



Consolidated Financial Statements

The Corporation of the Township of Schreiber

December 31, 2018

## Statement of Administrative Responsibility

The management of The Corporation of the Township of Schreiber have prepared the accompanying consolidated financial statements and are responsible for their accuracy and integrity. These statements consolidate all operations for which the Township has legislative and financial responsibility. The consolidated 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 CPA Canada.

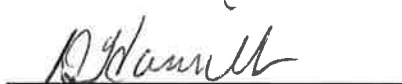
In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that Municipal assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

The Municipal Council reviews and approves the consolidated 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 Township of Schreiber. 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 Township of Schreiber'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 consolidated financial statements.



Don McArthur  
Chief Administrative Officer / Clerk



Dave Hamilton  
Mayor

# 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 Change in Net Financial Assets      | 6           |
| Consolidated Statement of Cash Flows                          | 7           |
| Notes to the Consolidated Financial Statements                | 8 - 21      |
| Schedule 1 - Consolidated Schedule of Accumulated Surplus     | 22          |
| Schedule 2 - Consolidated Schedule of Tangible Capital Assets | 23          |
| Schedule 3 - Consolidated Schedule of Segment Disclosure      | 24 - 25     |
| Consolidated Local Board                                      |             |
| Schreiber Public Library Board                                |             |
| Independent Auditor's Report                                  | 26 - 27     |
| Statement of Financial Position                               | 28          |
| Statement of Operations and Accumulated Surplus               | 29          |
| Statement of Change in Net Financial Assets                   | 30          |
| Statement of Cash Flows                                       | 31          |
| Notes to the Financial Statements                             | 32 - 36     |
| Trust Funds   |             |
| Independent Auditor's Report                                  | 37 - 38     |
| Statement of Financial Position                               | 39          |
| Statement of Operations and Fund Balances                     | 40          |
| Statement of Cash Flows                                       | 41          |
| Notes to the Financial Statements                             | 42          |

# Independent Auditor's Report

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**Grant Thornton LLP**

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To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Township of Schreiber

**Opinion**

We have audited the consolidated financial statements of The Corporation of the Township of Schreiber ("the Township"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, change 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 Township of Schreiber as at December 31, 2018, and its results of operations, its changes in its 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 Township 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 Township'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 Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township'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 Township'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 Township'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 Township 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.

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 2, 2019

Chartered Professional Accountants  
Licensed Public Accountants

# The Corporation of the Township of Schreiber

## Consolidated Statement of Financial Position

| As at December 31   | 2018              | 2017              |
|---|-------------------|-------------------|
|   | \$                | \$                |
| <b>FINANCIAL ASSETS</b>                                     |                   |                   |
| Cash and cash equivalents <i>[note 4]</i>                   | 2,846,573         | 1,996,820         |
| Taxes receivable <i>[note 3]</i>                            | 437,441           | 231,478           |
| Accounts receivable   | 126,032           | 175,550           |
| Grants receivable   | 163,068           | 1,362,957         |
| Investment in Anemos Wastewater Facility<br>Solar LP        | -                 | 13,923            |
| Due from Wastewater Facility Solar LP                       | 20,737            | -                 |
| Due from other municipalities                               | 23,332            | 42,082            |
| <b>Total financial assets</b>                               | <b>3,617,183</b>  | <b>3,822,810</b>  |
| <b>LIABILITIES</b>  |                   |                   |
| Accounts payable and accrued liabilities                    | 845,647           | 617,092           |
| Deferred revenue <i>[note 5]</i>                            | 835,290           | 1,431,974         |
| Debt <i>[note 7]</i>  | 421,739           | 526,282           |
| User charges payable  | 1,149             | 16,293            |
| Post-retirement benefits <i>[note 8]</i>                    | 144,562           | 167,783           |
| <b>Total liabilities</b>                                    | <b>2,248,387</b>  | <b>2,759,424</b>  |
| <b>NET FINANCIAL ASSETS</b>                                 | <b>1,368,796</b>  | <b>1,063,386</b>  |
| <b>NON-FINANCIAL ASSETS</b>                                 |                   |                   |
| Tangible capital assets - net <i>[note 11] [schedule 2]</i> | 14,675,175        | 13,054,329        |
| Prepaid expenses  | 15,919            | 8,303             |
|   | <b>14,691,094</b> | <b>13,062,632</b> |
| <b>Accumulated surplus <i>[schedule 1]</i></b>              | <b>16,059,890</b> | <b>14,126,018</b> |

See accompanying notes to the consolidated financial statements.

# The Corporation of the Township of Schreiber Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31

|                                    | Budget<br>2018<br>\$<br>[note 15] | Actual<br>2018<br>\$ | Actual<br>2017<br>\$ |
|------------------------------------|-----------------------------------|----------------------|----------------------|
| <b>REVENUES [schedule 3]</b>       |                                   |                      |                      |
| <b>Taxation</b>                    |                                   |                      |                      |
| Residential and farm taxation      | 1,390,477                         | 1,393,574            | 1,370,150            |
| Commercial and industrial          | 389,020                           | 396,062              | 440,359              |
| Taxation from other governments    | 83,155                            | 90,426               | 89,519               |
|                                    | <b>1,862,652</b>                  | <b>1,880,062</b>     | 1,900,028            |
| <b>User charges</b>                |                                   |                      |                      |
| Water billings                     | 427,255                           | 421,838              | 417,051              |
| User fees and service charges      | 154,915                           | 192,605              | 261,630              |
| Sewer                              | 256,640                           | 253,989              | 244,387              |
|                                    | <b>2,701,462</b>                  | <b>2,748,494</b>     | 2,823,096            |
| <b>Government transfers</b>        |                                   |                      |                      |
| Government of Canada               | 1,218,488                         | 135,714              | 341,587              |
| Province of Ontario                | 4,532,868                         | 2,596,789            | 2,632,047            |
| Other municipalities               | 22,100                            | 23,332               | 20,935               |
|                                    | <b>5,773,456</b>                  | <b>2,755,835</b>     | 2,994,569            |
| <b>Other</b>                       |                                   |                      |                      |
| Investment income                  | 13,000                            | 23,135               | 20,938               |
| Penalties and late payment charges | 115,000                           | 130,862              | 120,537              |
| Fines                              | -                                 | 205                  | 185                  |
| Other                              | 130,246                           | 188,622              | 271,470              |
|                                    | <b>258,246</b>                    | <b>342,824</b>       | 413,130              |
| <b>Total revenues</b>              | <b>8,733,164</b>                  | <b>5,847,153</b>     | 6,230,795            |

|   | <b>Budget<br/>2018<br/>\$<br/>[note 15]</b> | <b>Actual<br/>2018<br/>\$</b> | <b>Actual<br/>2017<br/>\$</b> |
|---|---|-------------------------------|-------------------------------|
| <b>EXPENSES [note 12] [schedule 3]</b>        |   |                               |                               |
| General government                            | 1,094,465                                   | 692,948                       | 1,298,678                     |
| Protection to persons and property            | 434,864                                     | 404,031                       | 397,067                       |
| Transportation services                       | 684,707                                     | 675,029                       | 626,395                       |
| Environmental services                        | 1,003,902                                   | 951,915                       | 939,169                       |
| Health services                               | 125,420                                     | 121,037                       | 120,365                       |
| Social and family services                    | 86,335                                      | 69,418                        | 74,592                        |
| Recreation and cultural services              | 726,568                                     | 731,438                       | 719,344                       |
| Planning and development                      | 218,140                                     | 127,418                       | 186,030                       |
| Library                                       | 171,286                                     | 151,366                       | 142,926                       |
|   | <b>4,545,687</b>                            | <b>3,924,600</b>              | 4,504,566                     |
| <b>NET REVENUE BEFORE<br/>UNDERNOTED ITEM</b> | <b>4,187,477</b>                            | <b>1,922,553</b>              | 1,726,229                     |
| <b>Other</b>                                  |   |                               |                               |
| Gain on disposal of tangible capital assets   | -   | 11,319                        | 9,332                         |
| <b>Annual surplus</b>                         | <b>4,187,477</b>                            | <b>1,933,872</b>              | 1,735,561                     |
| Accumulated surplus, beginning of year        | -   | 14,126,018                    | 12,390,457                    |
| <b>Accumulated surplus, end of year</b>       | <b>4,187,477</b>                            | <b>16,059,890</b>             | 14,126,018                    |

See accompanying notes to the consolidated financial statements.



