria may include but not limited to the following:

Criteria	Weight
Methodology	30%
Pricing	50%
Team	10%
References	10%

**11. Conditions:**

The Municipality reserves the right to discuss any and all proposals, to request additional information from proponents and to accept or reject any or all proposals.

The lowest bid proposal will not necessarily be accepted. Proposal will be evaluated and the contract awarded based on an evaluation to determine which proposal best meets the needs of the Municipality.

The Municipality retains the right to request additional information from Bidders and failure to provide such additional information may be considered basis for rejecting proposals.

**12. The Following Additional Information is Available on Our Website:**

The Financial Statements as at **December 31, 2018** for

- The Corporation of the Municipality of Oliver Paipoonge
- The Corporation of the Municipality of Oliver Paipoonge - Trust Funds
- The Oliver Paipoonge Library
- The Lakehead Rural Planning Board

**PROPOSAL PRICING FORM**

Proposal Closing: 1:00 p.m., Friday August 23, 2019

Municipality of Oliver Paipoonge  
3250 Highway 130  
Rosslyn, ON P7B 0B1

Ladies and Gentlemen:

I/We the undersigned do hereby submit our proposal to provide external audit services, in accordance with the attached proposal request as follows:

**PRICE PER YEAR**

	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Municipality of Oliver Paipoonge Audit					
Municipality of Oliver Paipoonge Financial Statement Preparation					
Municipality of Oliver Paipoonge Trust Funds					
FIR					
Lakehead Rural Planning Board					
Oliver Paipoonge Library Board					
<u>Sub total</u>					
HST					
<b>Total bid Price (annual cost)</b>					

Company Bidding	
Address	
Telephone	
Contact Name	
Title	
Authorized Signature	
Date	

## Consolidated Financial Statements

The Corporation of the Municipality of  
Oliver Paipoonge

December 31, 2018



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

The 2018 Financial Statements have been reported on by The Corporation of the Municipality of Oliver Paipoonge's external auditors, Grant Thornton LLP, the auditors appointed by 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.

  
Lucy Kloosterhuis, Mayor

  
Wayne Hanchard, CAO

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Accumulated Surplus	4 - 5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 19
Schedule 1 - Consolidated Schedule of Accumulated Surplus	20
Schedule 2 - Consolidated Schedule of Tangible Capital Assets	21
Schedule 3 - Consolidated Schedule Of Segment Disclosure	22 - 23
Consolidated Local Boards	
Oliver Paipoonge Public Library Board	
Independent Auditor's Report	24 - 25
Statement of Financial Position	26
Statement of Operations and Accumulated Surplus	27
Statement of Changes in Net Financial Assets	28
Statement of Cash Flows	29
Notes to the Financial Statements	30 - 32
Nor West Recreation Centre	
Schedule of Operations	33
Stanley Hill Cemetery Board	
Schedule of Operations	34
Oliver Paipoonge Museum Board	
Independent Auditor's Report	35 - 36
Statement of Financial Position	37
Statement of Operations and Accumulated Surplus	38
Statement of Changes in Net Financial Assets	39
Statement of Cash Flows	40
Notes to the Financial Statements	41
Trust Funds	
Independent Auditor's Report	42 - 43
Statement of Financial Position	44
Statement of Operations and Accumulated Surplus	45
Statement of Cash Flows	46
Notes to the Financial Statements	47

---

**Grant Thornton LLP**

Suite 300  
979 Alloy Drive  
Thunder Bay, ON  
P7B 5Z8

T +1 807 345 6571

F +1 807 345 0032

# Independent Auditor's Report

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

## Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of Oliver Paipoonge ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial assets 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 Oliver Paipoonge as at December 31, 2018, and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Thunder Bay, Canada  
May 29, 2019

Chartered Professional Accountants  
Licensed Public Accountants

# The Corporation of the Municipality of Oliver Paipoonge

## Consolidated Statement of Financial Position

As at December 31	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	2,550,837	3,456,116
Investments <i>[note 3]</i>	491,331	483,274
Taxes receivable	1,231,747	1,273,266
Accounts receivable	254,377	122,541
User charges receivable	89,283	44,078
Loan receivable <i>[note 4]</i>	674,579	272,772
<b>Total financial assets</b>	<b>5,292,154</b>	<b>5,652,047</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	513,599	451,798
Deferred revenue <i>[note 5]</i>	275,087	336,845
Employee future benefits	5,309	11,279
Landfill closure and post-closure liability <i>[note 9]</i>	41,414	82,692
Debt <i>[note 8]</i>	-	372,849
<b>Total liabilities</b>	<b>835,409</b>	<b>1,255,463</b>
<b>NET FINANCIAL ASSETS</b>	<b>4,456,745</b>	<b>4,396,584</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 10] [schedule 2]</i>	32,256,136	32,060,520
Prepaid expenses	8,783	-
<b>Accumulated surplus <i>[schedule 1]</i></b>	<b>36,721,664</b>	<b>36,457,104</b>

See accompanying notes to the consolidated financial statements.

# The Corporation of the Municipality of Oliver Paipoonge

## Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
	[note 14]		
<b>REVENUES [schedule 3]</b>			
<b>Taxation</b>			
Residential and farm taxation	6,131,765	6,257,354	5,964,980
Commercial and industrial	986,561	983,910	922,482
Taxation from other governments	121,444	121,444	119,365
	7,239,770	7,362,708	7,006,827
<b>User charges</b>			
Other fees and service charges	343,370	318,412	535,344
	7,583,140	7,681,120	7,542,171
<b>Government transfers</b>			
Government of Canada	391,639	386,374	367,724
Province of Ontario	1,381,231	1,565,492	1,432,833
	1,772,870	1,951,866	1,800,557
<b>Other</b>			
Donations	6,300	11,633	4,552
Penalties and late payment charges	155,000	181,837	183,518
Rents and concessions	222,000	217,695	217,654
Other	-	(2,661)	2,815
Sale of land, publications and equipment	21,865	24,832	58,062
Investment income	39,695	106,596	45,218
	444,860	539,932	511,819
<b>Total revenues</b>	<b>9,800,870</b>	<b>10,172,918</b>	<b>9,854,547</b>

	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
	[note 14]		
<b>EXPENSES [note 11] [schedule 3]</b>			
General government	1,324,543	1,165,805	1,289,469
Protection to persons and property	1,770,378	1,808,484	1,616,153
Transportation services	3,669,292	3,663,591	3,679,643
Environmental services	566,042	528,985	454,528
Health services	647,848	680,929	634,330
Social and family services	911,493	889,722	919,312
Recreation and cultural services	899,082	983,717	939,193
Planning and development	189,835	235,000	242,997
	<b>9,978,513</b>	<b>9,956,233</b>	<b>9,775,625</b>
<b>NET REVENUE (EXPENSES) BEFORE UNDERNOTED ITEM</b>	<b>(177,643)</b>	<b>216,685</b>	<b>78,922</b>
<b>Other</b>			
Gain on disposal of tangible capital assets	-	47,875	25,758
<b>Annual surplus (deficit)</b>	<b>(177,643)</b>	<b>264,560</b>	<b>104,680</b>
Accumulated surplus, beginning of year	-	36,457,104	36,352,424
<b>Accumulated surplus (deficit), end of year</b>	<b>(177,643)</b>	<b>36,721,664</b>	<b>36,457,104</b>

See accompanying notes to the consolidated financial statements.

