



Grant Thornton

## Consolidated Financial Statements

The Corporation of the Municipality of  
Oliver Paipoonge

December 31, 2019


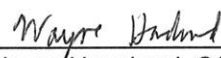
### Statement of Administrative Responsibility

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 2019 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

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# Independent Auditor's Report

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

## Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of Oliver Paipooonge ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net 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 Paipooonge as at December 31, 2019, and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

Thunder Bay, Canada  
May 12, 2020

Chartered Professional Accountants  
Licensed Public Accountants

# The Corporation of the Municipality of Oliver Paipoonge

## Consolidated Statement of Financial Position

As at December 31	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	4,419,949	2,550,837
Investments <i>[note 3]</i>	1,068,746	491,331
Taxes receivable	804,165	1,231,747
Accounts receivable	291,839	254,377
User charges receivable	100,532	89,283
Loans receivable <i>[note 4]</i>	657,194	674,579
<b>Total financial assets</b>	<b>7,342,425</b>	<b>5,292,154</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,153,795	513,599
Deferred revenue <i>[note 5]</i>	283,688	275,087
Employee future benefits	-	5,309
Landfill closure and post-closure liability <i>[note 9]</i>	33,975	41,414
Debt <i>[note 8]</i>	2,639,319	-
<b>Total liabilities</b>	<b>4,110,777</b>	<b>835,409</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,231,648</b>	<b>4,456,745</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 10] [schedule 2]</i>	35,134,640	32,256,136
Prepaid expenses	-	8,783
<b>Accumulated surplus <i>[schedule 1]</i></b>	<b>38,366,288</b>	<b>36,721,664</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	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
	[note 14]		
<b>REVENUES [schedule 3]</b>			
<b>Taxation</b>			
Residential and farm taxation	6,431,668	6,477,849	6,257,354
Commercial and industrial	1,060,565	1,072,627	983,910
Taxation from other governments	123,894	122,855	121,444
	7,616,127	7,673,331	7,362,708
<b>User charges</b>			
Other fees and service charges	350,970	453,377	318,412
	7,967,097	8,126,708	7,681,120
<b>Government transfers</b>			
Government of Canada	402,159	785,012	386,374
Province of Ontario	1,345,640	2,032,563	1,565,492
	1,747,799	2,817,575	1,951,866
<b>Other</b>			
Donations	2,000	10,038	11,633
Penalties and late payment charges	175,000	172,657	181,837
Rents and concessions	213,000	210,147	217,695
Other	-	(4,525)	(2,661)
Sale of land, publications and equipment	21,865	21,358	24,832
Investment income	51,450	131,683	106,596
	463,315	541,358	539,932
<b>Total revenues</b>	<b>10,178,211</b>	<b>11,485,641</b>	<b>10,172,918</b>

	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
	[note 14]		
<b>EXPENSES [note 11] [schedule 3]</b>			
General government	1,347,651	1,227,591	1,165,805
Protection to persons and property	1,819,741	1,749,798	1,808,484
Transportation services	3,079,201	3,128,860	3,663,591
Environmental services	532,909	558,650	528,985
Health services	672,043	751,350	680,929
Social and family services	929,723	914,366	889,722
Recreation and cultural services	767,362	813,483	983,717
Planning and development	178,162	215,001	235,000
	<b>9,326,792</b>	<b>9,359,099</b>	9,956,233
<b>NET REVENUE BEFORE UNDERNOTED ITEM</b>	<b>851,419</b>	<b>2,126,542</b>	216,685
<b>Other</b>			
Gain (loss) on disposal of tangible capital assets	-	(481,918)	47,875
<b>Annual surplus</b>	<b>851,419</b>	<b>1,644,624</b>	264,560
Accumulated surplus, beginning of year	-	<b>36,721,664</b>	36,457,104
<b>Accumulated surplus, end of year</b>	<b>851,419</b>	<b>38,366,288</b>	36,721,664