## The Corporation of the Township of Schreiber Consolidated Statement of Change in Net Financial Assets

Year ended December 31

|  | Budget<br>2018<br>\$<br><i>[note 15]</i> | Actual<br>2018<br>\$ | Actual<br>2017<br>\$ |
|--|--|----------------------|----------------------|
| <b>Annual surplus</b>                              | <b>4,187,477</b>                         | <b>1,933,872</b>     | 1,735,561            |
| Acquisition of tangible capital assets             | <b>(5,910,277)</b>                       | <b>(2,267,456)</b>   | (2,564,074)          |
| Amortization of tangible capital assets            | <b>646,605</b>                           | <b>646,605</b>       | 634,689              |
| Proceeds on disposal of tangible capital assets    | -  | <b>11,324</b>        | 26,946               |
| Gain on disposal of tangible capital assets        | -  | <b>(11,319)</b>      | (9,332)              |
| Acquisition of prepaid expenses                    | -  | <b>(15,919)</b>      | (8,303)              |
| Use of prepaid expenses                            | -  | <b>8,303</b>         | 77,409               |
| <b>Increase (decrease) in net financial assets</b> | <b>(1,076,195)</b>                       | <b>305,410</b>       | (107,104)            |
| Net financial assets, beginning of year            | <b>1,063,386</b>                         | <b>1,063,386</b>     | 1,170,490            |
| <b>Net financial assets, end of year</b>           | <b>(12,809)</b>                          | <b>1,368,796</b>     | 1,063,386            |

See accompanying notes to the consolidated financial statements.

# The Corporation of the Township of Schreiber

## Consolidated Statement of Cash Flows

| Year ended December 31   | 2018               | 2017               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>OPERATIONS</b>  |                    |                    |
| Annual surplus   | 1,933,872          | 1,735,561          |
| <b>Non-cash charges</b>  |                    |                    |
| Amortization of tangible capital assets                              | 646,605            | 634,689            |
| Post-retirement benefits   | (23,221)           | 167,783            |
| Gain on disposal of tangible capital assets                          | (11,319)           | (9,332)            |
| Unrealized loss on investment in Anemos Wastewater Facility Solar LP | -                  | 7,166              |
|  | <b>2,545,937</b>   | <b>2,535,867</b>   |
| <b>Net change in non-cash working capital balances</b>               |                    |                    |
| Decrease (increase) in taxes receivable                              | (205,963)          | 114,106            |
| Decrease (increase) in accounts receivable                           | 49,518             | (38,362)           |
| Decrease (increase) in grants receivable                             | 1,199,889          | (1,326,069)        |
| Decrease (increase) in due to other municipalities                   | 18,750             | (20,950)           |
| Increase in due from Wastewater Facility Solar LP                    | (20,737)           | -                  |
| Increase in accounts payable and accrued liabilities                 | 228,555            | 318,574            |
| Increase (decrease) in user charges payable                          | (15,144)           | 5,059              |
| Decrease in deferred revenue   | (596,684)          | (616,805)          |
| Decrease (increase) in prepaid expenses                              | (7,616)            | 69,106             |
| <b>Cash provided by operating transactions</b>                       | <b>3,196,505</b>   | <b>1,040,526</b>   |
| <b>CAPITAL</b>   |                    |                    |
| Acquisition of tangible capital assets                               | (2,267,456)        | (2,564,074)        |
| Proceeds on disposal of tangible capital assets                      | 11,324             | 26,946             |
| <b>Cash used in capital transactions</b>                             | <b>(2,256,132)</b> | <b>(2,537,128)</b> |
| <b>INVESTING</b>   |                    |                    |
| Contributions to investment in Anemos Wastewater Facility Solar LP   | -                  | (5,089)            |
| Decrease in investment in Anemos Wastewater Facility Solar LP        | 13,923             | -                  |
| Proceeds on disposal of short-term investments                       | -                  | 620,600            |
| <b>Cash provided by investing transactions</b>                       | <b>13,923</b>      | <b>615,511</b>     |
| <b>FINANCING</b>   |                    |                    |
| Debt principal repayment   | (104,543)          | (102,103)          |
| <b>Cash used in financing transactions</b>                           | <b>(104,543)</b>   | <b>(102,103)</b>   |
| <b>Increase (decrease) in cash and cash equivalents</b>              | <b>849,753</b>     | <b>(983,194)</b>   |
| Opening cash and cash equivalents                                    | 1,996,820          | 2,980,014          |
| <b>Closing cash and cash equivalents</b>                             | <b>2,846,573</b>   | <b>1,996,820</b>   |

See accompanying notes to the consolidated financial statements.

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# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

December 31, 2018

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### GENERAL

The Corporation of the Township of Schreiber 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 Township of Schreiber 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 CPA Canada. 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, expenses, and accumulated surplus of the reported 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 Township, and which are owned or controlled by the Township. Accordingly, the following are consolidated in these financial statements.

Schreiber Public Library Board

All interfund balances and transactions have been eliminated.

##### Government partnerships

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

Thunder Bay Area Emergency Measures Organization

##### Local boards

The financial activities of certain entities associated with the Township are not consolidated. The Township'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

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# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

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December 31, 2018

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### **Trust funds**

Certain assets have been conveyed or assigned to the Township to be administered as directed by agreement or statute. The Township 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 and 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 Township 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.

### **Short-term investments**

Short-term investments are recorded using the cost method. The carrying value of an investment is written-down to its net recoverable amount if a decline in market value is judged to be other than temporary.

### **Long-term investments**

Long-term investments in shares of limited partnerships are valued using the modified equity method.

### **Pension and employee benefits**

The Township accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer defined benefit plan, as a defined contribution plan. Obligations for sick leave under accounts payable and accrued liabilities are accrued as the employees render the services necessary to earn the benefits. Vacation pay and other post-employment benefits are charged to operations in the year earned.

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# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

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December 31, 2018

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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 annual deficit, 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                      | 20 to 60 years |
| Computer hardware and software | 5 to 10 years  |
| Furniture and equipment        | 5 to 25 years  |
| Land improvements              | 15 to 60 years |
| Library collections            | 25 years       |
| Linear assets                  |                |
| - roads                        | 15 to 60 years |
| - sanitary sewer               | 50 to 60 years |
| - water distribution           | 40 to 60 years |
| Machinery and equipment        | 8 to 40 years  |
| Vehicles                       | 5 to 20 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 were recorded at a nominal value on adoption of tangible capital assets due to the difficulty in determining an appropriate value. The most significant of such assets are the Township's road allowances and vacant property.

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# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

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December 31, 2018

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### [d] 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 Township 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

Certain amounts, as approved by the Township Council, are set aside in reserves and reserve funds for future operating and capital purposes. 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 tax receivables are ultimately collectible and valuation allowances are used to reflect tax receivables at their net recoverable amount.

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

### Revenue recognition

User charges and fees are recognized as revenue in the period in which the related services are performed. Amounts collected for which the related services have yet to be performed are recognized as a liability and recognized as revenue when the related services are performed.

Interest is recognized as it is earned. Interest earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue balance. Investment income earned on reserve funds is added to the fund balance and forms part of the reserve fund balance.