# The Corporation of the Municipality of Oliver Paipoonge Consolidated Statement of Changes in Net Financial Assets

Year ended December 31	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
	[note 14]		
<b>Annual surplus (deficit)</b>	<b>(177,643)</b>	<b>264,560</b>	104,680
Acquisition of tangible capital assets	<b>(2,483,588)</b>	<b>(2,916,441)</b>	(2,038,950)
Amortization of tangible capital assets	<b>2,717,754</b>	<b>2,720,825</b>	2,780,821
Proceeds from sale of tangible capital assets	-	<b>47,875</b>	199,909
Gain on sale of tangible capital assets	-	<b>(47,875)</b>	(25,758)
Acquisition of prepaid expenses	-	<b>(8,783)</b>	-
Increase in net financial assets	<b>56,523</b>	<b>60,161</b>	1,020,702
Net financial assets, beginning of year	-	<b>4,396,584</b>	3,375,882
<b>Net financial assets, end of year</b>	<b>56,523</b>	<b>4,456,745</b>	4,396,584

See accompanying notes to the consolidated financial statements.



# The Corporation of the Municipality of Oliver

## Paipoonge

### Consolidated Statement of Cash Flows

Year ended December 31	2018	2017
	\$	\$
<b>OPERATIONS</b>		
Annual surplus	264,560	104,680
<b>Non-cash charges</b>		
Amortization of tangible capital assets	2,720,825	2,780,821
Landfill closure and post-closure costs	(41,278)	(16,803)
Gain on sale of tangible capital assets	(47,875)	(25,758)
	2,896,232	2,842,940
<b>Net change in non-cash working capital balances</b>		
Increase in investments	(8,057)	(2,879)
Decrease (increase) in taxes receivable	41,519	(123,570)
(Increase) decrease in accounts receivable	(131,836)	45,959
(Increase) decrease in user charges receivable	(45,205)	119,955
Increase (decrease) in accounts payable and accrued liabilities	61,801	(11,359)
(Decrease) increase increase in deferred revenue	(61,758)	116,478
Decrease in employee future benefits	(5,970)	(7,847)
Increase in prepaid expenses	(8,783)	-
<b>Cash provided by operating transactions</b>	2,737,943	2,979,677
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(2,916,441)	(2,038,950)
Proceeds on sale of tangible capital assets	47,875	199,909
<b>Cash used in capital transactions</b>	(2,868,566)	(1,839,041)
<b>FINANCING</b>		
Repayment of long term debt	(372,849)	(487,756)
Loan issued, net of repayment	(401,807)	(272,772)
<b>Cash used in financing transactions</b>	(774,656)	(760,528)
<b>Increase (decrease) in cash and cash equivalents</b>	(905,279)	380,108
Opening cash and cash equivalents	3,456,116	3,076,008
<b>Closing cash and cash equivalents</b>	2,550,837	3,456,116

See accompanying notes to the consolidated financial statements.

---

# **The Corporation of the Municipality of Oliver Paipoonge**

## **Notes to the Consolidated Financial Statements**

December 31, 2018

---

### **GENERAL**

The Corporation of the Municipality of Oliver Paipoonge 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 Oliver Paipoonge 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. The more significant of these accounting policies are as follows:

#### **[a] Basis of consolidation**

##### **Reporting entity**

These consolidated financial statements reflect the financial 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 owned or controlled by the Municipality. Accordingly, the following are consolidated in these financial statements.

Oliver Paipoonge Public Library Board  
Stanley Hill Cemetery Board  
Oliver Paipoonge Museum Board

All interfund balances and transactions have been eliminated.

##### **Government partnerships**

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

Lakehead Rural Planning Board

---

# **The Corporation of the Municipality of Oliver Paipoonge**

## **Notes to the Consolidated Financial Statements**

December 31, 2018

---

### **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

### **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**

Investments are recorded at the lower of cost plus accrued interest and market 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. Post-employment benefits are charged to operations in the year earned.

---

# The Corporation of the Municipality of Oliver

## Paipoonge

### Notes to the Consolidated Financial Statements

December 31, 2018

---

#### 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 net expenses, provides the change in net financial assets for the year.

#### [a] Tangible capital assets

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:

Buildings	40 years
Machinery and equipment	10 to 20 years
Other	10 years
Roads	5 to 30 years
Underground and other networks	15 to 100 years
Vehicles	10 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.

#### [b] 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.

#### [c] Tangible capital assets recognized at nominal value

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

#### [d] Capitalization of interest

The Municipality has a policy of capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset, for those interest costs incurred up to the date the asset goes into use.

---

# **The Corporation of the Municipality of Oliver Paipoonge**

## **Notes to the Consolidated Financial Statements**

December 31, 2018

---

### **[e] 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.

### **Reserves and reserve funds**

Council segregates its accumulated surplus into various categories including reserves and reserve funds 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, which for property taxes is the period for which the tax is levied.

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

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

### **Government transfers**

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

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

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

---

# **The Corporation of the Municipality of Oliver Paipoonge**

## **Notes to the Consolidated Financial Statements**

December 31, 2018

---

### **Revenue recognition**

User charges and other revenues 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.

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 estimated useful lives of tangible capital assets and solid waste landfill closure and post-closure liabilities. Actual results could differ from these estimates.

## **2. TRUST FUNDS**

Trust funds administered by the Municipality amounting to \$197,006 [2017 - \$191,532] 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 a money market fund with the One Investment Program.

# The Corporation of the Municipality of Oliver

## Paipoonge

### Notes to the Consolidated Financial Statements

December 31, 2018

#### 4. LOANS RECEIVABLE

The loans receivable bear interest at 3.75%, with \$265,917 maturing in 2042 and \$408,662 maturing in 2043 and fixed monthly payments of principal and interest of \$1,414 and \$2,118, respectively.