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	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
	[note 14]		
<b>Annual surplus</b>	<b>851,419</b>	<b>1,644,624</b>	264,560
Acquisition of tangible capital assets	(2,870,944)	(5,419,631)	(2,916,441)
Amortization of tangible capital assets	2,010,679	2,010,679	2,720,825
Proceeds from sale of tangible capital assets	-	48,530	47,875
Loss (gain) on sale of tangible capital assets	-	481,918	(47,875)
Use (acquisition) of prepaid expenses	-	8,783	(8,783)
(Decrease) increase in net financial assets	(8,846)	(1,225,097)	60,161
Net financial assets, beginning of year	-	4,456,745	4,396,584
<b>Net financial assets, end of year</b>	<b>(8,846)</b>	<b>3,231,648</b>	4,456,745

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	2019	2018
	\$	\$
<b>OPERATIONS</b>		
Annual surplus	1,644,624	264,560
<b>Non-cash charges</b>		
Amortization of tangible capital assets	2,010,679	2,720,825
Landfill closure and post-closure costs	(7,439)	(41,278)
Loss (gain) on sale of tangible capital assets	481,918	(47,875)
	4,129,782	2,896,232
<b>Net change in non-cash working capital balances</b>		
Increase in investments	(577,415)	(8,057)
Decrease in taxes receivable	427,582	41,519
Increase in accounts receivable	(37,462)	(131,836)
Increase in user charges receivable	(11,249)	(45,205)
Decrease in loans receivable	17,385	-
Increase in accounts payable and accrued liabilities	640,196	61,801
Increase (decrease) in deferred revenue	8,601	(61,758)
Decrease in employee future benefits	(5,309)	(5,970)
Decrease (increase) in prepaid expenses	8,783	(8,783)
<b>Cash provided by operating transactions</b>	4,600,894	2,737,943
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(5,419,631)	(2,916,441)
Proceeds on sale of tangible capital assets	48,530	47,875
<b>Cash used in capital transactions</b>	(5,371,101)	(2,868,566)
<b>FINANCING</b>		
Repayment of long term debt	-	(372,849)
Loan issued, net of repayment	-	(401,807)
Proceeds from long-term debt	2,639,319	-
<b>Cash provided by (used in) financing transactions</b>	2,639,319	(774,656)
<b>Increase (decrease) in cash and cash equivalents</b>	1,869,112	(905,279)
Opening cash and cash equivalents	2,550,837	3,456,116
<b>Closing cash and cash equivalents</b>	4,419,949	2,550,837

See accompanying notes to the consolidated financial statements.

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

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

December 31, 2019

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### **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

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

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

December 31, 2019

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### **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.

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# The Corporation of the Municipality of Oliver

## Paipoonge

### Notes to the Consolidated Financial Statements

December 31, 2019

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#### Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the 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.

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

## **Paipoonge**

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

December 31, 2019

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#### **[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.

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

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

December 31, 2019

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### **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 \$200,784 [2018 - \$197,006] 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, 2019

#### 4. LOANS RECEIVABLE

The loans receivable bear interest at 3.75%, with \$258,801 maturing in 2042 and \$398,393 maturing in 2043 and fixed monthly payments of principal and interest of \$1,414 and \$2,118, respectively.

#### 5. DEFERRED REVENUE

	2019 \$	2018 \$
Obligatory reserve funds		
Recreational purposes	262,438	252,587
Rural Heritage Agricultural proceeds	21,250	22,500
	<b>283,688</b>	<b>275,087</b>

The continuity of deferred revenue is as follows:

	2019			2018
	Government Transfers \$	Parkland \$	Total \$	Total \$
<b>Balance, beginning of year</b>	<b>22,500</b>	<b>252,587</b>	<b>275,087</b>	336,845
Investment income	-	5,904	5,904	4,626
Gas Tax revenue earned	(731,242)	-	(731,242)	(365,140)
Gas Tax proceeds	731,242	-	731,242	365,140
Subdivider contributions to Parkland	-	7,000	7,000	21,000
Parkland revenues earned	-	(3,053)	(3,053)	(16,175)
Rural Heritage Agricultural proceeds	(1,250)	-	(1,250)	(1,250)
OCIF revenue earned	(287,252)	-	(287,252)	(181,841)
OCIF proceeds	287,252	-	287,252	111,882
<b>Balance, end of year</b>	<b>21,250</b>	<b>262,438</b>	<b>283,688</b>	<b>275,087</b>

#### 6. TEMPORARY LOANS

The Municipality has available a line of credit of \$1,000,000 [2018 - \$1,000,000] for which the Municipality has provided a borrowing by-law and signed advisory letter of which \$nil [2018 - \$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].



