



Grant Thornton

Financial Statements

The Corporation of the Municipality of Shuniah

December 31, 2012

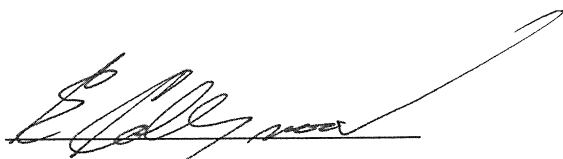
Statement of Administrative Responsibility

The management of The Corporation of the Municipality of Shuniah have prepared the accompanying financial statements and are responsible for their accuracy and integrity. These statements consolidate all operations for which the Municipality has legislative and financial responsibility. The financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board [PSAB] of the CICA.

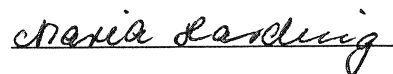
In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that Municipal assets are safeguarded from loss and that the accounting records are a reliable basis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

The Municipal Council reviews and approves the financial statements before such statements are submitted to the Ministry of Municipal Affairs and Housing and published for the residents of The Corporation of the Municipality of Shuniah. The external auditors have access to, and meet with Municipal Council to discuss their audit and the results of their examination.

The 2012 Financial Statements have been reported on by The Corporation of the Municipality of Shuniah's external auditors, Grant Thornton LLP, the auditors appointed by Municipal Council. The independent auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

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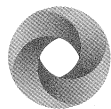
Eric Collingwood, CAO

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Maria Harding, Reeve

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Grant Thornton

Independent Auditor's Report

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

We have audited the accompanying financial statements of The Corporation of the Municipality of Shuniah, which comprise the statement of financial position as at December 31, 2012 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Corporation of the Municipality of Shuniah as at December 31, 2012, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Thunder Bay, Canada
May 13, 2013

Chartered Accountants
Licensed Public Accountants

The Corporation of the Municipality of Shuniah

Statement of Financial Position

As at December 31	2012	2011
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	2,781,828	718,751
Investments <i>[note 3]</i>	2,715,085	4,174,411
Taxes receivable	359,152	293,855
Accounts receivable	297,170	198,578
Total financial assets	6,153,235	5,385,595
LIABILITIES		
Accounts payable and accrued liabilities	354,313	342,902
Deferred revenue <i>[note 5]</i>	487,520	566,929
Landfill closure and post-closure liability <i>[note 7]</i>	1,333,962	952,700
Total liabilities	2,175,795	1,862,531
NET FINANCIAL ASSETS	3,977,440	3,523,064
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 8] [schedule 2]</i>	9,635,432	9,018,270
Land inventory	-	41,545
Prepaid expenses	11,088	19,066
	9,646,520	9,078,881
Accumulated surplus <i>[schedule 1]</i>	13,623,960	12,601,945

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Statement of Operations and Accumulated Surplus

Year ended December 31

	2012	2012	2011
	Budget	Actual	Actual
	\$	\$	\$
	[unaudited]		
	[note 12]		
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	4,297,611	4,338,365	4,107,748
Commercial and industrial	739,169	734,526	722,228
Taxation from other governments	40,097	40,969	39,905
	5,076,877	5,113,860	4,869,881
Deduct			
Amounts received or receivable on behalf of school boards	(1,158,300)	(1,158,574)	(1,171,251)
	3,918,577	3,955,286	3,698,630
User charges			
Other fees and service charges	87,000	81,614	107,616
	4,005,577	4,036,900	3,806,246
Grants			
Government of Canada	462,150	466,541	99,174
Province of Ontario	1,750,100	1,774,596	1,881,514
Other municipalities	33,177	40,730	51,809
	2,245,427	2,281,867	2,032,497
Other			
Investment income	25,000	67,318	47,954
Penalties and late payment charges	30,000	47,557	49,688
Other	88,850	188,973	270,739
	143,850	303,848	368,381
Total revenues	6,394,854	6,622,615	6,207,124