#### 5. DEFERRED REVENUE

	2018 \$	2017 \$
Obligatory reserve funds		
Recreational purposes	252,587	243,136
Rural Agricultural proceeds	22,500	23,750
OCIF	-	69,959
	<b>275,087</b>	<b>336,845</b>

The continuity of deferred revenue is as follows:

	2018			2017
	Government Transfers \$	Parkland \$	Total \$	Total \$
<b>Balance, beginning of year</b>	<b>93,709</b>	<b>243,136</b>	<b>336,845</b>	220,367
Investment income	-	4,626	4,626	2,209
Gas Tax revenue earned	(365,140)	-	(365,140)	(354,712)
Gas Tax proceeds	365,140	-	365,140	354,712
Subdivider contributions to				
Parkland	-	21,000	21,000	37,000
Parkland revenues earned	-	(16,175)	(16,175)	(16,440)
Rural Heritage Agricultural proceeds	(1,250)	-	(1,250)	23,750
OCIF revenue earned	(181,841)	-	(181,841)	(63,196)
OCIF proceeds	111,882	-	111,882	133,155
<b>Balance, end of year</b>	<b>22,500</b>	<b>252,587</b>	<b>275,087</b>	<b>336,845</b>

#### 6. TEMPORARY LOANS

The Municipality has available a line of credit of \$1,000,000 [2017 - \$1,000,000] for which the Municipality has provided a borrowing by-law and signed advisory letter of which \$nil [2017 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at bank prime less 0.5% [3.45% at year-end].

---

# The Corporation of the Municipality of Oliver Paipoonge

## Notes to the Consolidated Financial Statements

December 31, 2018

---

### 7. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2018 was \$102,315 [2017 - \$95,561] for current service.

### 8. DEBT

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

	2018	2017
	\$	\$
<b>Toronto-Dominion Bank</b>		
Term loan repaid during year	-	372,849
	-	372,849

[b] Those loans approved after January 1, 1993 were approved by by-law. The annual principal and interest payments required to service these liabilities were within the annual debt repayment limit prescribed by the Ontario Ministry of Municipal Affairs.

[c] Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$3,393 [2017 - \$13,899].



---

# **The Corporation of the Municipality of Oliver**

## **Paipoonge**

### **Notes to the Consolidated Financial Statements**

December 31, 2018

---

#### **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 estimated liability for this care is the present value for future cash flows associated with closure and post-closure costs discounted using the estimate Municipality's lending rate at December 31, 2018 of 3.95%. The change in the recorded liability is \$41,278 [2017 - \$16,803] based on a total estimated undiscounted outflow in the future of \$3,752,342 [2017 - \$2,189,829], leaving an amount to be recognized in the future of \$3,710,928 [2017 - \$1,995,444] over the closure and post-closure period. An amount of \$1,058,174 [2017 - \$995,483] has been provided in the reserve fund for municipal landfill to fund this liability and future landfill expansion [Schedule 1]. 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 are approximately 92 and 52 years. The remaining capacities are estimated to be 430,000 and 362,304 cubic metres. Post-closure care is estimated to continue for a period of approximately 20 years.

#### **10. 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.

During the year, there were no write-downs of assets [2017 - \$nil].

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

Tangible capital assets contributed to the Municipality totalled \$nil [2017 - \$nil] and were capitalized at their fair value at time of receipt. There were no contributed tangible capital assets in 2018 [2017 - \$nil].

Certain assets were recorded at a nominal value on adoption of tangible capital assets due to the difficulty in determining an appropriate value. This includes the land right-of-way relating to the roads network. There are 1,500 segments assigned a value of \$1 each. Other assets include historical equipment and buildings inherited from the Municipality's predecessor, with an assigned value of \$1 [2017 - \$1].

---

# **The Corporation of the Municipality of Oliver Paipoonge**

## **Notes to the Consolidated Financial Statements**

December 31, 2018

---

### **11. SEGMENTED INFORMATION**

The Municipality 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 finance, corporate services, and Mayor and Council.

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

Protection to persons and property is comprised of police services, fire services and protective inspection and control. The police services are contracted from the City of Thunder Bay. The Fire Services Department is responsible for fire suppressions; fire prevention programs, training and education related to prevention, detection or extinguishment of fires. Protective inspection and control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws for the protection of occupants. Protection to persons and property also includes the Municipality's contribution to the Lakehead Region Conservation Authority, which provides management and stewardship over the watershed.

#### **Transportation services**

Transportation services include roadways, winter control and street lighting. Roadways covers the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, culverts, and sidewalks. Winter control includes snowplowing, sanding and salting, snow removal and flood control. Street lighting plans develops and maintains the street lighting system.

#### **Environmental services**

Environmental services consist of waterworks, waste disposal and recycling. Waterworks provides drinking water to some citizens of Rosslyn in the Municipality of Oliver Paipoonge. Waste disposal and recycling includes landfill site operations and waste minimization programs.

#### **Health services**

Health services includes public health services and ambulance services. Public health services represents the Municipality's contributions to the activities of the Thunder Bay District Health Unit. In response to the health needs of the community, the Thunder Bay District Health Unit provides health information and prevention-related clinical services to people of all ages; advocates for healthy public policy; protects citizens by investigating reportable diseases and upholds regulations that apply to public health. Ambulance services represents the Municipality's contributions to Superior North Emergency Medical Services, which provides emergency medical response to the community.

---

# The Corporation of the Municipality of Oliver

## Paipoonge

### Notes to the Consolidated Financial Statements

December 31, 2018

---

#### **Social and family services**

Social and family services represents the Municipality's contributions to the activities of The District of Thunder Bay Social Services Administration Board (TBDSSAB). TBDSSAB is responsible for Ontario Works program delivery, child care services and social housing.

#### **Recreation and cultural services**

Recreation and cultural services include parks, recreation programs and facilities, public library, museum and contributions to cultural organizations. The Municipality provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services, the development and maintenance of various recreational facilities and the maintenance of parks and open spaces. The public library is dedicated to providing community access to local and global information resources that support lifelong learning, research and leisure activities. The Municipality makes contributions to various cultural organizations under specific funding programs.

#### **Planning and development**

The Municipality manages development for business interest, environmental concerns, heritage matters, local neighbourhoods and the various urban and rural areas through planning and community development and approval of all land development plans.

For additional information see the Consolidated Schedule of Segment Disclosure [Schedule 3].