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# The Corporation of the Municipality of Oliver Paipoonge

## Notes to the Consolidated Financial Statements

December 31, 2019

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### 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 2019 was \$116,598 [2018 - \$102,315] for current service.

### 8. DEBT

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

	2019	2018
	\$	\$
<b>Toronto-Dominion Bank</b>		
Debt payable for Oliver Road project, repayable monthly at \$57,388 including interest at 2.11%, maturing December 16, 2023	2,639,319	-
		\$
2020		639,122
2021		652,739
2022		666,645
2023		680,813
		2,639,319

[b] Those loans approved after January 1, 2019 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 Infrastructure and Lands Corporation.

[c] Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$nil.

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

## **Paipoonge**

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

December 31, 2019

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#### **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, 2019 of 3.95%. The change in the recorded liability is \$7,439 [2018 - \$41,278] based on a total estimated undiscounted outflow in the future of \$8,751,225 [2018 - \$3,752,342], leaving an amount to be recognized in the future of \$8,717,250 [2018 - \$3,710,928] over the closure and post-closure period. An amount of \$1,082,909 [2018 - \$1,058,174] 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 55 and 134 years. The remaining capacities are estimated to be 356,709 and 427,880 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 [2018 - \$nil].

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

Tangible capital assets contributed to the Municipality totalled \$nil [2018 - \$nil] and were capitalized at their fair value at time of receipt. There were no contributed tangible capital assets in 2019 [2018 - \$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 [2018 - \$1].

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

## **Paipoonge**

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

December 31, 2019

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#### **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.

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# The Corporation of the Municipality of Oliver

## Paipoonge

### Notes to the Consolidated Financial Statements

December 31, 2019

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#### **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:

	2019 \$	2018 \$
<b>Reserves</b>		
Balance, beginning of year	3,073,979	3,463,760
<b>Increases</b>		
Transfers from operations	1,424,659	692,704
<b>Decreases</b>		
Transfers to operations	74,463	1,082,485
<b>Balance, end of year</b>	<b>4,424,175</b>	<b>3,073,979</b>

# The Corporation of the Municipality of Oliver

## Paipoonge

### Notes to the Consolidated Financial Statements

December 31, 2019

	2019 \$	2018 \$
<b>Reserve funds</b>		
Balance, beginning of year	<b>1,432,983</b>	1,392,295
<b>Increases</b>		
Transfers from operations	<b>14,874</b>	58,638
Interest earned	<b>30,486</b>	23,350
	<b>45,360</b>	81,988
<b>Decreases</b>		
Transfers to operations	<b>1,020</b>	41,300
<b>Balance, end of year</b>	<b>1,477,323</b>	1,432,983

### 13. DESIGNATED ASSETS

Of the cash and cash equivalents and investments reported on the Consolidated Statement of Financial Position, the Council has designated \$1,477,322 [2018 - \$1,432,983] to support reserve funds.

# The Corporation of the Municipality of Oliver

## Paipoonge

### Notes to the Consolidated Financial Statements

December 31, 2019

#### 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	7,616,127	-	7,616,127
User Charges	350,970	-	350,970
Government transfers	1,747,799	-	1,747,799
Other	1,257,195	(793,880)	463,315
	10,972,091	(793,880)	10,178,211
<b>Expenses</b>			
General government	1,410,817	(63,166)	1,347,651
Protection to persons and property	1,835,183	(15,442)	1,819,741
Transportation services	4,259,326	(1,180,125)	3,079,201
Environmental services	923,028	(390,119)	532,909
Health services	672,144	(101)	672,043
Social and family services	929,723	-	929,723
Recreation and cultural services	770,325	(2,963)	767,362
Planning and development	171,545	6,617	178,162
	10,972,091	(1,645,299)	9,326,792
<b>Annual deficit</b>	-	851,419	851,419
Interfund transfers	(628,846)	(628,846)	
Capital items	2,870,944	2,870,944	
Debt repayments	620,000	620,000	
Amortization	-	(2,010,679)	
<b>Approved surplus (deficit)</b>	2,862,098	851,419	

#### 15. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2019 consolidated financial statements.

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

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

December 31, 2019

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### **16. SUBSEQUENT EVENTS**

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

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

To date, Municipality has taken the following actions in response to the pandemic:

- [a] Between March 13 and March 17, 2020, the Municipality's recreational facilities and parks were closed until further notice. The Municipality is anticipating a temporary reduction in its workforce at these facilities. The Municipality expects the reduction in positions to reduce salaries and benefits expense in 2020.
- [b] On March 27, 2020, the Municipality announced that it would waive interest charges on the 2020 interim tax instalments until June 30, 2020. Council may extend the grace period based on the duration and severity of the COVID-19 pandemic impact.