Funds received, other than government transfers and tax revenue, for specific purposes which are externally restricted by legislation, regulation or agreement and that 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.

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# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

December 31, 2018

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### **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 consolidated 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 Township are recorded as an expense when they are authorized and the recipient meets all eligibility criteria.

### **Obligatory reserve funds**

The Township 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 capital projects are recorded as revenue in the fiscal period they are expended. See note 6 for more details.

The Township received proceeds from the Nuclear Waste Management Organization. These funds are restricted in their use and, until applied to specific expenses are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

### **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 Township may undertake in the future. Significant accounting estimates include valuation allowance for accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable, and solid waste landfill closure and post-closure liabilities. Actual results could differ from these estimates.

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# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

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December 31, 2018

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### 2. TRUST FUNDS

Trust funds administered by the Township amounting to \$104,891 [2017 - \$102,313] 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. TAXES RECEIVABLE

|   | 2018           | 2017           |
|---|----------------|----------------|
|   | \$             | \$             |
| Property and business taxes receivable          | 1,070,290      | 1,195,704      |
| Allowance for property and business tax arrears | (632,849)      | (964,226)      |
|   | <b>437,441</b> | <b>231,478</b> |

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### 4. CASH AND CASH EQUIVALENTS

|                      | 2018             | 2017             |
|----------------------|------------------|------------------|
|                      | \$               | \$               |
| Cash on hand         | 2,063,349        | 1,188,473        |
| Savings account      | 842,720          | 836,450          |
| Outstanding deposits | 10,867           | 54,745           |
| Outstanding cheques  | (70,363)         | (82,848)         |
|                      | <b>2,846,573</b> | <b>1,996,820</b> |

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The Township has available a demand operating loan of \$2,800,000 [2017 - \$2,800,000] for which the Township has provided a general security agreement, of which \$nil [2017 - \$nil] was borrowed at year-end. Interest on the loan is calculated at bank prime [3.95% at year-end].



# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

December 31, 2018

### 5. DEFERRED REVENUE

|  | 2018           | 2017             |
|--|----------------|------------------|
|  | \$             | \$               |
| Obligatory reserve funds   |                |                  |
| Federal Gas Tax proceeds   | 209,717        | 207,844          |
| Provincial Gas Tax proceeds  | 155,709        | 132,092          |
| Nuclear Waste Management Organization -<br>Well Being Fund proceeds          | 422,016        | 470,495          |
| General deferred revenue   |                |                  |
| Association of Municipalities of Ontario                                     | 38,582         | -                |
| Other  | 1,097          | 1,250            |
| Ontario Community Infrastructure Fund  | -              | 607,055          |
| Ministry of Transportation - State of Good<br>Repairs Needs - grant proceeds | 8,169          | 8,169            |
| Library - funding  | -              | 5,069            |
|  | <b>835,290</b> | <b>1,431,974</b> |

The continuity of deferred revenue is as follows:

|  | Government<br>Transfer | Other            | Total<br>2018    | Total<br>2017 |
|--|------------------------|------------------|------------------|---------------|
|  | \$                     | \$               | \$               | \$            |
| <b>Balance, beginning of year</b>          | <b>8,169</b>           | <b>1,423,805</b> | <b>1,431,974</b> | 2,048,779     |
| Investment income                          | -                      | 7,555            | 7,555            | 8,364         |
| Net contributions to current<br>operations | -                      | (760,246)        | (760,246)        | (717,772)     |
| Grant proceeds                             | -                      | 156,007          | 156,007          | 92,603        |
| <b>Balance, end of year</b>                | <b>8,169</b>           | <b>827,121</b>   | <b>835,290</b>   | 1,431,974     |

### 6. PENSION AGREEMENTS

The Township 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 \$74,989 [2017 - \$69,699] for current service.

# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

December 31, 2018

### 7. DEBT

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

|  | 2018           | 2017    |
|--|----------------|---------|
|  | \$             | \$      |
| Term loan repayable in blended monthly instalments of \$4,691, including interest at 2.40% per annum, maturing in January, 2020. | <b>55,583</b>  | 109,817 |
| Term loan repayable in blended monthly instalments of \$2,559, including interest at 3.90% per annum, maturing in January, 2027. | <b>212,453</b> | 234,418 |
| Term loan repayable in blended monthly instalments of \$1,134, including interest at 3.28% per annum, maturing in June, 2019.    | <b>6,730</b>   | 19,884  |
| Term loan repayable in blended monthly instalments of \$1,770, including interest at 3.90% per annum, maturing January, 2027.    | <b>146,973</b> | 162,163 |
|  | <b>421,739</b> | 526,282 |

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

|            | \$             |
|------------|----------------|
| 2019       | 100,902        |
| 2020       | 40,140         |
| 2021       | 41,734         |
| 2022       | 43,391         |
| 2023       | 45,114         |
| Thereafter | 150,458        |
|            | <b>421,739</b> |

[c] The debt in [a] issued in the name of the Township has been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ontario Ministry of Municipal Affairs and Housing.

[d] Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$17,281 [2017 - \$20,409].

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# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

December 31, 2018

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### 8. POST-RETIREMENT BENEFITS

The post-retirement benefits relate to health care costs that the Township will cover for specific retired employees. Township employees entitled to the post-retirement benefit are identified through the Union Agreement and also include any non-union management employees. Management's estimate is determined based on the type of policy the employee will receive, expected costs using market data and the expected date of employee's retirement. Based on these factors, management took the total estimated costs and discounted it at a rate of 3.95%.

### 9. RELATED PARTY TRANSACTIONS

#### [a] Measurement basis

Related party transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

#### [b] Related companies

Anemos Wastewater Facility Solar LP (Limited Partnership) is 15.1% owned by the Township and the remaining 84.9% owned by Anemos Energy Corporation.

|                                       | 2018 | 2017 |
|---------------------------------------|------|------|
|                                       | \$   | \$   |
| Transactions with Limited Partnership |      |      |
| Revenues - Land rent                  | -    | 500  |

As at July 16, 2018, the Partnership discontinued their operations terminating agreements with the Township. As a result, the Township recognized a receivable of \$20,737 from the Partnership relating to their contributions to date.

### 10. LANDFILL CLOSURE AND POST-CLOSURE

The Township's landfill usage is limited to de-watering treated waste sludge from the Municipal Water Pollution Control Plant. The main components of the landfill closure includes soil testing and seeding.

The estimated liability for this cost is the present value for future cash flows associated with closure and post-closure costs discounted using the Township's average long-term borrowing rate of 6%. The total discounted outflow in the future is estimated to be \$5,000. No provision has been made in these consolidated financial statements in respect to landfill closure and post-closure costs. An amount of \$208,086 [2017 - \$208,086] has been provided in a reserve to fund future landfill expansion and emergencies (Schedule 1).

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# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

December 31, 2018

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According to the Certificate of Approval issued by the Ontario Ministry of Environment, the size of the site is 0.371 hectares, with a maximum capacity not to exceed 1,200m<sup>3</sup>. Management has estimated that the life of the site is unlimited due to the current maintenance processes in place.

### 11. TANGIBLE CAPITAL ASSETS

Schedule 2 provides information on the tangible capital assets of the Township by major asset class, as well as accumulated amortization of the assets controlled.

There were no write-downs of assets during 2018 [2017 - \$nil].

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

There were no contributed tangible capital assets in 2018 [2017 - \$nil].

### 12. SEGMENTED INFORMATION

The Corporation of the Township of Schreiber 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 Township's Financial Information Return, which includes the following activities:

#### **General government**

General government comprises various administrative services, including the Finance Department, 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 Ontario Provincial Police. The Volunteer Fire Services Department is responsible for fire suppression, fire prevention programs, and 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. Protective inspection and control also represents the Township's proportionate share of the activities of the Thunder Bay Area Emergency Measures Organizations ("EMO").