## **12. RESERVES AND RESERVE FUNDS**

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

	2018 \$	2017 \$
<b>Reserves</b>		
Balance, beginning of year	3,463,760	2,453,414
<b>Increases</b>		
Transfers from reserves	-	470,633
Transfers from operations	692,704	621,948
	692,704	1,092,581
<b>Decreases</b>		
Transfers to operations	1,082,485	82,235
<b>Balance, end of year</b>	<b>3,073,979</b>	<b>3,463,760</b>

# The Corporation of the Municipality of Oliver

## Paipoonge

### Notes to the Consolidated Financial Statements

December 31, 2018

	2018 \$	2017 \$
<b>Reserve funds</b>		
Balance, beginning of year	<b>1,392,295</b>	1,814,731
<b>Increases</b>		
Transfers from operations	<b>58,638</b>	60,605
Interest earned	<b>23,350</b>	12,592
	<b>81,988</b>	73,197
<b>Decreases</b>		
Transfers to reserves	-	470,633
Transfers to operations	<b>41,300</b>	25,000
<b>Balance, end of year</b>	<b>1,432,983</b>	1,392,295

### 13. DESIGNATED ASSETS

Of the cash and cash equivalents and investments reported on the Consolidated Statement of Financial Position, the Council has designated \$1,432,983 [2017 - \$1,392,295] to support reserve funds.

# The Corporation of the Municipality of Oliver

## Paipoonge

### Notes to the Consolidated Financial Statements

December 31, 2018

#### 14. 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 Consolidated Statement of Operations and Accumulated Surplus has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements:

	Approved Fiscal Plan \$	Adjustments \$	Fiscal Plan per Financial Statements \$
<b>Revenues</b>			
Taxation	7,239,770	-	7,239,770
User Charges	343,370	-	343,370
Government transfers	1,772,870	-	1,772,870
Other	1,002,159	(557,299)	444,860
	<b>10,358,169</b>	<b>(557,299)</b>	<b>9,800,870</b>
<b>Expenses</b>			
General government	1,315,951	8,592	1,324,543
Protection to persons and property	1,748,686	21,692	1,770,378
Transportation services	4,179,450	(510,158)	3,669,292
Environmental services	626,582	(60,540)	566,042
Health services	645,449	2,399	647,848
Social and family services	911,493	-	911,493
Recreation and cultural services	747,340	151,742	899,082
Planning and development	183,218	6,617	189,835
	<b>10,358,169</b>	<b>(379,656)</b>	<b>9,978,513</b>
<b>Annual deficit</b>	<b>-</b>	<b>(177,643)</b>	<b>(177,643)</b>
Interfund transfers	(319,718)	(319,718)	
Capital items	2,483,588	2,483,588	
Debt repayments	376,241	376,241	
Amortization	-	(2,717,754)	
<b>Approved surplus (deficit)</b>	<b>2,540,111</b>	<b>(177,643)</b>	

#### 15. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2018 consolidated financial statements.

# The Corporation of the Municipality of Oliver

## Paipoonge

### Schedule 1

### Consolidated Schedule of Accumulated Surplus

Year ended December 31	2018	2017
	\$	\$
<b>Surpluses</b>		
Library	5,319	7,379
Investment in tangible capital assets	32,256,136	32,060,520
Unfunded		
Debt	-	(372,849)
Employee future benefits and other long-term liabilities	(5,309)	(11,279)
Landfill closure and post-closure liabilities	(41,444)	(82,722)
<b>Total surpluses</b>	<b>32,214,702</b>	<b>31,601,049</b>
<b>Reserves set aside for specific purposes by Council</b>		
For working capital	1,019,421	871,007
For acquisition of capital assets or capital expenditure	1,980,375	2,499,749
For recreation programs and facilities	25,595	25,595
For cemetery development	29,917	30,738
For Murillo Hall	18,479	18,479
For elections	192	18,192
<b>Total reserves</b>	<b>3,073,979</b>	<b>3,463,760</b>
<b>Reserve funds set aside for specific purposes by Council</b>		
For administration activities	48,110	47,212
For Oliver Road	5,245	5,147
For other recreation activities	31,156	30,575
For Kakabeka Community Centre building	29,285	29,102
For acquisition of fire department capital assets	29,182	28,638
Reserve fund for winter control	49,895	48,963
Reserve fund for municipal landfill	1,058,174	995,483
Reserve fund for museum development	72,757	61,585
For building department	109,179	104,291
Reserve fund for LRCA building	-	41,299
<b>Total reserve funds</b>	<b>1,432,983</b>	<b>1,392,295</b>
<b>Accumulated surplus</b>	<b>36,721,664</b>	<b>36,457,104</b>

# The Corporation of the Municipality of Oliver Paipoonge Consolidated Schedule of Tangible Capital Assets

Year ended December 31, 2018

## Schedule 2

	General					Infrastructure				Totals		
	Land \$	Improvements \$	Buildings \$	Vehicles \$	Machinery and Equipment \$	Other \$	Assets Under Construction \$	Roads \$	Underground and Other Networks \$	Machinery and Equipment \$	2018 \$	2017 \$
<b>COST</b>												
Balance, beginning of Add	3,656,791	221,451	7,448,224	3,120,883	2,070,709	162,791	-	60,247,403	8,425,598	409,593	85,763,443	84,295,707
Additions during the year	81,601	-	7,366	-	12,206	13,833	-	2,541,315	260,120	-	2,916,441	2,038,950
Less Disposals in the year	-	-	-	-	-	-	-	55,315	23,164	-	78,479	571,214
Balance, end of year	3,738,392	221,451	7,455,590	3,120,883	2,082,915	176,624	-	62,733,403	8,662,554	409,593	88,601,405	85,763,443
<b>ACCUMULATED AMORTIZATION</b>												
Balance, beginning of year	-	46,143	3,860,591	1,341,723	795,647	104,578	-	43,540,063	3,798,226	215,952	53,702,923	51,319,165
Add Amortization during the year	-	15,957	254,512	173,744	103,073	12,678	-	1,957,616	186,569	16,676	2,720,825	2,780,821
Less Disposals in the year	-	-	-	-	-	-	-	55,315	23,164	-	78,479	397,063
Balance, end of year	-	62,100	4,115,103	1,515,467	898,720	117,256	-	45,442,364	3,961,631	232,628	56,345,269	53,702,923
<b>Net book value, beginning of year</b>	3,656,791	175,308	3,587,633	1,779,160	1,275,062	58,213	-	16,707,340	4,627,372	193,641	32,060,520	32,976,542
<b>Net book value, end of year</b>	3,738,392	159,351	3,340,487	1,605,416	1,184,195	59,368	-	17,291,039	4,700,923	176,965	32,256,136	32,060,520