**The Corporation of the Municipality of Oliver**  
**Paipoonge** **Schedule 1**  
**Consolidated Schedule of Accumulated Surplus**

Year ended December 31	2019	2018
	\$	\$
<b>Surpluses</b>		
Library	3,444	5,319
Investment in tangible capital assets	35,134,640	32,256,136
Unfunded		
Debt	(2,639,319)	-
Employee future benefits and other long-term liabilities	-	(5,309)
Landfill closure and post-closure liabilities	(33,975)	(41,444)
<b>Total surpluses</b>	<b>32,464,790</b>	<b>32,214,702</b>
<b>Reserves set aside for specific purposes by Council</b>		
For working capital	1,841,663	1,019,421
For acquisition of capital assets or capital expenditure	2,502,329	1,980,375
For recreation programs and facilities	25,595	25,595
For cemetery development	29,917	29,917
For Murillo Hall	18,479	18,479
For elections	6,192	192
<b>Total reserves</b>	<b>4,424,175</b>	<b>3,073,979</b>
<b>Reserve funds set aside for specific purposes by Council</b>		
For administration activities	49,235	48,110
For Oliver Road	5,367	5,245
For other recreation activities	31,885	31,156
For Kakabeka Community Centre building	29,512	29,285
For acquisition of fire department capital assets	34,738	29,182
Reserve fund for winter control	51,061	49,895
Reserve fund for municipal landfill	1,082,909	1,058,174
Reserve fund for museum development	84,457	72,757
For building department	108,159	109,179
<b>Total reserve funds</b>	<b>1,477,323</b>	<b>1,432,983</b>
<b>Accumulated surplus</b>	<b>38,366,288</b>	<b>36,721,664</b>



# The Corporation of the Municipality of Oliver Paipoonge

## Consolidated Schedule of Tangible Capital Assets

## Schedule 2

Year ended December 31, 2019

	General						Assets Under Construction	Infrastructure			Totals	
	Land \$	Land Improvements \$	Buildings \$	Vehicles \$	Machinery and Equipment \$	Other \$	\$	Roads \$	Underground and Other Networks \$	Machinery and Equipment \$	2019 \$	2018 \$
<b>COST</b>												
Balance, beginning 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
Add												
Additions during the year	-	-	109,584	423,702	56,980	17,963	-	4,718,210	-	93,192	5,419,631	2,916,441
Less												
Disposals in the year	179,504	-	-	80,177	12,505	-	-	3,171,584	-	-	3,443,770	78,479
Reclassification of tangible capital assets	-	-	-	(58,537)	58,537	-	-	-	-	-	-	-
Balance, end of year	3,558,888	221,451	7,565,174	3,405,871	2,185,927	194,587	-	64,280,029	8,662,554	502,785	90,577,266	88,601,405
<b>ACCUMULATED AMORTIZATION</b>												
Balance, beginning 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
Add												
Amortization during the year	-	15,957	132,730	180,724	98,292	13,203	-	1,347,746	189,082	32,945	2,010,679	2,720,825
Less												
Disposals in the year	-	-	-	79,819	12,504	-	-	2,820,999	-	-	2,913,322	78,479
Reclassification of tangible capital assets	-	-	-	87,731	(87,731)	-	-	-	-	-	-	-
Balance, end of year	-	78,057	4,247,833	1,704,103	896,777	130,459	-	43,969,111	4,150,713	265,573	55,442,626	56,345,269
<b>Net book value, beginning of year</b>	<b>3,738,392</b>	<b>159,351</b>	<b>3,340,487</b>	<b>1,605,416</b>	<b>1,184,195</b>	<b>59,368</b>	<b>-</b>	<b>17,291,039</b>	<b>4,700,923</b>	<b>176,965</b>	<b>32,256,136</b>	<b>32,976,542</b>
<b>Net book value, end of year</b>	<b>3,558,888</b>	<b>143,394</b>	<b>3,317,341</b>	<b>1,701,768</b>	<b>1,289,150</b>	<b>64,128</b>	<b>-</b>	<b>20,310,918</b>	<b>4,511,841</b>	<b>237,212</b>	<b>35,134,640</b>	<b>32,256,136</b>