	2012	2012	2011
	Budget	Actual	Actual
	\$	\$	\$
	<i>[unaudited]</i>		
	<i>[note 12]</i>		
EXPENSES [note 9] [schedule 3]			
General government	812,907	806,341	770,015
Protection to persons and property	1,214,863	1,106,907	1,096,850
Transportation services	1,178,469	1,728,313	1,600,798
Environmental services	188,320	564,363	268,398
Health services	343,855	372,942	339,807
Social and family services	899,763	839,433	849,982
Recreation and cultural services	77,270	76,747	79,844
Planning and development	160,148	70,535	75,401
Total expenses	4,875,595	5,565,581	5,081,095
NET REVENUES	1,519,259	1,057,034	1,126,029
Other			
Loss on disposal of tangible capital assets	-	35,019	69,251
Annual surplus	1,519,259	1,022,015	1,056,778
Accumulated surplus, beginning of year	-	12,601,945	11,545,167
Accumulated surplus, end of year	1,519,259	13,623,960	12,601,945

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Statement of Change in Net Financial Assets

Year ended December 31, 2012

	2012	2012	2011
	Budget	Actual	Actual
	\$	\$	\$
	<i>[unaudited]</i>		
	<i>[note 12]</i>		
Annual surplus	1,519,259	1,022,015	1,056,778
Acquisition of tangible capital assets	(1,153,000)	(1,332,850)	(1,209,320)
Amortization of tangible capital assets	-	672,669	736,208
Proceeds from sale of tangible capital assets	10,000	8,000	-
Loss on disposal of tangible capital assets	-	35,019	69,251
Disposal of land inventory	-	41,545	124,636
Deposit on capital asset	-	-	50,800
Acquisition of prepaid expenses	-	(11,088)	(19,066)
Use of prepaid expenses	-	19,066	-
Insurance proceeds on disposal of tangible capital asset	-	-	111,386
Increase in net financial assets	376,259	454,376	920,673
Net financial assets, beginning of year	-	3,523,064	2,602,391
Net financial assets, end of year	376,259	3,977,440	3,523,064

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Statement of Cash Flows

Year ended December 31	2012	2011
	\$	\$
OPERATIONS		
Annual surplus	1,022,015	1,056,778
Non-cash charges		
Amortization of tangible capital assets	672,669	736,208
Increase in landfill closure and post-closure liabilities	381,262	114,170
Loss on disposal of tangible capital assets	35,019	69,251
	2,110,965	1,976,407
Net change in non-cash working capital balances		
Decrease (increase) in taxes receivable	(65,297)	8,631
Decrease (increase) in accounts receivable	(98,592)	346,461
Increase (decrease) in accounts payable and accrued liabilities	11,411	(136,571)
Increase (decrease) in deferred revenue	(79,409)	115,428
Decrease (increase) in prepaid expenses	7,978	(19,066)
Cash provided by operating transactions	1,887,056	2,291,290
CAPITAL		
Acquisition of tangible capital assets	(1,332,850)	(1,209,320)
Proceeds on sale of tangible capital assets	8,000	111,386
Disposal of land inventory	41,545	124,636
Deposit on capital asset	-	50,800
Cash used in capital transactions	(1,283,305)	(922,498)
INVESTING		
Decrease (increase) in investments	1,459,326	(1,051,202)
Cash provided by (used in) investing transactions	1,459,326	(1,051,202)
FINANCING		
Repayment of long-term debt	-	(10,204)
Cash used in financing transactions	-	(10,204)
Increase in cash and cash equivalents	2,063,077	307,386
Opening cash and cash equivalents	718,751	411,365
Closing cash and cash equivalents	2,781,828	718,751

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2012

GENERAL

The Corporation of the Municipality of Shuniah 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 financial statements of The Corporation of the Municipality of Shuniah are prepared by management in accordance with accounting policies generally accepted for the local government as prescribed by the Public Sector Accounting Board ("PSAB") of the CICA. The more significant of these accounting policies are as follows:

[a] Basis of presentation

Reporting entity

These financial statements reflect the assets, liabilities, revenues and expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, local boards, and committees accountable for the administration of their financial affairs and resources, to the Municipality, and which are owned or controlled by the Municipality.