# The Corporation of the Municipality of Oliver Paipoonge Consolidated Schedule of Segment Disclosure

## Schedule 3

Year ended December 31, 2018

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>										
Taxation	7,362,708	7,006,827	-	-	-	-	-	-	-	-
Government transfers	1,088,917	1,229,622	37,504	66,801	665,377	417,908	101,532	30,054	-	-
User fees and service charges	119,387	105,574	46,699	15,000	28,167	14,178	64,393	311,539	7,586	11,351
Donations	-	-	-	-	-	-	-	-	-	-
Other revenues	179,176	186,333	-	-	-	-	-	-	-	-
Interest income - general	106,596	43,897	-	-	-	-	-	-	-	-
Interest income - reserves and reserve funds	-	1,321	-	-	-	-	-	-	-	-
Rents and concessions	-	-	-	-	-	-	-	-	-	-
Gain on disposal of tangible capital assets	47,875	25,758	-	-	-	-	-	-	-	-
	<b>8,904,659</b>	<b>8,599,332</b>	<b>84,203</b>	<b>81,801</b>	<b>693,544</b>	<b>432,086</b>	<b>165,925</b>	<b>341,593</b>	<b>7,586</b>	<b>11,351</b>
<b>Expenses</b>										
Salaries, wages and employee benefits	619,077	631,342	199,186	192,028	712,931	665,597	101,985	98,353	735	140
Materials	348,908	433,977	390,514	292,592	459,608	467,952	236,885	167,455	14,037	13,492
Contracted services	168,533	178,429	1,101,942	1,124,916	320,578	322,152	35,810	35,152	662,758	617,299
Rent and financials	-	-	-	-	20,762	9,232	-	-	-	-
External transfers to others	(14,550)	(30,550)	-	-	-	-	-	-	-	-
Bad debt	-	33,233	-	-	-	-	-	-	-	-
Amortization	43,837	43,038	116,842	6,617	2,149,712	2,214,710	154,305	153,568	3,399	3,399
	<b>1,165,805</b>	<b>1,289,469</b>	<b>1,808,484</b>	<b>1,616,153</b>	<b>3,663,591</b>	<b>3,679,643</b>	<b>528,985</b>	<b>454,528</b>	<b>680,929</b>	<b>634,330</b>
<b>Annual surplus (deficit)</b>	<b>7,738,854</b>	<b>7,309,863</b>	<b>(1,724,281)</b>	<b>(1,534,352)</b>	<b>(2,970,047)</b>	<b>(3,247,557)</b>	<b>(363,060)</b>	<b>(112,935)</b>	<b>(673,343)</b>	<b>(622,979)</b>



# **The Corporation of the Municipality of Oliver Paipoonge** **Consolidated Schedule of Segment Disclosure**

## **Schedule 3 (continued)**

Year ended December 31, 2018

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2018	2017	2018	2017	2018	2017	
	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>							
Taxation	-	-	-	-	-	-	7,006,827
Government transfers	-	-	37,301	43,161	21,235	13,011	1,800,557
User fees and service charges	-	-	8,405	11,902	43,775	65,800	535,344
Donations	-	-	11,633	4,552	-	-	4,552
Other revenues	-	-	-	-	24,832	58,062	244,395
Interest income - general	-	-	-	-	-	-	43,897
Interest income - reserves and reserve funds	-	-	-	-	-	-	1,321
Rents and concessions	-	-	217,695	217,654	-	-	217,654
Gain on disposal of tangible capital assets	-	-	-	-	-	-	25,758
	-	-	275,034	277,269	89,842	136,873	9,880,305
<b>Expenses</b>							
Salaries, wages and employee benefits	-	-	298,431	277,345	121,355	99,352	1,964,157
Materials	-	-	428,634	408,935	31,009	15,105	1,799,508
Contracted services	-	-	10,539	10,435	76,019	11,529	2,299,912
Rent and financials	-	-	-	-	-	-	9,232
External transfers to others	889,722	919,312	-	-	-	-	888,762
Bad debt	-	-	-	-	-	-	33,233
Amortization	-	-	246,113	242,478	6,617	117,011	2,780,821
	889,722	919,312	983,717	939,193	235,000	242,997	9,775,625
<b>Annual surplus (deficit)</b>	(889,722)	(919,312)	(708,683)	(661,924)	(145,158)	(106,124)	104,680

---

**Grant Thornton LLP**

Suite 300  
979 Alloy Drive  
Thunder Bay, ON  
P7B 5Z8

T +1 807 345 6571  
F +1 807 345 0032

# Independent Auditor's Report

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

## Opinion

We have audited the financial statements of Oliver Paipoonge Public Library Board (the "Board"), which comprise the statement of financial position as at December 31, 2018, and the statements 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 Oliver Paipoonge Public Library Board as at December 31, 2018, and its results of operations and accumulated surplus, 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.

The signature of Grant Thornton LLP is written in a cursive, handwritten style.

Thunder Bay, Canada  
May 29, 2019

Chartered Professional Accountants  
Licensed Public Accountants

## Oliver Paipoonge Public Library Board

### Statement of Financial Position

As at December 31	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	5,623	12,739
Accounts receivable	2,739	2,648
<b>Total financial assets</b>	<b>8,362</b>	<b>15,387</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,043	5,008
Deferred revenue	-	3,000
<b>Total liabilities</b>	<b>3,043</b>	<b>8,008</b>
<b>NET FINANCIAL ASSETS</b>	<b>5,319</b>	<b>7,379</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 2]</i>	59,368	58,213
<b>Accumulated surplus <i>[note 3]</i></b>	<b>64,687</b>	<b>65,592</b>

See accompanying notes to the financial statements.

# Oliver Paipoonge Public Library Board

## Statement of Operations and Accumulated Surplus

Year ended December 31

	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
	[note 4]		
<b>REVENUES</b>			
Province of Ontario operating grant	20,338	11,917	11,917
Province of Ontario one-time grants	-	6,658	6,828
Oliver Paipoonge operating subsidy	59,058	59,058	57,338
Other municipal provincial grants	-	8,421	8,421
Sundry	1,500	4,047	7,092
Ontario Library Association grants and reimbursements	-	1,755	8,122
<b>Total revenues</b>	<b>80,896</b>	<b>91,856</b>	<b>99,718</b>
<b>EXPENSES</b>			
Amortization	12,678	12,678	10,083
Minor equipment	-	1,675	670
Office	1,944	2,123	2,320
Professional fees	1,150	1,068	1,068
Salaries and benefits	58,743	66,460	65,360
Sundry	5,771	6,172	7,066
Telephone and fax	3,288	2,585	2,515
<b>Total expenses</b>	<b>83,574</b>	<b>92,761</b>	<b>89,082</b>
<b>Annual surplus (deficit)</b>	<b>(2,678)</b>	<b>(905)</b>	<b>10,636</b>
Accumulated surplus, beginning of year	-	65,592	54,956
<b>Accumulated surplus (deficit), end of year</b>	<b>(2,678)</b>	<b>64,687</b>	<b>65,592</b>

See accompanying notes to the financial statements.