# The Corporation of the Municipality of Oliver Paipoonge

## Consolidated Schedule of Segment Disclosure

## Schedule 3

Year ended December 31, 2019

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>										
Taxation	7,673,331	7,362,708	-	-	-	-	-	-	-	-
Government transfers	1,611,900	1,088,917	51,050	37,504	1,018,494	665,377	34,156	101,532	16,750	-
User fees and service charges	75,577	100,266	58,286	46,699	17,828	28,167	229,788	64,393	8,313	7,586
Donations	-	-	-	-	-	-	-	-	-	-
Other revenues	168,132	179,176	-	-	-	-	-	-	-	-
Interest income - general	131,683	106,596	-	-	-	-	-	-	-	-
Rents and concessions	-	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of tangible capital assets	(481,918)	47,875	-	-	-	-	-	-	-	-
	<b>9,178,705</b>	<b>8,885,538</b>	<b>109,336</b>	<b>84,203</b>	<b>1,036,322</b>	<b>693,544</b>	<b>263,944</b>	<b>165,925</b>	<b>25,063</b>	<b>7,586</b>
<b>Expenses</b>										
Salaries, wages and employee benefits	669,914	619,077	233,838	199,186	748,727	712,931	110,814	101,985	665	735
Materials	308,492	348,908	273,260	390,514	441,139	459,608	251,892	236,885	31,470	14,037
Contracted services	219,401	168,533	1,128,142	1,101,942	363,371	320,578	40,930	35,810	715,816	662,758
Rent and financials	-	-	-	-	13,979	20,762	-	-	-	-
External transfers to others	(14,550)	(14,550)	-	-	-	-	-	-	-	-
Amortization	44,334	43,837	114,558	116,842	1,561,644	2,149,712	155,014	154,305	3,399	3,399
	<b>1,227,591</b>	<b>1,165,805</b>	<b>1,749,798</b>	<b>1,808,484</b>	<b>3,128,860</b>	<b>3,663,591</b>	<b>558,650</b>	<b>528,985</b>	<b>751,350</b>	<b>680,929</b>
<b>Annual surplus (deficit)</b>	<b>7,951,114</b>	<b>7,719,733</b>	<b>(1,640,462)</b>	<b>(1,724,281)</b>	<b>(2,092,538)</b>	<b>(2,970,047)</b>	<b>(294,706)</b>	<b>(363,060)</b>	<b>(726,287)</b>	<b>(673,343)</b>

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

**Schedule 3 (continued)**

Year ended December 31, 2019

	<b>Social and Family Services</b>		<b>Recreation and Cultural Services</b>		<b>Planning and Development</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenues</b>								
Taxation	-	-	-	-	-	-	<b>7,673,331</b>	7,362,708
Government transfers	-	-	<b>32,187</b>	37,301	<b>53,038</b>	21,235	<b>2,817,575</b>	1,951,866
User fees and service charges	-	-	<b>13,994</b>	27,526	<b>49,591</b>	43,775	<b>453,377</b>	318,412
Donations	-	-	<b>10,038</b>	11,633	-	-	<b>10,038</b>	11,633
Other revenues	-	-	-	-	<b>21,358</b>	24,832	<b>189,490</b>	204,008
Interest income - general	-	-	-	-	-	-	<b>131,683</b>	106,596
Rents and concessions	-	-	<b>210,147</b>	217,695	-	-	<b>210,147</b>	217,695
Gain (loss) on disposal of tangible capital assets	-	-	-	-	-	-	<b>(481,918)</b>	47,875
	-	-	<b>266,366</b>	294,155	<b>123,987</b>	89,842	<b>11,003,723</b>	10,220,793
<b>Expenses</b>								
Salaries, wages and employee benefits	-	-	<b>317,967</b>	298,431	<b>145,688</b>	121,355	<b>2,227,613</b>	2,053,700
Materials	-	-	<b>360,087</b>	428,634	<b>36,400</b>	31,009	<b>1,702,740</b>	1,909,595
Contracted services	-	-	<b>10,317</b>	10,539	<b>26,295</b>	76,019	<b>2,504,272</b>	2,376,179
Rent and financials	-	-	-	-	-	-	<b>13,979</b>	20,762
External transfers to others	<b>914,366</b>	889,722	-	-	-	-	<b>899,816</b>	875,172
Amortization	-	-	<b>125,112</b>	246,113	<b>6,618</b>	6,617	<b>2,010,679</b>	2,720,825
	<b>914,366</b>	889,722	<b>813,483</b>	983,717	<b>215,001</b>	235,000	<b>9,359,099</b>	9,956,233
<b>Annual surplus (deficit)</b>	<b>(914,366)</b>	<b>(889,722)</b>	<b>(547,117)</b>	<b>(689,562)</b>	<b>(91,014)</b>	<b>(145,158)</b>	<b>1,644,624</b>	264,560