Joint local boards

The financial activities of certain entities associated with the Municipality are not consolidated. The Municipality's contribution to these entities are recorded in the 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
Thunder Bay Area Emergency Measures Organization

Trust funds

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

Accounting for school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards, are not reflected in these financial statements.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2012

[b] Basis of accounting

Accrual accounting

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

Cash and cash equivalents

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

Investments

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

Employee benefits

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

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, which 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	30 to 50 years
Equipment and vehicles	5 to 25 years
Infrastructure	
- roads	5 to 10 years
- bridges and structures	20 to 50 years

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2012

[b] Contribution of tangible capital assets

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

[c] Tangible capital assets recognized at nominal value

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

[d] Capitalization of interest

The Municipality has a policy of capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset, for those interest costs incurred up to the date the asset goes into use, per PS 3150.17.

[e] Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Deferred revenue

Deferred revenue represents conditional government transfers which have been received but for which the related expenses have yet to be incurred. These amounts will be recognized as revenues in the fiscal year the expenses are incurred. The Municipality receives development charges under the authority of provincial legislation and Municipality by-laws (obligatory reserve funds) as well as 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 and are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended.

Reserves and reserve funds

Certain amounts, as approved by the Municipal Council, are set aside in reserves and reserve funds for future operating and capital purposes.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2012

Investment income

Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue balance.

Government transfers

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

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

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from these estimates.

2. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$62,649 [2011 - \$62,110] have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations and Accumulated Surplus.

3. INVESTMENTS

Investments consist of deposits in Money Market and Bond Funds, Guaranteed Investment Certificates carrying interest at 0.80% - 3.25%, maturing April and December, 2013. The carrying value of these investments reported on the Statement of Financial Position closely reflects fair market value.

4. TEMPORARY LOANS

The Municipality has available a credit facility of \$732,000 [2011 - \$732,000] for which the Municipality has provided a borrowing by-law as security, of which \$nil [2011 - \$nil] was borrowed at year-end. The Municipality cannot exceed borrowings of \$750,000 of the aggregate of temporary loans and long-term loans.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2012

5. DEFERRED REVENUE

	2012 \$	2011 \$
Obligatory reserve funds		
Recreational purposes	96,852	86,942
Federal Gas Tax revenue	390,668	479,987
	487,520	566,929

The continuity of deferred revenue is as follows:

	2012 \$	2011 \$
Balance, beginning of year	566,929	451,501
Investment income	5,932	6,386
Amounts deferred during the year	187,837	186,214
Net contributions to operations	(273,178)	(77,172)
Balance, end of year	487,520	566,929

6. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2012 was \$66,809 [2011 - \$58,214] for current service.

7. LANDFILL CLOSURE AND POST-CLOSURE

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

The estimated liability for this care is the present value for future cash flows associated with closure and post-closure costs discounted using the Municipality's average long-term borrowing rate of 3.50%. The change in the recorded liability is \$381,262 [2011 - \$114,170] based on a total estimated undiscounted outflow in the future of \$2,911,257 [2011 - \$3,564,707], leaving an amount to be recognized in the future of \$1,577,295 [2011 - \$2,612,006] over the closure and post-closure period. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill. An amount of \$757,595 [2011 - \$674,123] has been provided for these costs as a reserve.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2012

The estimated remaining life of the McTavish site is approximately 23 years and the estimated capacity remaining is 14,098 cubic metres. The estimated remaining life of the MacGregor site is approximately 11 years and the estimated capacity remaining is 37,125 cubic metres. Post-closure care is estimated to continue for a period of approximately 25 years for the McTavish site and 30 years for the MacGregor site.

8. TANGIBLE CAPITAL ASSETS

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

There were no write-downs of assets in 2012 [2011 - \$nil].

Interest capitalized during 2012 was \$nil [2011 - \$nil].