#### **Transportation services**

Transportation services include roadways, winter control, transit, parking 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. The Township develops and maintains the street lighting system.

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# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

December 31, 2018

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### **Environmental services**

Environmental services consist of waterworks, sanitary sewer, waste collection and disposal and recycling. Waterworks provides drinking water to the citizens of Schreiber. Sanitary sewer collects and treats wastewater and waste collection and disposal and recycling includes the collection of solid waste, landfill site operations and waste minimization programs.

### **Health services**

Health services includes public health services and ambulance services. Public health services represents the Township's contribution to the activities of the Thunder Bay District Health Unit. The Thunder Bay District Health Unit provides health information and prevention-related clinical services, advocates for healthy public policy, investigates reportable diseases, and upholds regulations that apply to public health. Ambulance services are contracted from the Superior North Emergency Medical Services ("SNEMS"). SNEMS is responsible for providing emergency medical and ambulatory services to the residents of the District of Thunder Bay.

### **Social and family services**

Social and family services represents the Township'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 and contributions to cultural organizations. The Community Services Department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs, 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 Township makes contributions to various cultural organizations under specific funding programs.

### **Planning and development**

The Township manages development for business interest, environmental concerns, heritage matters, and local neighbourhoods through community development and approval of all land development plans.

The accounting policies used in these segments are consistent with those followed in the preparation of these consolidated financial statements as disclosed in note 1. For additional information see the Consolidated Schedule of Segment Disclosure (Schedule 3).

# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

December 31, 2018

### 13. RESERVES AND RESERVE FUNDS

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

|                                       | 2018             | 2017             |
|---------------------------------------|------------------|------------------|
|                                       | \$               | \$               |
| <b>Reserves</b>                       |                  |                  |
| Balance, beginning of year            | 1,716,117        | 1,527,973        |
| <b>Increases</b>                      |                  |                  |
| Transfer from current operations      | 283,836          | 416,232          |
| <b>Decreases</b>                      |                  |                  |
| Transfer to current operations        | 3,350            | 222,999          |
| Transfer to capital operations        | 79,633           | 5,089            |
|                                       | <b>82,983</b>    | <b>228,088</b>   |
| <b>Balance, end of year</b>           | <b>1,916,970</b> | <b>1,716,117</b> |
|                                       | 2018             | 2017             |
|                                       | \$               | \$               |
| <b>Reserve funds</b>                  |                  |                  |
| Balance, beginning of year            | 28,259           | 21,819           |
| <b>Increases</b>                      |                  |                  |
| Contributions from current operations | 8,251            | 14,088           |
| Interest earned                       | 255              | 184              |
|                                       | <b>8,506</b>     | <b>14,272</b>    |
| <b>Decreases</b>                      |                  |                  |
| Contributions to current operations   | 9,730            | 7,832            |
|                                       | <b>9,730</b>     | <b>7,832</b>     |
| <b>Balance, end of year</b>           | <b>27,035</b>    | <b>28,259</b>    |

Subsequent to year-end, the general fund has been decreased by an amount of \$64,841 transferred from reserve and reserve funds as authorized by various resolutions issued subsequent to year-end. Had this increase not been made, the balance of the Township's funds would have been as follows: general fund of \$71,852, reserves of \$1,852,129 and reserve funds of \$27,035.

# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

December 31, 2018

### 14. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$27,035 [2017 - \$28,259] to support reserve funds.

### 15. BUDGET FIGURES

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the 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<br>Fiscal<br>Plan<br>\$ | Adjustments<br>\$  | Fiscal Plan<br>per Financial<br>Statements<br>\$ |
|------------------------------------|----------------------------------|--------------------|--|
| <b>Revenue</b>                     |                                  |                    |  |
| Taxation                           | 1,862,652                        | -                  | 1,862,652  |
| User charges                       | 838,810                          | -                  | 838,810  |
| Government transfers               | 6,737,113                        | (963,657)          | 5,773,456  |
| Other                              | 258,246                          | -                  | 258,246  |
|                                    | <b>9,696,821</b>                 | <b>(963,657)</b>   | <b>8,733,164</b>                                 |
| <b>Expenses</b>                    |                                  |                    |  |
| General government                 | 1,507,767                        | (413,302)          | 1,094,465  |
| Protection to persons and property | 413,908                          | 20,956             | 434,864  |
| Transportation services            | 653,668                          | 31,039             | 684,707  |
| Environmental services             | 2,335,340                        | (1,331,438)        | 1,003,902  |
| Health services                    | 103,870                          | 21,550             | 125,420  |
| Social and family services         | 76,000                           | 10,335             | 86,335   |
| Recreation and cultural services   | 619,699                          | 106,869            | 726,568  |
| Planning and development           | 3,818,140                        | (3,600,000)        | 218,140  |
| Library                            | 168,429                          | 2,857              | 171,286  |
|                                    | <b>9,696,821</b>                 | <b>(5,151,134)</b> | <b>4,545,687</b>                                 |
| <b>Annual surplus</b>              | <b>-</b>                         | <b>4,187,477</b>   | <b>4,187,477</b>                                 |
| Interfund transfers                | (478,177)                        | (478,177)          |  |
| Capital items                      | 5,910,277                        | 5,910,277          |  |
| Annual surplus                     | (248,012)                        | (248,012)          |  |
| Debt repayments                    | 121,830                          | 121,830            |  |
| Borrowings                         | (700,000)                        | (700,000)          |  |
| Unexpected capital                 | 228,164                          | 228,164            |  |
| Amortization                       | -                                | (646,605)          |  |
| <b>Approved surplus</b>            | <b>4,834,082</b>                 | <b>4,187,477</b>   |  |

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# The Corporation of the Township of Schreiber

## Notes to the Consolidated Financial Statements

December 31, 2018

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### 16. COMMITMENTS

The Township leases certain equipment under operating leases. As well, the Township has entered into agreements as follows:

An agreement with a trucking company for the collection and removal of garbage. This agreement expires August 31, 2023.

The future payments expected over the next five years are as follows:

|      | \$                  |
|------|---------------------|
| 2019 | 35,258              |
| 2020 | 100,034             |
| 2021 | 96,923              |
| 2022 | 96,923              |
| 2023 | 64,776              |
|      | <hr/> 393,914 <hr/> |

### 17. 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 Township of Schreiber**  
**Schedule 1**  
**Consolidated Schedule of Accumulated Surplus**

| Year ended December 31  | 2018              | 2017              |
|---|-------------------|-------------------|
|   | \$                | \$                |
| <b>Surpluses</b>  |                   |                   |
| General fund  | 7,011             | 21,380            |
| Investment in tangible capital assets                           | 14,675,175        | 13,054,327        |
| Unfunded  |                   |                   |
| Post-retirement benefits  | (144,562)         | (167,783)         |
| Debt  | (421,739)         | (526,282)         |
| <b>Total surpluses</b>  | <b>14,115,885</b> | <b>12,381,642</b> |
| <b>Reserves set aside for specific purposes by Council</b>      |                   |                   |
| For working capital   | 469,214           | 470,214           |
| For fire truck  | 212,008           | 202,008           |
| For water and sewer   | 256,263           | 185,964           |
| For recreation infrastructure                                   | 60,406            | 60,406            |
| For cemetery expansion  | 18,521            | 18,011            |
| For landfill site operations and development                    | 208,086           | 208,086           |
| For Handitransit  | 15,907            | 15,907            |
| For life insurance liabilities                                  | 42,338            | 42,338            |
| For fire department equipment                                   | 1,000             | -                 |
| For infrastructure/development                                  | 520,950           | 400,584           |
| For CRF/LSR adjustment  | 99,499            | 99,499            |
| For library   | 12,778            | 13,100            |
| <b>Total reserves</b>   | <b>1,916,970</b>  | <b>1,716,117</b>  |
| <b>Reserve funds set aside for specific purposes by Council</b> |                   |                   |
| For recreation committee  | 27,035            | 28,259            |
| <b>Total reserves and reserve funds</b>                         | <b>27,035</b>     | <b>28,259</b>     |
| <b>Accumulated surplus</b>                                      | <b>16,059,890</b> | <b>14,126,018</b> |