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# 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, 2019, 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, 2019, 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 logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Thunder Bay, Canada  
May 12, 2020

Chartered Professional Accountants  
Licensed Public Accountants

## Oliver Paipoonge Public Library Board

### Statement of Financial Position

As at December 31	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	5,910	5,623
Accounts receivable	3,126	2,739
<b>Total financial assets</b>	<b>9,036</b>	<b>8,362</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	2,587	3,043
Deferred revenue	3,005	-
<b>Total liabilities</b>	<b>5,592</b>	<b>3,043</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,444</b>	<b>5,319</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[note 2]</i>	64,127	59,368
<b>Accumulated surplus <i>[note 3]</i></b>	<b>67,571</b>	<b>64,687</b>

See accompanying notes to the financial statements.

## Oliver Paipoonge Public Library Board

### Statement of Operations and Accumulated Surplus

Year ended December 31	2019	2019	2018
	Budget \$ [note 4]	Actual \$	Actual \$
<b>REVENUES</b>			
Province of Ontario operating grant	20,338	11,917	11,917
Province of Ontario one-time grants	-	4,633	6,658
Oliver Paipoonge operating subsidy	66,558	66,558	59,058
Other municipal provincial grants	-	8,421	8,421
Sundry	1,500	4,916	4,047
Ontario Library Association grants and reimbursements	-	2,324	1,755
<b>Total revenues</b>	<b>88,396</b>	<b>98,769</b>	<b>91,856</b>
<b>EXPENSES</b>			
Amortization	13,201	13,201	12,678
Minor equipment	-	3	1,675
Office	2,027	2,129	2,123
Professional fees	1,150	1,068	1,068
Salaries and benefits	65,576	70,192	66,460
Sundry	6,643	6,831	6,172
Telephone and fax	3,000	2,461	2,585
<b>Total expenses</b>	<b>91,597</b>	<b>95,885</b>	<b>92,761</b>
<b>Annual surplus (deficit)</b>	<b>(3,201)</b>	<b>2,884</b>	<b>(905)</b>
Accumulated surplus, beginning of year	64,687	64,687	65,592
<b>Accumulated surplus, end of year</b>	<b>61,486</b>	<b>67,571</b>	<b>64,687</b>

See accompanying notes to the financial statements.

## Oliver Paipoonge Public Library Board

### Statement of Changes in Net Financial Assets

Year ended December 31	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
	[note 4]		
<b>Annual surplus (deficit)</b>	<b>(3,201)</b>	<b>2,884</b>	<b>(905)</b>
Acquisition of tangible capital assets	-	<b>(17,960)</b>	(13,833)
Amortization of tangible capital assets	<b>(13,201)</b>	<b>13,201</b>	12,678
Decrease in net financial assets	<b>(16,402)</b>	<b>(1,875)</b>	(2,060)
Net financial assets, beginning of year	-	<b>5,319</b>	7,379
<b>Net financial assets, end of year</b>	<b>(16,402)</b>	<b>3,444</b>	5,319

See accompanying notes to the financial statements.