There were no contributed tangible capital assets in 2012 [2011 - \$nil].

Certain assets have been recorded at a nominal value due to the difficulty in determining an appropriate value. This includes road allowances which have an assigned value of \$1. Municipal land inherited and purchased before 2007 has been assigned a value by applying a CPI deflation factor to the value determined by the 2007 MPAC assessment role at the Municipal incorporation date at date of purchase where available. Land purchased after 2007 is recorded at cost.

9. SEGMENTED INFORMATION

The Corporation of the Municipality of Shuniah is a diversified municipal government institution that provides a wide range of services to its citizens, including police, emergency services and waste management. For management reporting purposes, the Municipality's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

General government comprises various administrative services, including the Finance Department, Corporate Services Department, and Reeve and Council.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2012

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 Fire Services Department is responsible for fire suppression; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. Protective inspection and control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws for the protection of occupants. Protective inspection and control also represents the Municipality's contribution to the activities of the Thunder Bay Area Emergency Measures Organizations (EMO).

Transportation services

Transportation services include roadways and winter control. Roadways cover the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, culverts and traffic lights. Winter control includes snowplowing, sanding and salting, snow removal and flood control.

Environmental services

Environmental services consist of waste disposal and recycling. Waste disposal and recycling includes the landfill site operations and waste minimization programs.

Health services

Health services include public health services, hospital and ambulance services. Public health services covers The Corporation of the Municipality of Shuniah's contribution to the activities of the Thunder Bay District Health Unit. In response to the health needs of the community, the Thunder Bay District Health Unit provides health information and prevention-related clinical services to people of all ages; advocates for healthy public policy; protects citizens by investigating reportable diseases; and upholds regulations that apply to public health.

Social and family services

Social and family services include general assistance, assistance to aged persons, child care and assistance to the disabled. General assistance represents the Municipality's contribution to the activities of The District of Thunder Bay Social Services Administration Board (TBDSSAB). TBDSSAB is responsible for issuing welfare payments, Ontario Works program delivery, employment assistance services and social housing. Under assistance to aged persons, TBDSSAB is responsible for providing services to seniors.

Recreation and cultural services

Recreation and cultural services include parks, recreation programs and facilities, and contributions to cultural organizations. The recreation committee provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services; the development and maintenance of various recreational facilities; and the maintenance of parks and open spaces. The Municipality makes contributions to various cultural organizations under specific funding programs.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2012

Planning and development

The Planning Department manages semi-urban and rural development for business interest, environmental concerns, heritage matters, local neighbourhoods and approval of all land development plans.

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

10. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds is as follows:

	2012 \$	2011 \$
Reserves		
Balance, beginning of year	3,354,434	2,467,467
Revenues		
Contributions from operations	577,971	934,467
Expenses		
Contributions to operations	(42,000)	(47,500)
Balance, end of year	3,890,405	3,354,434
Reserve funds		
Balance, beginning of year	1,181,941	1,200,639
Revenues		
Contributions from operations	255,000	251,350
Interest earned	14,885	16,407
	269,885	267,757
Expenses		
Contributions to operations	(19,741)	(286,455)
Balance, end of year	1,432,085	1,181,941

11. DESIGNATED ASSETS

Of the financial assets reported on the Statement of Financial Position, the Council has designated \$1,432,085 [2011 - \$1,181,941] to support reserve funds.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2012

12. BUDGET FIGURES

The operating budget approved by Municipal Council for 2012 is reflected on the Statement of Operations and Accumulated Surplus. The budget is established for capital investment in tangible capital assets are 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. The Municipality does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been restated to be comparable with the PSAB reporting reflected in the actual results.

13. CONTINGENCIES

The Province of Ontario's assessment property tax legislation results in some property owners appealing their Current Value Assessment, the outcome of which is uncertain.