**The Corporation of the Township of Schreiber  
Consolidated Schedule of Tangible Capital Assets**

**Schedule 2**

Year ended December 31, 2018

|   | General    |                 |                            |                              |                |                                     |  |                              |                         | Infrastructure |                             |                            | Totals     |            |
|---|------------|-----------------|----------------------------|------------------------------|----------------|-------------------------------------|--|------------------------------|-------------------------|----------------|-----------------------------|----------------------------|------------|------------|
|   | Land<br>\$ | Buildings<br>\$ | Land<br>Improvements<br>\$ | Machinery<br>Equipment<br>\$ | Vehicles<br>\$ | Furniture<br>and<br>Equipment<br>\$ | Computer<br>Hardware and<br>Software<br>\$ | Library<br>Collections<br>\$ | Sanitary<br>Sewer<br>\$ | Roads<br>\$    | Water<br>Distribution<br>\$ | Work-in-<br>Progress<br>\$ | 2018<br>\$ | 2017<br>\$ |
| <b>COST</b>   |            |                 |                            |                              |                |                                     |  |                              |                         |                |                             |                            |            |            |
| Balance, beginning of year  | 775,759    | 9,596,527       | 2,238,462                  | 3,180,084                    | 1,769,585      | 233,261                             | 78,717                                     | 285,108                      | 1,641,387               | 4,114,446      | 2,279,116                   | 1,069,125                  | 27,261,577 | 24,872,754 |
| <b>Add</b>  |            |                 |                            |                              |                |                                     |  |                              |                         |                |                             |                            |            |            |
| Additions during the year   | 9          | 103,008         | -                          | 18,948                       | -              | -                                   | -  | 6,366                        | -                       | -              | -                           | 2,139,125                  | 2,267,456  | 2,564,074  |
| <b>Less</b>   |            |                 |                            |                              |                |                                     |  |                              |                         |                |                             |                            |            |            |
| Disposals during the year   | 5          | -               | -                          | -                            | -              | -                                   | -  | -                            | -                       | -              | -                           | -                          | 5          | 175,251    |
| Balance, end of year  | 775,763    | 9,699,535       | 2,238,462                  | 3,199,032                    | 1,769,585      | 233,261                             | 78,717                                     | 291,474                      | 1,641,387               | 4,114,446      | 2,279,116                   | 3,208,250                  | 29,529,028 | 27,261,577 |
| <b>ACCUMULATED<br/>AMORTIZATION</b>   |            |                 |                            |                              |                |                                     |  |                              |                         |                |                             |                            |            |            |
| Balance, beginning of year  | -          | 4,555,695       | 1,614,553                  | 2,616,337                    | 1,033,974      | 182,457                             | 34,290                                     | 183,954                      | 1,023,053               | 1,466,717      | 1,496,218                   | -                          | 14,207,248 | 13,730,196 |
| <b>Add</b>  |            |                 |                            |                              |                |                                     |  |                              |                         |                |                             |                            |            |            |
| Amortization during the year  | -          | 202,483         | 47,770                     | 79,666                       | 90,446         | 17,005                              | 7,027                                      | 11,532                       | 25,562                  | 122,860        | 42,254                      | -                          | 646,605    | 634,689    |
| <b>Less</b>   |            |                 |                            |                              |                |                                     |  |                              |                         |                |                             |                            |            |            |
| Accumulated amortization on disposals                                       | -          | -               | -                          | -                            | -              | -                                   | -  | -                            | -                       | -              | -                           | -                          | -          | 157,637    |
| Balance, end of year  | -          | 4,758,178       | 1,662,323                  | 2,696,003                    | 1,124,420      | 199,462                             | 41,317                                     | 195,486                      | 1,048,615               | 1,589,577      | 1,538,472                   | -                          | 14,853,853 | 14,207,248 |
| <b>Net book value of tangible<br/>capital assets, beginning<br/>of year</b> | 775,759    | 5,040,832       | 623,909                    | 563,747                      | 735,611        | 50,804                              | 44,427                                     | 101,154                      | 618,334                 | 2,647,729      | 782,898                     | 1,069,125                  | 13,054,329 | 11,142,558 |
| <b>Net book value of tangible<br/>capital assets, end of year</b>           | 775,763    | 4,941,357       | 576,139                    | 503,029                      | 645,165        | 33,799                              | 37,400                                     | 95,988                       | 592,772                 | 2,524,869      | 740,644                     | 3,208,250                  | 14,675,175 | 13,054,329 |

**The Corporation of the Township of Schreiber  
Consolidated Schedule of Segment Disclosure**

**Schedule 3**

Year ended December 31, 2018

|   | General Government |                  | Protection to<br>Persons and Property |                  | Transportation<br>Services |                  | Environmental<br>Services |                  | Health Services |                 |
|---|--------------------|------------------|---------------------------------------|------------------|----------------------------|------------------|---------------------------|------------------|-----------------|-----------------|
|   | 2018<br>\$         | 2017<br>\$       | 2018<br>\$                            | 2017<br>\$       | 2018<br>\$                 | 2017<br>\$       | 2018<br>\$                | 2017<br>\$       | 2018<br>\$      | 2017<br>\$      |
| <b>Revenues</b>   |                    |                  |                                       |                  |                            |                  |                           |                  |                 |                 |
| Taxation  | 1,880,062          | 1,900,028        | -                                     | -                | -                          | -                | -                         | -                | -               | -               |
| Government transfers -<br>operating                           | 833,700            | 860,600          | 5,667                                 | 10,990           | -                          | -                | -                         | -                | 1,680           | -               |
| Government transfers -<br>capital                             | -                  | -                | -                                     | -                | -                          | 87,241           | 1,614,485                 | 1,697,790        | -               | -               |
| User fees and service<br>charges                              | 4,261              | 2,043            | 20,703                                | 71,460           | 8,095                      | 7,635            | 711,180                   | 693,640          | 4,380           | 3,190           |
| Other municipalities  | -                  | -                | -                                     | -                | 23,332                     | 20,935           | -                         | -                | -               | -               |
| Other revenues  | 220,186            | 158,294          | 21,997                                | 12,112           | 6,000                      | 6,000            | 3,387                     | 3,319            | 46,930          | 46,588          |
| Interest income -<br>general                                  | 22,880             | 12,390           | -                                     | -                | -                          | -                | -                         | -                | -               | -               |
| Interest income -<br>reserves and reserve<br>funds            | 255                | 8,548            | -                                     | -                | -                          | -                | -                         | -                | -               | -               |
|   | <b>2,961,344</b>   | <b>2,941,903</b> | <b>48,367</b>                         | <b>94,562</b>    | <b>37,427</b>              | <b>121,811</b>   | <b>2,329,052</b>          | <b>2,394,749</b> | <b>52,990</b>   | <b>49,778</b>   |
| <b>Expenditures</b>   |                    |                  |                                       |                  |                            |                  |                           |                  |                 |                 |
| Salaries, wages and<br>employee benefits                      | 383,699            | 558,416          | 52,062                                | 53,077           | 254,956                    | 259,998          | 52,759                    | 42,665           | 12,557          | 14,335          |
| Long-term debt charges  | 9,198              | 16,977           | -                                     | -                | 8,083                      | 3,435            | -                         | -                | -               | -               |
| Materials   | 141,957            | 597,352          | 83,583                                | 73,089           | 218,245                    | 180,666          | 344,547                   | 348,573          | 30,992          | 30,283          |
| Contracted services   | 85,321             | 54,379           | 229,430                               | 232,730          | -                          | -                | 350,728                   | 339,315          | -               | -               |
| Rent and financials   | 5,892              | 5,715            | -                                     | -                | 1,796                      | 2,190            | 17,674                    | 20,363           | 778             | 715             |
| External transfers to<br>others                               | -                  | -                | -                                     | -                | -                          | -                | -                         | -                | 55,160          | 53,986          |
| Amortization  | 66,881             | 65,839           | 38,956                                | 38,171           | 191,949                    | 180,106          | 186,207                   | 188,253          | 21,550          | 21,046          |
|   | <b>692,948</b>     | <b>1,298,678</b> | <b>404,031</b>                        | <b>397,067</b>   | <b>675,029</b>             | <b>626,395</b>   | <b>951,915</b>            | <b>939,169</b>   | <b>121,037</b>  | <b>120,365</b>  |
| <b>Net revenues<br/>(expenses) before<br/>undernoted item</b> | <b>2,268,396</b>   | <b>1,643,225</b> | <b>(355,664)</b>                      | <b>(302,505)</b> | <b>(637,602)</b>           | <b>(504,584)</b> | <b>1,377,137</b>          | <b>1,455,580</b> | <b>(68,047)</b> | <b>(70,587)</b> |
| Gain on disposal of<br>tangible capital assets                | 11,319             | 9,332            | -                                     | -                | -                          | -                | -                         | -                | -               | -               |
| <b>Annual surplus (deficit)</b>                               | <b>2,279,715</b>   | <b>1,652,557</b> | <b>(355,664)</b>                      | <b>(302,505)</b> | <b>(637,602)</b>           | <b>(504,584)</b> | <b>1,377,137</b>          | <b>1,455,580</b> | <b>(68,047)</b> | <b>(70,587)</b> |