# Oliver Paipoonge Public Library Board

## Statement of Cash Flows

Year ended December 31	2019	2018
	\$	\$
<b>OPERATIONS</b>		
Annual surplus (deficit)	2,884	(905)
<b>Non-cash charges</b>		
Amortization of tangible capital assets	13,201	12,678
	16,085	11,773
<b>Net change in non-cash working capital balances</b>		
Increase in accounts receivable	(387)	(91)
Decrease in accounts payable and accrued liabilities	(456)	(1,965)
Increase (decrease) in deferred revenue	3,005	(3,000)
<b>Cash provided by operating transactions</b>	18,247	6,717
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(17,960)	(13,833)
<b>Cash used in capital transactions</b>	(17,960)	(13,833)
<b>Increase (decrease) in cash and cash equivalents during year</b>	287	(7,116)
Cash and cash equivalents, beginning of year	5,623	12,739
<b>Cash and cash equivalents , end of year</b>	5,910	5,623

See accompanying notes to the financial statements.

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# Oliver Paipoonge Public Library Board

## Notes to the Financial Statements

December 31, 2019

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### 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.

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# Oliver Paipoonge Public Library Board

## Notes to the Financial Statements

December 31, 2019

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### 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

	2019 \$	2018 \$
<b>Cost</b>		
Balance, beginning of year	176,623	162,790
Additions during the year	17,960	13,833
Balance, end of year	194,583	176,623
<b>Accumulated amortization</b>		
Balance, beginning of year	117,255	104,577
Amortization during the year	13,201	12,678
Balance, end of year	130,456	117,255
<b>Net book value of tangible capital assets</b>	<b>64,127</b>	<b>59,368</b>

## 3. ACCUMULATED SURPLUS

	2019 \$	2018 \$
General fund	3,444	5,319
Investment in tangible capital assets	64,127	59,368
<b>Accumulated surplus</b>	<b>67,571</b>	<b>64,687</b>

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# Oliver Paipoonge Public Library Board

## Notes to the Financial Statements

December 31, 2019

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### 4. BUDGET FIGURES

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

	Approved 2019 Budget \$	PSAB Adjustment \$	PSAB Adjusted Budget \$
Revenues	88,396	-	88,396
Expenses	88,396	3,201	91,597
<b>Annual deficit</b>	-	(3,201)	(3,201)
Acquisition of tangible capital assets	-	(10,000)	(10,000)
Add:			
Amortization of tangible capital assets	-	13,201	13,201
<b>Increase in net financial assets</b>	-	-	-

### 5. SUBSEQUENT EVENTS

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

The Library shut down its services as of March 13, 2020 as per the directive of the Municipality of Oliver Paipoonge. While staff were allowed to remain on duty, only staff were allowed in the premises during the COVID-19 outbreak. All regular service to clients were put on hold during this time. As a result, revenue and fundraising did not take place during the shut down, impacting the 2020 budget. Staffing hours also were reduced slightly, impacting the salary budget.

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

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

Year ended December 31	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
<b>REVENUES</b>			
Arena rental	143,500	145,674	146,028
Concession sales	25,000	8,891	18,299
Municipal contribution	41,049	65,450	57,496
Other	5,000	4,793	3,399
<b>Total revenues</b>	<b>214,549</b>	<b>224,808</b>	<b>225,222</b>
<b>EXPENSES</b>			
Concession supplies	16,000	7,978	11,322
Insurance and other contracted services	33,000	12,952	12,940
Repairs and maintenance	25,000	49,355	47,487
Supplies	3,500	2,212	—
Travel and convention	2,000	—	1,145
Utilities	78,500	95,731	84,734
Wages	56,549	56,580	67,594
<b>Total expenses</b>	<b>214,549</b>	<b>224,808</b>	<b>225,222</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	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
<b>REVENUES</b>			
Sale of plots	4,000	3,389	7,935
Less portion transferred to the Perpetual Care Trust Fund	—	(1,750)	(4,550)
	4,000	1,639	3,385
Transfer from trust fund	1,450	2,796	2,196
Fees		770	840
Other	8,500	9,801	9,646
<b>Total revenues</b>	<b>13,950</b>	<b>15,006</b>	<b>16,067</b>
<b>EXPENSES</b>			
Other	7,950	9,537	9,537
Wages	6,000	5,640	5,640
	13,950	15,177	15,177
<b>NET REVENUES (EXPENSES)</b>	<b>—</b>	<b>(171)</b>	<b>890</b>