14. COMMITMENTS

The Municipality leases certain equipment which expire March, 2014 and June, 2014. The future minimum annual lease and maintenance payments over the next two years are as follows:

	\$
2013	15,504
2014	4,768
	<u>20,272</u>

The Corporation of the Municipality of Shuniah

Schedule 1

Schedule of Accumulated Surplus

Year ended December 31	2012	2011
	\$	\$
Surpluses		
Invested in tangible capital assets	9,635,432	9,018,270
Unfunded		
Landfill closure and post-closure liabilities	(1,333,962)	(952,700)
Total surpluses	8,301,470	8,065,570
Reserves set aside for specific purposes by Council		
For contingencies	395,000	395,000
For land development	20,529	20,529
For planning and development	66,482	66,482
For recreation	3,592	3,592
For road improvements	1,566,096	1,290,096
For roads equipment replacement	241,210	241,210
For working capital	1,597,496	1,337,525
Total reserves	3,890,405	3,354,434
Reserve funds set aside for specific purposes by Council		
For fire department equipment replacement	309,043	214,350
For municipal land for public use	45,409	44,845
For office building replacement	225,088	139,337
For sick leave credits	3,601	8,238
For computerization	21,395	35,944
For landfill contingencies	757,595	674,123
For election	11,995	7,896
For Isku Park	25,027	24,716
For insurance	6,257	6,179
For fire department training	2,132	2,106
For Josh Klukie Memorial Fund	24,543	24,207
Total reserve funds	1,432,085	1,181,941
Accumulated surplus	13,623,960	12,601,945

The Corporation of the Municipality of Shuniah

Schedule of Tangible Capital Assets

Year ended December 31, 2012

Schedule 2

	General			Infrastructure			Total	
	Land \$	Buildings \$	Equipment and Vehicles \$	Roads \$	Bridges and Other Structures \$	Assets Under Construction \$	2011 \$	2012 \$
COST								
Balance, beginning of year	352,688	1,209,013	2,372,667	8,027,118	1,376,574	89,358	13,427,418	12,497,758
Add								
Additions during the year	205,161	389,373	295,348	403,522	-	39,446	1,332,850	1,209,320
Transfers	-	50,000	-	39,358	-	(89,358)	-	-
Less								
Disposals during the year	-	-	35,000	64,391	-	-	99,391	279,660
Balance, end of year	557,849	1,648,386	2,633,015	8,405,607	1,376,574	39,446	14,660,877	13,427,418
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	705,816	1,052,804	2,299,129	351,399	-	4,409,148	3,771,963
Add								
Amortization during the year	-	39,136	123,160	446,570	63,803	-	672,669	736,208
Less								
Accumulated amortization on disposals	-	-	29,400	26,972	-	-	56,372	99,023
Balance, end of year	-	744,952	1,146,564	2,718,727	415,202	-	5,025,445	4,409,148
Net book value	557,849	903,434	1,486,451	5,686,880	961,372	39,446	9,635,432	9,018,270

The Corporation of the Municipality of Shuniah Schedule of Segment Disclosure

Schedule 3

Year ended December 31, 2012

	General Government 2012 \$	2011 \$	Protection to Persons and Property 2012 \$	2011 \$	Transportation Services 2012 \$	2011 \$	Environmental Services 2012 \$	2011 \$	Health Services 2012 \$	2011 \$
Revenues										
Taxation	3,955,286	3,698,630	-	-	-	-	-	-	-	-
Operating grants	1,665,100	1,763,400	109,496	104,280	193,363	-	-	-	-	-
User fees and service charges	-	-	36,729	59,148	-	-	43,265	46,005	-	-
Other municipalities	-	-	40,730	51,809	-	-	-	-	-	-
Other revenues	165,534	245,675	61,106	59,969	390	3,758	-	-	-	-
Interest income - general	52,433	31,547	-	-	-	-	-	-	-	-
Interest income - reserves and reserve funds	14,885	16,407	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	273,178	113,008	-	-	-	-
	5,853,238	5,755,659	248,061	275,206	466,931	116,766	43,265	46,005	-	-
Expenses										
Salaries, wages and employee benefits	513,336	518,024	189,710	186,137	464,787	434,998	69,297	69,156	-	-
Interest on long-term debt	-	-	-	-	-	49	-	-	-	-
Materials	161,058	128,371	281,219	255,620	670,202	492,177	455,990	154,183	-	-
Contracted services	121,701	122,420	8,234	26,020	5,639	7,445	39,076	45,059	-	-
External transfers to others	-	-	567,977	570,758	-	-	-	-	372,942	339,807
Amortization	10,246	1,200	59,767	58,315	587,685	666,129	-	-	-	-
	806,341	770,015	1,106,907	1,096,850	1,728,313	1,600,798	564,363	268,398	372,942	339,807
Net revenue (expense)	5,046,897	4,985,644	(858,846)	(821,644)	(1,261,382)	(1,484,032)	(521,098)	(222,393)	(372,942)	(339,807)