## Oliver Paipoonge Public Library Board

### Statement of Changes in Net Financial Assets

Year ended December 31	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
	[note 4]		
<b>Annual surplus (deficit)</b>	<b>(2,678)</b>	<b>(905)</b>	10,636
Acquisition of tangible capital assets	<b>(10,000)</b>	<b>(13,833)</b>	(14,141)
Amortization of tangible capital assets	<b>12,678</b>	<b>12,678</b>	10,083
Increase (decrease) in net financial assets	-	<b>(2,060)</b>	6,578
Net financial assets, beginning of year	<b>7,379</b>	<b>7,379</b>	801
<b>Net financial assets, end of year</b>	<b>7,379</b>	<b>5,319</b>	7,379

See accompanying notes to the financial statements.

# Oliver Paipoonge Public Library Board

## Statement of Cash Flows

Year ended December 31	2018	2017
	\$	\$
<b>OPERATIONS</b>		
Annual surplus (deficit)	(905)	10,636
<b>Non-cash charges</b>		
Amortization of tangible capital assets	12,678	10,083
	11,773	20,719
<b>Net change in non-cash working capital balances</b>		
(Increase) decrease in accounts receivable	(91)	3,490
Decrease in accounts payable and accrued liabilities	(1,965)	(11,855)
(Decrease) increase in deferred revenue	(3,000)	3,000
<b>Cash provided by operating transactions</b>	6,717	15,354
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(13,833)	(14,141)
<b>Cash used in capital transactions</b>	(13,833)	(14,141)
<b>Increase (decrease) in cash and cash equivalents during year</b>	(7,116)	1,213
Cash and cash equivalents, beginning of year	12,739	11,526
<b>Cash and cash equivalents , end of year</b>	5,623	12,739

See accompanying notes to the financial statements.

---

# Oliver Paipoonge Public Library Board

## Notes to the Financial Statements

December 31, 2018

---

### 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 POLICIES

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 CPA Canada.

#### Accrual accounting

The Library 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.

#### Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. 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	3 to 10 years
Furniture and equipment	3 to 5 years

#### Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and cash on hand.

#### Reporting entity

The financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the Oliver Paipoonge Public Library Board.

#### Revenue recognition

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



---

# Oliver Paipoonge Public Library Board

## Notes to the Financial Statements

December 31, 2018

---

### Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future or are the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the fiscal period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined.

### 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 Oliver Paipoonge Public Library Board may undertake in the future. Actual results could differ from those estimates.

## 2. TANGIBLE CAPITAL ASSETS

	2018 \$	2017 \$
<b>Cost</b>		
Balance, beginning of year	162,790	148,649
Additions during the year	13,833	14,141
Balance, end of year	176,623	162,790
<b>Accumulated amortization</b>		
Balance, beginning of year	104,577	94,494
Amortization during the year	12,678	10,083
Balance, end of year	117,255	104,577
<b>Net book value of tangible capital assets</b>	<b>59,368</b>	<b>58,213</b>

## 3. ACCUMULATED SURPLUS

	2018 \$	2017 \$
General fund	5,319	7,379
Investment in tangible capital assets	59,368	58,213
<b>Accumulated surplus</b>	<b>64,687</b>	<b>65,592</b>

---

# Oliver Paipoonge Public Library Board

## Notes to the Financial Statements

December 31, 2018

---

### 4. BUDGET FIGURES

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

	Approved 2017 Budget \$	PSAB Adjustment \$	PSAB Adjusted Budget \$
Revenues	80,896	-	80,896
Expenses	80,896	2,678	83,574
<b>Annual deficit</b>	-	(2,678)	(2,678)
Acquisition of tangible capital assets	-	(10,000)	(10,000)
Add:			
Amortization of tangible capital assets	-	12,678	12,678
<b>Increase in net financial assets</b>	-	-	-

**The Corporation of the Municipality of Oliver  
Paipoonge  
Nor West Recreation Centre  
Schedule of Operations**

Year ended December 31	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
<b>REVENUES</b>			
Arena rental	148,000	146,028	151,000
Concession sales	30,000	18,299	21,284
Municipal contribution	45,901	57,496	104,422
Other	6,000	3,399	2,675
<b>Total revenues</b>	<b>229,901</b>	<b>225,222</b>	<b>279,381</b>
<b>EXPENSES</b>			
Concession supplies	17,000	11,322	13,544
Insurance and other contracted services	23,000	12,940	17,600
Repairs and maintenance	25,000	47,487	52,110
Supplies	3,500	—	4,244
Travel and convention	1,000	1,145	—
Utilities	77,450	84,734	107,937
Wages	82,951	67,594	83,946
<b>Total expenses</b>	<b>229,901</b>	<b>225,222</b>	<b>279,381</b>
<b>NET REVENUES</b>	<b>—</b>	<b>—</b>	<b>—</b>

**The Corporation of the Municipality of Oliver  
Paipoonge  
Stanley Hill Cemetery Board  
Schedule of Operations**

Year ended December 31	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
<b>REVENUES</b>			
Sale of plots	4,000	7,935	7,142
Less portion transferred to the Perpetual Care Trust Fund	—	(4,550)	(3,950)
	4,000	3,385	3,192
Transfer from trust fund	1,450	2,196	1,207
Fees	—	840	700
Other	7,550	9,646	9,801
<b>Total revenues</b>	<b>13,000</b>	<b>16,067</b>	<b>14,900</b>
<b>EXPENSES</b>			
Other	7,950	9,537	8,743
Wages	6,000	5,640	5,640
	13,950	15,177	14,383
<b>NET REVENUES</b>	<b>950</b>	<b>890</b>	<b>517</b>

# Independent Auditor's Report

---

**Grant Thornton LLP**  
Suite 300  
979 Alloy Drive  
Thunder Bay, ON  
P7B 5Z8  
T +1 807 345 6571  
F +1 807 345 0032

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

## Opinion

We have audited the financial statements of Oliver Paipoonge Museum Board ("the Board"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and accumulated surplus, change 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 Oliver Paipoonge Museum Board as at December 31, 2018 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the entity 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  
May 29, 2019

Chartered Professional Accountants  
Licensed Public Accountants

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

As at December 31	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	300	300
Due from The Corporation of the Municipality of Oliver Paipoonge	55,590	55,590
<b>Total financial assets</b>	<b>55,890</b>	<b>55,890</b>
<b>NET FINANCIAL ASSETS</b>	<b>55,890</b>	<b>55,890</b>
<b>Accumulated surplus</b>	<b>55,890</b>	<b>55,890</b>

See accompanying notes to the financial statements.