**The Corporation of the Township of Schreiber**  
**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    | 2018             | 2017      |
|   | \$                         | \$       | \$                               | \$        | \$                       | \$      | \$               | \$        |
| <b>Revenues</b>                                       |                            |          |                                  |           |                          |         |                  |           |
| Taxation  | -                          | -        | -                                | -         | -                        | -       | <b>1,880,062</b> | 1,900,028 |
| Government transfers - operating                      | -                          | -        | <b>81,663</b>                    | 107,852   | <b>195,308</b>           | 209,161 | <b>1,118,018</b> | 1,188,603 |
| Government transfers - capital                        | -                          | -        | -                                | -         | -                        | -       | <b>1,614,485</b> | 1,785,031 |
| User fees and service charges                         | <b>11,077</b>              | 13,012   | <b>108,736</b>                   | 132,088   | -                        | -       | <b>868,432</b>   | 923,068   |
| Other municipalities                                  | -                          | -        | -                                | -         | -                        | -       | <b>23,332</b>    | 20,935    |
| Other revenues  | -                          | -        | <b>21,189</b>                    | 43,967    | -                        | 121,912 | <b>319,689</b>   | 392,192   |
| Interest income - general                             | -                          | -        | -                                | -         | -                        | -       | <b>22,880</b>    | 12,390    |
| Interest income - reserves and reserve funds          | -                          | -        | -                                | -         | -                        | -       | <b>255</b>       | 8,548     |
|   | <b>11,077</b>              | 13,012   | <b>211,588</b>                   | 283,907   | <b>195,308</b>           | 331,073 | <b>5,847,153</b> | 6,230,795 |
| <b>Expenditures</b>                                   |                            |          |                                  |           |                          |         |                  |           |
| Salaries, wages and employee benefits                 | -                          | -        | <b>385,677</b>                   | 365,482   | <b>93,574</b>            | 125,486 | <b>1,235,284</b> | 1,419,459 |
| Long-term debt charges                                | -                          | -        | -                                | -         | -                        | -       | <b>17,281</b>    | 20,412    |
| Materials   | -                          | -        | <b>315,565</b>                   | 313,090   | <b>19,489</b>            | 48,144  | <b>1,154,378</b> | 1,591,197 |
| Contracted services                                   | <b>9,629</b>               | 13,610   | <b>47,430</b>                    | 48,291    | <b>14,355</b>            | 12,400  | <b>736,893</b>   | 700,725   |
| Rent and financials                                   | -                          | -        | <b>3,405</b>                     | 1,559     | -                        | -       | <b>29,545</b>    | 30,542    |
| External transfers to others                          | <b>49,454</b>              | 53,556   | -                                | -         | -                        | -       | <b>104,614</b>   | 107,542   |
| Amortization  | <b>10,335</b>              | 7,426    | <b>130,727</b>                   | 133,848   | -                        | -       | <b>646,605</b>   | 634,689   |
|   | <b>69,418</b>              | 74,592   | <b>882,804</b>                   | 862,270   | <b>127,418</b>           | 186,030 | <b>3,924,600</b> | 4,504,566 |
| <b>Net revenues (expenses) before undernoted item</b> | <b>(58,341)</b>            | (61,580) | <b>(671,216)</b>                 | (578,363) | <b>67,890</b>            | 145,043 | <b>1,922,553</b> | 1,726,229 |
| Gain on disposal of tangible capital assets           | -                          | -        | -                                | -         | -                        | -       | <b>11,319</b>    | 9,332     |
| <b>Annual surplus (deficit)</b>                       | <b>(58,341)</b>            | (61,580) | <b>(671,216)</b>                 | (578,363) | <b>67,890</b>            | 145,043 | <b>1,933,872</b> | 1,735,561 |

# Independent Auditor's Report

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**Grant Thornton LLP**

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To the Board Members of  
Schreiber Public Library Board

## Opinion

We have audited the financial statements of Schreiber 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, change in net financial assets 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 Schreiber Public Library Board as at December 31, 2018, and its results of operations, its changes in its net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

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

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

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

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

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

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

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

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

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

*Grant Thornton LLP*

Thunder Bay, Canada  
May 2, 2019

Chartered Professional Accountants  
Licensed Public Accountants

## Schreiber Public Library Board Statement of Financial Position

| As at December 31                                     | 2018           | 2017           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>FINANCIAL ASSETS</b>                               |                |                |
| Cash  | 77             | 107            |
| Due from the Province of Ontario                      | 13,817         | 1,314          |
| Due from The Corporation of the Township of Schreiber | -              | 12,458         |
| <b>Total financial assets</b>                         | <b>13,894</b>  | <b>13,879</b>  |
| <b>LIABILITIES</b>                                    |                |                |
| Accounts payable and accrued liabilities              | 1,700          | 1,700          |
| Deferred revenue                                      | -              | 5,069          |
| <b>Total liabilities</b>                              | <b>1,700</b>   | <b>6,769</b>   |
| <b>NET FINANCIAL ASSETS</b>                           | <b>12,194</b>  | <b>7,110</b>   |
| <b>NON-FINANCIAL ASSETS</b>                           |                |                |
| Tangible capital assets <i>[note 2]</i>               | 215,337        | 221,829        |
| <b>Accumulated surplus <i>[note 3]</i></b>            | <b>227,531</b> | <b>228,939</b> |

See accompanying notes to the financial statements.