## Independent Auditor's Report

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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, 2019, 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, 2019 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 12, 2020

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	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	—	300
Due from The Corporation of the Municipality of Oliver Paipoonge	55,890	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	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
	[note 3]		
<b>REVENUES</b>			
Contribution from The Corporation of the Municipality of Oliver Paipoonge	45,688	39,879	35,080
Province of Ontario	4,892	4,892	4,892
Fees and other revenue	—	181	698
Donations	1,000	1,733	1,373
Fundraising	500	1,542	1,071
<b>Total revenues</b>	<b>52,080</b>	<b>48,227</b>	<b>43,114</b>
<b>EXPENSES</b>			
Administration and utilities	18,480	11,824	12,546
Maintenance	3,000	1,121	424
Salaries	30,600	35,282	30,144
<b>Total expenses</b>	<b>52,080</b>	<b>48,227</b>	<b>43,114</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	2019	2019	2018
	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	2019	2018
	\$	\$
<b>Annual surplus</b>	—	—
Decrease in balance of due to The Corporation of the Municipality of Oliver Paipoonge	300	—
<b>Cash provided by operating transactions</b>	300	—
<b>Decrease in cash during the year</b>	300	—
Cash, beginning of year	300	300
<b>Cash, end of year</b>	—	300

See accompanying notes to the financial statements.

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

December 31, 2019

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**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 \$84,457 [2018 - \$72,757]. 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 2019 fiscal year operating budget approved by the Oliver Paipoonge Museum Board.

# Independent Auditor's Report

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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, 2019, and the statements of operations and accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Trust Funds of The Corporation of the Municipality of Oliver Paipoonge as at December 31, 2019 and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

*Grant Thornton LLP*

Thunder Bay, Canada  
May 12, 2020

Chartered Professional Accountants  
Licensed Public Accountants

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

**Statement of Financial Position**

As at December 31

**2019**

**2018**

	<b>Cemetery Perpetual Care \$</b>	<b>Quarry Rehabilitation \$</b>	<b>Total \$</b>	<b>Total \$</b>
<b>FINANCIAL ASSETS</b>				
Cash	<b>137,936</b>	<b>58,047</b>	<b>195,983</b>	192,009
Due (to) from The Corporation of the Municipality of Oliver Paipoonge	<b>4,049</b>	<b>(100)</b>	<b>3,949</b>	4,997
<b>NET FINANCIAL ASSETS</b>	<b>141,985</b>	<b>57,947</b>	<b>199,932</b>	197,006
<b>Accumulated surplus</b>	<b>141,985</b>	<b>57,947</b>	<b>199,932</b>	197,006

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 2019 2018

	Cemetery Perpetual Care \$	Quarry Rehabilitation \$	Total \$	Total \$
<b>REVENUES</b>				
Plot sales and monument fees	1,750	—	1,750	4,550
Interest	2,796	1,177	3,973	3,120
	<b>4,546</b>	<b>1,177</b>	<b>5,723</b>	<b>7,670</b>
<b>EXPENSES</b>				
Administration fee	2,796	—	2,796	2,196
<b>Annual surplus</b>	<b>1,750</b>	<b>1,177</b>	<b>2,927</b>	<b>5,474</b>
Accumulated surplus, beginning of year	<b>140,235</b>	<b>56,770</b>	<b>197,006</b>	191,532
<b>Accumulated surplus, end of year</b>	<b>141,985</b>	<b>57,947</b>	<b>199,932</b>	197,006

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	2019	2018
	\$	\$
<b>Annual surplus</b>	<b>2,927</b>	5,474
Increase (decrease) in balance due from The Corporation of the Municipality of Oliver Paipoonge	<b>1,047</b>	(2,255)
<b>Cash provided by operating transactions</b>	<b>3,974</b>	3,219
<b>Increase in cash during the year</b>	<b>3,974</b>	3,219
Cash, beginning of year	<b>192,009</b>	188,790
<b>Cash, end of year</b>	<b>195,983</b>	192,009

See accompanying notes to the financial statements.

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

December 31, 2019

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**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.