**The Corporation of the Municipality of Oliver  
Paipoonge  
Oliver Paipoonge Museum Board  
Statement of Operations and Accumulated Surplus**

Year ended December 31	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
	[note 3]		
<b>REVENUES</b>			
Contribution from The Corporation of the Municipality of Oliver Paipoonge	45,216	35,080	42,767
Province of Ontario	4,892	4,892	4,892
Fees and other revenue	—	698	430
Donations	3,300	1,373	1,743
Fundraising	500	1,071	1,503
<b>Total revenues</b>	<b>53,908</b>	<b>43,114</b>	<b>51,335</b>
<b>EXPENSES</b>			
Administration and utilities	20,780	12,546	13,296
Maintenance	3,000	424	6,962
Salaries	30,128	30,144	31,077
<b>Total expenses</b>	<b>53,908</b>	<b>43,114</b>	<b>51,335</b>
<b>NET REVENUES</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Annual surplus</b>	<b>—</b>	<b>—</b>	<b>—</b>
Accumulated surplus, beginning of year	55,890	55,890	55,890
<b>Accumulated surplus, end of year</b>	<b>55,890</b>	<b>55,890</b>	<b>55,890</b>

See accompanying notes to the financial statements.



**The Corporation of the Municipality of Oliver  
Paipoonge  
Oliver Paipoonge Museum Board  
Statement of Changes in Net Financial Assets**

Year ended December 31	2018	2018	2017
	Budget \$ <i>[note 3]</i>	Actual \$	Actual \$
<b>Annual surplus</b>	—	—	—
Increase in net financial assets	—	—	—
Net financial assets, beginning of year	—	<b>55,890</b>	55,890
<b>Net financial assets, end of year</b>	—	<b>55,890</b>	55,890

See accompanying notes to the financial statements.

**The Corporation of the Municipality of Oliver  
Paipoonge  
Oliver Paipoonge Museum Board  
Statement of Cash Flows**

Year ended December 31	2018	2017
	\$	\$
<b>Annual surplus</b>	—	—
Increase in balance of due to The Corporation of the Municipality of Oliver Paipoonge	—	—
<b>Cash provided by operating transactions</b>	—	—
<b>Increase in cash during the year</b>	—	—
Cash, beginning of year	<b>300</b>	300
<b>Cash, end of year</b>	<b>300</b>	300

See accompanying notes to the financial statements.

---

**The Corporation of the Municipality of Oliver  
Paipoonge  
Oliver Paipoonge Museum Board  
Notes to the Financial Statements**

December 31, 2018

---

**1. SIGNIFICANT ACCOUNTING POLICY**

These financial statements of the Oliver Paipoonge Museum 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 judgment. The more significant of these accounting policies are as follows:

**Basis of accounting**

Revenues and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses 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 by the Oliver Paipoonge Museum Board. The capital assets acquired are reported by the Municipality on the Consolidated Statement of Financial Position.

**2. RESERVE FUND**

The Corporation of the Municipality of Oliver Paipoonge holds a reserve fund for museum development in the amount of \$72,757 [2017 - \$61,585]. This reserve fund has not been reflected in the financial statements of the Oliver Paipoonge Museum Board.

**3. BUDGET FIGURES**

The budget figures are compiled from the 2018 fiscal year operating budget approved by the Oliver Paipoonge Museum Board.

# Independent Auditor's Report

---

Grant Thornton LLP  
Suite 300  
979 Alloy Drive  
Thunder Bay, ON  
P7B 5Z8

T +1 807 345 6571  
F +1 807 345 0032

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

## Opinion

We have audited the financial statements of the Trust Funds of The Corporation of the Municipality of Oliver Paipoonge ("the Municipality"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and accumulated surplus and cash flow 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 Trust Funds of The Corporation of the Municipality of Oliver Paipoonge as at December 31, 2018 and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality 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 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 entity 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 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 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 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 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Thunder Bay, Canada  
May 29, 2019

Chartered Professional Accountants  
Licensed Public Accountants

**The Corporation of the Municipality of Oliver  
Paipoonge  
Trust Funds**

**Statement of Financial Position**

As at December 31

**2018**

**2017**

	<b>Cemetery Perpetual Care \$</b>	<b>Quarry Rehabilitation \$</b>	<b>Total \$</b>	<b>Total \$</b>
<b>FINANCIAL ASSETS</b>				
Cash	<b>135,139</b>	<b>56,870</b>	<b>192,009</b>	188,790
Due from The Corporation of the Municipality of Oliver Paipoonge	<b>4,997</b>	<b>—</b>	<b>4,997</b>	2,742
<b>NET FINANCIAL ASSETS</b>	<b>140,136</b>	<b>56,870</b>	<b>197,006</b>	191,532
<b>Accumulated surplus</b>	<b>140,136</b>	<b>56,870</b>	<b>197,006</b>	191,532

See accompanying notes to the financial statements.

**The Corporation of the Municipality of Oliver**  
**Paipoonge**  
**Trust Funds**  
**Statement of Operations and Accumulated Surplus**  
Year ended December 31 2018 2017

	Cemetery Perpetual Care \$	Quarry Rehabilitation \$	Total \$	Total \$
<b>REVENUES</b>				
Plot sales and monument fees	4,550	—	4,550	3,950
Interest	2,196	924	3,120	1,774
	6,746	924	7,670	5,724
<b>EXPENSES</b>				
Administration fee	2,196	—	2,196	1,207
<b>Annual surplus</b>	4,550	924	5,474	4,517
Accumulated surplus, beginning of year	135,685	55,846	191,532	187,015
<b>Accumulated surplus, end of year</b>	<b>140,235</b>	<b>56,770</b>	<b>197,006</b>	<b>191,532</b>

See accompanying notes to the financial statements.

**The Corporation of the Municipality of Oliver  
Paipoonge  
Oliver Paipoonge Trust Funds  
Statement of Cash Flows**

Year ended December 31	2018	2017
	\$	\$
<b>Annual surplus</b>	<b>5,474</b>	4,517
Increase (decrease) in balance due from The Corporation of the Municipality of Oliver Paipoonge	<b>(2,255)</b>	6,737
<b>Cash provided by operating transactions</b>	<b>3,219</b>	11,254
<b>Increase in cash during the year</b>	<b>3,219</b>	11,254
Cash, beginning of year	<b>188,790</b>	177,536
<b>Cash, end of year</b>	<b>192,009</b>	188,790

See accompanying notes to the financial statements.



---

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

December 31, 2018

---

**1. NATURE OF BUSINESS**

The Corporation of the Municipality of Oliver Paipoonge 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 Oliver Paipoonge.

**2. ACCOUNTING POLICY**

**Basis of accounting**

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

Expenses are reported using the accrual basis of accounting, which recognizes expenses 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.