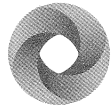
The Corporation of the Municipality of Shuniah

Schedule of Segment Disclosure

Year ended December 31, 2012

Schedule 3 (continued)

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2012	2011	2012	2011	2012	2011	
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Taxation	-	-	-	-	-	-	3,698,630
Operating grants	-	-	-	-	-	-	1,867,680
User fees and service charges	-	-	1,620	2,463	-	-	81,614
Other municipalities	-	-	-	-	-	-	107,616
Other revenues	-	-	-	-	-	-	51,809
Interest income - general	-	-	-	-	9,500	11,025	320,427
Interest income - reserves and reserve funds	-	-	-	-	-	-	31,547
Capital grants	-	-	1,620	2,463	9,500	11,025	6,207,124
Expenses							
Salaries, wages and employee benefits	-	-	27,955	32,881	62,721	57,173	1,298,369
Interest on long-term debt	-	-	-	-	-	-	49
Materials	-	-	33,661	35,853	3,355	1,826	1,068,030
Contracted services	-	-	160	546	4,459	16,402	217,892
External transfers to others	839,433	849,982	-	-	-	-	1,760,547
Amortization	-	-	14,971	10,564	-	-	736,208
	839,433	849,982	76,747	79,844	70,535	75,401	5,081,095
Net revenue (expense)	(839,433)	(849,982)	(75,127)	(77,381)	(61,035)	(64,376)	1,126,029



Independent Auditor's Report

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

We have audited the financial statements of the MacGregor Recreational Association Trust Funds of The Corporation of the Municipality of Shuniah, which comprise the statement of financial position as at December 31, 2012 and the statement of continuity for the year then ended.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the MacGregor Recreational Association Trust Funds of The Corporation of the Municipality of Shuniah as at December 31, 2012 and the continuity of the Trust Funds for the year then ended in accordance with Public sector accounting standards.

Grant Thornton LLP

Thunder Bay, Canada
May 13, 2013

Chartered Accountants
Licensed Public Accountants

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

As at December 31	2012		2011	
	MacGregor Recreational Association Trust Fund \$	Developers' Trust Fund \$	Total \$	Total \$
FINANCIAL ASSETS				
Cash	6,252	56,397	62,649	62,110
FINANCIAL POSITION				
Fund balances	6,252	56,397	62,649	62,110

See accompanying note to the financial statements.

The Corporation of the Municipality of Shuniah
Trust Funds
Statement of Continuity

Year ended December 31			2012	2011
	MacGregor Recreational Association Trust Fund \$	Developers' Trust Fund \$	Total \$	Total \$
Balance, beginning of year	6,190	55,920	62,110	6,190
REVENUES				
Interest earned	62	477	539	420
Contributions	-	-	-	55,500
	62	477	539	55,920
EXPENDITURES				
	-	-	-	-
Balance, end of year	6,252	56,397	62,649	62,110

See accompanying note to the financial statements.

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

December 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Revenues and expenditures are reported on the accrual basis of accounting.

Developers' Trust Fund

The Developers' Trust Fund is made up of the amounts received for the Grann Subdivision.