## Schreiber Public Library Board

### Statement of Operations and Accumulated Surplus

| Year ended December 31                  | 2018            | 2018           | 2017           |
|---|-----------------|----------------|----------------|
|   | Budget          | Actual         | Actual         |
|   | \$              | \$             | \$             |
|   | <i>[note 5]</i> |                |                |
| <b>REVENUES</b>                         |                 |                |                |
| Municipal contribution                  | 127,954         | 121,335        | 221,866        |
| Province of Ontario grants              | 19,910          | 23,610         | 25,530         |
| Government of Canada grants             | 1,260           | 1,260          | 1,026          |
| Other revenue                           | 1,515           | 3,755          | 3,760          |
| <b>Total revenues</b>                   | <b>150,639</b>  | <b>149,960</b> | <b>252,182</b> |
| <b>EXPENSES</b>                         |                 |                |                |
| Amortization                            | 12,857          | 12,857         | 12,823         |
| Community programs                      | 6,700           | 2,713          | 3,125          |
| Computer                                | 2,700           | 2,736          | 6,001          |
| Insurance                               | 570             | 570            | 965            |
| Library office supplies                 | 2,800           | 2,747          | 1,869          |
| Maintenance and repairs                 | 2,100           | 2,073          | 1,532          |
| Miscellaneous                           | 1,000           | 981            | 850            |
| Office equipment                        | 2,350           | 2,423          | 2,253          |
| Periodicals and audio visual materials  | 1,600           | 1,823          | 1,312          |
| Professional development                | 500             | 669            | 408            |
| Professional fees                       | 1,700           | 1,700          | 1,700          |
| Salaries and benefits                   | 114,909         | 102,601        | 83,496         |
| Special projects                        | 2,000           | 7,241          | 16,724         |
| Telephone and postage                   | 2,500           | 2,537          | 2,284          |
| Travel and conventions                  | 2,500           | 2,035          | 1,375          |
| Utilities                               | 8,500           | 5,662          | 6,208          |
| <b>Total expenses</b>                   | <b>165,286</b>  | <b>151,368</b> | <b>142,925</b> |
| <b>Annual surplus (deficit)</b>         | <b>(14,647)</b> | <b>(1,408)</b> | <b>109,257</b> |
| Accumulated surplus, beginning of year  | -               | 228,939        | 119,682        |
| <b>Accumulated surplus, end of year</b> | <b>(14,647)</b> | <b>227,531</b> | <b>228,939</b> |

See accompanying notes to the financial statements.



## Schreiber Public Library Board

### Statement of Change in Net Financial Assets

| Year ended December 31                      | 2018                            | 2018           | 2017         |
|---|---------------------------------|----------------|--------------|
|   | Budget<br>\$<br><i>[note 5]</i> | Actual<br>\$   | Actual<br>\$ |
| <b>Annual surplus (deficit)</b>             | <b>(14,647)</b>                 | <b>(1,408)</b> | 109,257      |
| Acquisition of tangible capital assets      | <b>(6,000)</b>                  | <b>(6,365)</b> | (106,378)    |
| Amortization of tangible capital assets     | <b>12,857</b>                   | <b>12,857</b>  | 12,823       |
| Increase (decrease) in net financial assets | <b>(7,790)</b>                  | <b>5,084</b>   | 15,702       |
| Net financial assets, beginning of year     | <b>7,110</b>                    | <b>7,110</b>   | (8,592)      |
| <b>Net financial assets, end of year</b>    | <b>(680)</b>                    | <b>12,194</b>  | 7,110        |

See accompanying notes to the financial statements.

## Schreiber Public Library Board

### Statement of Cash Flows

| Year ended December 31   | 2018           | 2017             |
|--|----------------|------------------|
|  | \$             | \$               |
| <b>OPERATIONS</b>  |                |                  |
| Annual surplus (deficit)   | (1,408)        | 109,257          |
| <b>Non-cash charges</b>  |                |                  |
| Amortization of tangible capital assets                                      | 12,857         | 12,823           |
|  | 11,449         | 122,080          |
| <b>Net change in non-cash working capital balances</b>                       |                |                  |
| Decrease (increase) in due from the Province of Ontario                      | (12,503)       | 299              |
| Decrease (increase) in due from The Corporation of the Township of Schreiber | 12,458         | (21,000)         |
| Decrease in deferred revenue   | (5,069)        | (3,330)          |
| <b>Cash provided by operating transactions</b>                               | <b>6,335</b>   | <b>98,049</b>    |
| <b>CAPITAL</b>   |                |                  |
| Acquisition of tangible capital assets                                       | (6,365)        | (106,378)        |
| <b>Cash used in capital transactions</b>                                     | <b>(6,365)</b> | <b>(106,378)</b> |
| <b>Decrease in cash and cash equivalents</b>                                 | <b>(30)</b>    | <b>(8,329)</b>   |
| Opening cash and cash equivalents  | 107            | 8,436            |
| <b>Closing cash and cash equivalents</b>                                     | <b>77</b>      | <b>107</b>       |

See accompanying notes to the financial statements.

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# Schreiber Public Library Board

## Notes to the Financial Statements

December 31, 2018

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### GENERAL

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

The Schreiber Public Library Board is a municipal organization.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements of the Schreiber Public Library Board 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 CPA Canada. The more significant of these accounting policies are as follows:

#### 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 assets is partly or wholly used or lost.

#### Non-financial assets

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

#### [a] Tangible capital assets

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               | 20 to 60 years |
| Computer hardware       | 5 to 10 years  |
| Furniture and equipment | 5 to 25 years  |
| Library collections     | 25 years       |

Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

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# **Schreiber Public Library Board**

## **Notes to the Financial Statements**

December 31, 2018

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### **[b] Contributions of tangible capital assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

### **[c] 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 Library 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.

## **Reporting entity**

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

## **Revenue recognition**

Funds received, other than government transfers, for specific purposes which are externally restricted by legislation, regulation or agreement and that are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the Statement of Operations and Accumulated Surplus in the year in which it is used for the specified purpose.

## **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 Library are recorded as an expense when they are authorized and the recipient meets all eligibility criteria.

# Schreiber Public Library Board

## Notes to the Financial Statements

December 31, 2018

### 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 Library Board may undertake in the future. Significant accounting estimates include allowance for doubtful accounts and useful lives of tangible capital assets. Actual results could differ from those estimates.

### 2. TANGIBLE CAPITAL ASSETS

|   | Buildings<br>\$ | Library<br>Collections<br>\$ | Computer<br>Hardware<br>\$ | Furniture<br>and<br>Equipment<br>\$ | Work-in-<br>Progress<br>\$ | 2018<br>Total<br>\$ | 2017<br>Total<br>\$ |
|---|-----------------|------------------------------|----------------------------|-------------------------------------|----------------------------|---------------------|---------------------|
| <b>COST</b>   |                 |                              |                            |                                     |                            |                     |                     |
| Balance, beginning of year  | 140,800         | 285,109                      | 29,349                     | 49,875                              | -                          | 505,133             | 398,755             |
| Add:  |                 |                              |                            |                                     |                            |                     |                     |
| Additions during the year   | -               | 6,365                        | -                          | -                                   | -                          | 6,365               | 106,378             |
| Transfers   | -               | -                            | -                          | -                                   | -                          | -                   | -                   |
| Balance, end of year  | 140,800         | 291,474                      | 29,349                     | 49,875                              | -                          | 511,498             | 505,133             |
| <b>ACCUMULATED AMORTIZATION</b>                                     |                 |                              |                            |                                     |                            |                     |                     |
| Balance, beginning of year  | 23,800          | 183,955                      | 26,125                     | 49,424                              | -                          | 283,304             | 270,481             |
| Add:  |                 |                              |                            |                                     |                            |                     |                     |
| Amortization during the year  | -               | 11,531                       | 1,290                      | 36                                  | -                          | 12,857              | 12,823              |
| Balance, end of year  | 23,800          | 195,486                      | 27,415                     | 49,460                              | -                          | 296,161             | 283,304             |
| <b>Net book value of tangible capital assets, beginning of year</b> | <b>117,000</b>  | <b>101,154</b>               | <b>3,224</b>               | <b>451</b>                          | <b>-</b>                   | <b>221,829</b>      | <b>128,274</b>      |
| <b>Net book value of tangible capital assets, end of year</b>       | <b>117,000</b>  | <b>95,988</b>                | <b>1,934</b>               | <b>415</b>                          | <b>-</b>                   | <b>215,337</b>      | <b>221,829</b>      |