# Financial Statements

Lakehead Rural Planning Board

December 31, 2018

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Changes in Net Financial Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 8
Schedule - Accumulated Surplus	9

---

**Grant Thornton LLP**

Suite 300  
979 Alloy Drive  
Thunder Bay, ON  
P7B 5Z8

T +1 807 345 6571  
F +1 807 345 0032

# Independent Auditor's Report

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

## Opinion

We have audited the financial statements of the Lakehead Rural Planning Board ("the Board"), which comprise the statement of financial position as at December 31, 2018, and the statements 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 the Lakehead Rural Planning Board as at December 31, 2018, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Thunder Bay, Canada  
July 4, 2019

Chartered Professional Accountants  
Licensed Public Accountants

# Lakehead Rural Planning Board

## Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	77,767	82,196
Accounts receivable	1,555	50,000
<b>Total financial assets</b>	<b>79,322</b>	<b>132,196</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,150	51,152
Deferred revenue	13,533	13,533
<b>Total liabilities</b>	<b>14,683</b>	<b>64,685</b>
<b>NET FINANCIAL ASSETS</b>	<b>64,639</b>	<b>67,511</b>
<b>NON-FINANCIAL ASSETS</b>		
Equipment, net <i>[note 4]</i>	43	62
Prepaid expenses	319	327
	<b>362</b>	<b>389</b>
<b>Accumulated surplus <i>[schedule]</i></b>	<b>65,001</b>	<b>67,900</b>

See accompanying notes to the financial statements.

# Lakehead Rural Planning Board

## Statement of Operations and Accumulated Surplus

Year ended December 31	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
	[note 7]		
<b>REVENUES</b>			
Municipal levies [note 5]	1,250	1,250	1,250
Province of Ontario			
Ministry of Municipal Affairs and Housing			
For planning services to the unorganized municipalities of Gorham and Ware	40,917	40,917	40,917
Other	-	-	50,000
Other income	8,000	15,365	14,906
Interest income	500	477	474
<b>Total revenues</b>	<b>50,667</b>	<b>58,009</b>	<b>107,547</b>
<b>EXPENDITURES</b>			
<b>Operating</b>			
Amortization	19	19	27
Consulting	7,807	20,085	13,032
Insurance	1,800	1,782	1,450
Meeting and mileage allowances	7,500	6,459	5,885
Miscellaneous	500	350	1,548
Office and administration	1,560	264	1,298
Planning fees [note 6]	30,000	30,000	30,000
Professional fees	1,500	1,949	1,130
Legal and settlement	-	-	53,644
<b>Total expenditures</b>	<b>50,686</b>	<b>60,908</b>	<b>108,014</b>
<b>Annual deficit</b>	<b>(19)</b>	<b>(2,899)</b>	<b>(467)</b>
Accumulated surplus, beginning of year	67,900	67,900	68,367
<b>Accumulated surplus, end of year</b>	<b>67,881</b>	<b>65,001</b>	<b>67,900</b>

See accompanying notes to the financial statements.

## Lakehead Rural Planning Board

### Statement of Changes in Net Financial Assets

Year ended December 31	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
	[note 7]		
<b>Annual deficit</b>	<b>(19)</b>	<b>(2,899)</b>	<b>(467)</b>
Amortization	<b>19</b>	<b>19</b>	27
Use (acquisition) of prepaid expenses	-	<b>8</b>	(328)
<b>Increase (decrease) in net financial assets</b>	<b>19</b>	<b>27</b>	<b>(301)</b>
Net financial assets, beginning of year	-	<b>67,511</b>	68,279
<b>Net financial assets, end of year</b>	-	<b>64,639</b>	67,511

See accompanying notes to the financial statements.



## Lakehead Rural Planning Board

### Statement of Cash Flows

Year ended December 31	2018	2017
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(2,899)	(467)
Non-cash charges and net change in non-cash working capital balances		
Amortization	19	27
Decrease (increase) in prepaid expenses	8	(326)
Decrease (increase) in accounts receivable	48,445	(50,000)
Increase (decrease) in accounts payable and accrued liabilities	(50,002)	50,000
<b>Cash used in operating activities</b>	<b>(4,429)</b>	<b>(766)</b>
<b>Decrease in cash during year</b>	<b>(4,429)</b>	<b>(766)</b>
Cash, beginning of year	82,196	82,962
<b>Cash, end of year</b>	<b>77,767</b>	<b>82,196</b>

See accompanying notes to the financial statements.

---

# Lakehead Rural Planning Board

## Notes to the Financial Statements

December 31, 2018

---

### 1. FUTURE OPERATIONS

The Board delivers planning services to the Board's planning area, including unincorporated areas.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lakehead Rural Planning Board are prepared by management in accordance with Canadian public sector accounting standards for the local government sector as prescribed by the Public Sector Accounting Board ("PSAB") of the CPA. 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.

##### Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The cost, less residual value, of the tangible capital assets are amortized on a declining balance basis over their estimated useful lives as follows:

Computer hardware	5 years
-------------------	---------

#### Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future or are the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the fiscal period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined.

# Lakehead Rural Planning Board

## Notes to the Financial Statements

December 31, 2018

### 3. INTERNAL RESTRICTION

In 2018, the Board has internally restricted net assets of \$58,448 [2017 - \$58,448] for equipment purchases.

### 4. EQUIPMENT

Details of year-end equipment balances are as follows:

	<b>2018</b>		<b>2017</b>	
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Cost</b>	<b>Accumulated amortization</b>
	\$	\$	\$	\$
Computer hardware	849	806	849	787
<b>Equipment, net</b>		<b>43</b>		<b>62</b>

### 5. MUNICIPAL LEVIES

	<b>2018</b>	<b>2017</b>
	\$	\$
Municipality of Oliver Paipoonge	250	250
Municipality of Neebing	250	250
Township of Conmee	250	250
Township of O'Connor	250	250
Township of Gillies	250	250
	<b>1,250</b>	<b>1,250</b>

### 6. RELATED PARTY TRANSACTIONS

During the year, the Board paid planning fees in the amount of \$30,000 [2017 - \$30,000] to the Municipality of Oliver Paipoonge, a participating municipality.

### 7. BUDGET FIGURES

The operating budget approved by the Board for 2018 is reflected on the Statement of Operations and Accumulated Surplus. Budget figures have been restated to be comparable with the PSAB reporting reflected in the actual results.

# Lakehead Rural Planning Board

## Accumulated Surplus

## Schedule

Year ended December 31	2018	2017
	\$	\$
<b>Surplus</b>		
General operations	<b>6,510</b>	9,390
Internally restricted by Board motion <i>[note 3]</i>	<b>58,448</b>	58,448
Investment in capital	<b>43</b>	62
<b>Accumulated surplus</b>	<b>65,001</b>	67,900