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# Schreiber Public Library Board

## Notes to the Financial Statements

December 31, 2018

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### 3. ACCUMULATED SURPLUS

|                                       | 2018           | 2017           |
|---------------------------------------|----------------|----------------|
|                                       | \$             | \$             |
| General fund                          | 12,194         | 7,110          |
| Investment in tangible capital assets | 215,337        | 221,829        |
|                                       | <b>227,531</b> | <b>228,939</b> |

---

### 4. COMMITMENTS

The Library leases various office equipment under operating leases. The future minimum annual lease payments over the next two years are as follows:

|      | \$           |
|------|--------------|
| 2019 | 1,220        |
| 2020 | 915          |
|      | <b>2,135</b> |

---

### 5. BUDGET FIGURES

The operating budget approved by the Library Board for 2018 is reflected on the Statement of Operations and Accumulated Surplus. The budget established for capital investment in tangible capital assets is on a project-oriented basis, the costs of which may be incurred over a number of years and therefore may not be comparable with the current year's actual expenses. Budget figures have been restated to be comparable with the PSAB reporting reflected in the actual results. Below is a reconciliation of figures from the approved fiscal plan to the fiscal plan per the financial statements.

# Schreiber Public Library Board

## Notes to the Financial Statements

December 31, 2018

### Note 5 - Budget Figures continued

|  | Approved<br>Fiscal<br>Plan<br>\$ | Adjustments<br>\$ | Fiscal Plan<br>per Financial<br>Statements<br>\$ |
|--|----------------------------------|-------------------|--|
| <b>Revenue</b>                         |                                  |                   |  |
| Municipal contribution                 | 135,744                          | (7,790)           | 127,954  |
| Province of Ontario grants             | 19,910                           | -                 | 19,910   |
| Government of Canada grants            | 1,260                            | -                 | 1,260  |
| Other                                  | 1,515                            | -                 | 1,515  |
|  | <b>158,429</b>                   | <b>(7,790)</b>    | <b>150,639</b>                                   |
| <b>Expenses</b>                        |                                  |                   |  |
| Amortization                           | -                                | 12,857            | 12,857   |
| Community programs                     | 6,700                            | -                 | 6,700  |
| Computer                               | 2,700                            | -                 | 2,700  |
| Insurance                              | 570                              | -                 | 570  |
| Library office supplies                | 2,800                            | -                 | 2,800  |
| Maintenance and repairs                | 2,100                            | -                 | 2,100  |
| Miscellaneous                          | 1,000                            | -                 | 1,000  |
| Office equipment                       | 2,350                            | -                 | 2,350  |
| Periodicals and audio visual materials | 7,600                            | (6,000)           | 1,600  |
| Professional development               | 500                              | -                 | 500  |
| Professional fees                      | 1,700                            | -                 | 1,700  |
| Salaries and benefits                  | 114,909                          | -                 | 114,909  |
| Special projects                       | 2,000                            | -                 | 2,000  |
| Telephone and postage                  | 2,500                            | -                 | 2,500  |
| Travel and conventions                 | 2,500                            | -                 | 2,500  |
| Utilities                              | 8,500                            | -                 | 8,500  |
|  | <b>158,429</b>                   | <b>6,857</b>      | <b>165,286</b>                                   |
| <b>Annual deficit</b>                  | <b>-</b>                         | <b>(14,647)</b>   | <b>(14,647)</b>                                  |
| Capital items                          | 6,000                            | 6,000             |  |
| Interfund transfers                    | (7,790)                          | (7,790)           |  |
| Amortization                           | -                                | (12,857)          |  |
| <b>Approved deficit</b>                | <b>(1,790)</b>                   | <b>(14,647)</b>   |  |

# Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Township of Schreiber Trust Fund

## **Opinion**

We have audited the financial statements of the Trust Fund of The Corporation of the Township of Schreiber ("the Trust"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and fund balances 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 Corporation of the Township of Schreiber Trust Fund as at December 31, 2018, and its results of operations, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Trust 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust 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 2, 2019

Chartered Professional Accountants  
Licensed Public Accountants

**The Corporation of the Township of Schreiber  
Trust Fund  
Statement of Financial Position**

As at December 31

|  |                                     |                                       | 2018           | 2017           |
|--|-------------------------------------|---------------------------------------|----------------|----------------|
|  | Cemetery<br>Perpetual<br>Care<br>\$ | Cemetery<br>Prepaid<br>Services<br>\$ | Total<br>\$    | Total<br>\$    |
| <b>FINANCIAL ASSETS</b>                                  |                                     |                                       |                |                |
| Cash   | 104,637                             | 154                                   | 104,791        | 102,313        |
| Due from The Corporation of<br>the Township of Schreiber | 100                                 | -                                     | 100            | -              |
|  | <b>104,737</b>                      | <b>154</b>                            | <b>104,891</b> | <b>102,313</b> |
| <b>Accumulated surplus</b>                               | <b>104,737</b>                      | <b>154</b>                            | <b>104,891</b> | <b>102,313</b> |

See accompanying notes to the financial statements.

**The Corporation of the Township of Schreiber  
Trust Fund  
Statement of Operations and Fund Balances**

| Year ended December 31                  |                                     |                                       | 2018           | 2017           |
|---|-------------------------------------|---------------------------------------|----------------|----------------|
|   | Cemetery<br>Perpetual<br>Care<br>\$ | Cemetery<br>Prepaid<br>Services<br>\$ | Total<br>\$    | Total<br>\$    |
| <b>REVENUES</b>                         |                                     |                                       |                |                |
| Capital receipts                        | 2,230                               | -                                     | 2,230          | 630            |
| Interest earned                         | 348                                 | -                                     | 348            | 1,156          |
|   | <b>2,578</b>                        | <b>-</b>                              | <b>2,578</b>   | <b>1,786</b>   |
| <b>EXPENSES</b>                         |                                     |                                       |                |                |
|   | -                                   | -                                     | -              | -              |
| <b>Annual surplus</b>                   | <b>2,578</b>                        | <b>-</b>                              | <b>2,578</b>   | 1,786          |
| Accumulated surplus, beginning of year  | <b>102,159</b>                      | <b>154</b>                            | <b>102,313</b> | 100,527        |
| <b>Accumulated surplus, end of year</b> | <b>104,737</b>                      | <b>154</b>                            | <b>104,891</b> | <b>102,313</b> |

See accompanying notes to the financial statements.

**The Corporation of the Township of Schreiber  
Trust Fund  
Statement of Cash Flows**

| Year ended December 31  | 2018           | 2017    |
|---|----------------|---------|
|   | \$             | \$      |
| <b>OPERATING ACTIVITIES</b>   |                |         |
| Annual surplus  | 2,578          | 1,786   |
| <b>Net change in non-cash working capital</b>                                   |                |         |
| (Increase) decrease in due from The<br>Corporation of the Township of Schreiber | (100)          | 210     |
| <b>Cash provided by operating transactions</b>                                  | <b>2,478</b>   | 1,996   |
| <b>Increase in cash during year</b>   | <b>2,478</b>   | 1,996   |
| Cash, beginning of year   | 102,313        | 100,317 |
| <b>Cash, end of year</b>  | <b>104,791</b> | 102,313 |

See accompanying notes to the financial statements.

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# **The Corporation of the Township of Schreiber Trust Fund Notes to the Financial Statements**

December 31, 2018

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## **1. NATURE OF BUSINESS**

The Corporation of the Township of Schreiber administers a perpetual care trust fund for the future care of the cemetery. The cemetery provides interment services for the benefit of the citizens of Schreiber.

## **2. ACCOUNTING POLICY**

### **Basis of accounting**

These financial statements of the Trust Fund have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

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