



Grant Thornton

Financial Statements

The Corporation of the Municipality of Shuniah

December 31, 2015

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 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 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 2015 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.


Paul Greenwood, CAO
Wendy Landry, Mayor

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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, 2015 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, 2015, 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.



Thunder Bay, Canada
October 24, 2016

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Municipality of Shuniah

Statement of Financial Position

As at December 31

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	4,945,673	4,265,305
Investments <i>[note 3]</i>	2,883,279	2,791,012
Taxes receivable	450,730	514,179
Accounts receivable	237,831	162,346
Total financial assets	8,517,513	7,732,842
LIABILITIES		
Accounts payable and accrued liabilities	588,358	439,042
Deferred revenue <i>[note 5]</i>	634,432	455,071
Landfill closure and post-closure liability <i>[note 7]</i>	1,507,633	1,626,343
Total liabilities	2,730,423	2,520,456
NET FINANCIAL ASSETS	5,787,090	5,212,386
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 8] [schedule 2]</i>	9,968,909	9,965,199
Prepaid expenses	1,643	13,295
	9,970,552	9,978,494
Accumulated surplus <i>[schedule 1]</i>	15,757,642	15,190,880

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Statement of Operations and Accumulated Surplus

Year ended December 31

	2015	2015	2014
	Budget	Actual	Actual
	\$	\$	\$
	[note 14]		
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	3,822,257	3,837,393	3,729,394
Commercial and industrial	349,064	349,173	360,085
Taxation from other governments	58,744	58,744	60,384
	4,230,065	4,245,310	4,149,863
User charges			
Other fees and service charges	108,500	82,928	124,807
	4,338,565	4,328,238	4,274,670
Grants			
Government of Canada	200,000	-	200,000
Province of Ontario	1,397,500	1,452,825	1,590,680
Other municipalities	35,000	31,784	47,462
	1,632,500	1,484,609	1,838,142
Other			
Investment income	60,000	68,227	74,216
Penalties and late payment charges	50,000	64,532	66,443
Other	108,850	110,525	148,384
	218,850	243,284	289,043
Total revenues	6,189,915	6,056,131	6,401,855

	2015	2015	2014
	Budget	Actual	Actual
	\$	\$	\$
	[note 14]		
EXPENSES [note 9] [schedule 3]			
General government	922,028	953,600	928,758
Protection to persons and property	1,290,094	1,140,726	1,179,022
Transportation services	1,635,292	1,687,805	1,708,892
Environmental services	210,300	87,342	454,658
Health services	456,841	455,956	460,578
Social and family services	871,488	902,656	846,105
Recreation and cultural services	106,527	135,756	90,762
Planning and development	176,860	124,334	97,335
Total expenses	5,669,430	5,488,175	5,766,110
NET REVENUES BEFORE THE UNDERNOTED ITEMS	520,485	567,956	635,745
Other			
Gain (loss) on disposal of tangible capital assets	-	(1,194)	5,895
Annual surplus	520,485	566,762	641,640
Accumulated surplus, beginning of year	-	15,190,880	14,549,240
Accumulated surplus, end of year	520,485	15,757,642	15,190,880

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	2015	2015	2014
	Budget \$ [note 14]	Actual \$	Actual \$
Annual surplus	520,485	566,762	641,640
Acquisition of tangible capital assets	(1,779,850)	(775,907)	(1,162,647)
Amortization of tangible capital assets	762,003	762,003	749,584
Proceeds from sale of tangible capital assets	-	9,000	32,427
(Gain) loss on disposal of tangible capital assets	-	1,194	(5,895)
Acquisition of prepaid expenses	-	(1,643)	(13,295)
Use of prepaid expenses	-	13,295	10,824
(Decrease) increase in net financial assets	(497,362)	574,704	252,638
Net financial assets, beginning of year	5,212,386	5,212,386	4,959,748
Net financial assets, end of year	4,715,024	5,787,090	5,212,386

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Statement of Cash Flows

Year ended December 31	2015	2014
	\$	\$
OPERATIONS		
Annual surplus	566,762	641,640
Non-cash charges		
Amortization of tangible capital assets	762,003	749,584
Increase (decrease) in landfill closure and post-closure liabilities	(118,710)	267,097
Loss (gain) on disposal of tangible capital assets	1,194	(5,895)
	1,211,249	1,652,426
Net change in non-cash working capital balances		
Decrease in taxes receivable	63,449	175
Decrease (increase) in accounts receivable	(75,485)	63,716
Increase (decrease) in accounts payable and accrued liabilities	149,316	(54,626)
Increase (decrease) in deferred revenue	179,361	(18,285)
Decrease (increase) in prepaid expenses	11,652	(2,471)
Cash provided by operating transactions	1,539,542	1,640,935
CAPITAL		
Acquisition of tangible capital assets	(775,907)	(1,162,647)
Proceeds from sale of tangible capital assets	9,000	32,427
Cash used in capital transactions	(766,907)	(1,130,220)
INVESTING		
Increase in investments	(92,267)	(37,041)
Cash used in investing transactions	(92,267)	(37,041)
Increase in cash and cash equivalents	680,368	473,674
Opening cash and cash equivalents	4,265,305	3,791,631
Closing cash and cash equivalents	4,945,673	4,265,305

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2015

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 CPA Canada. 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.

Local boards

The financial activities of certain entities associated with the Municipality are not consolidated. The Municipality's contributions 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

Trust funds

Certain assets have been conveyed or assigned to the Municipality to be administered as directed by agreement or statute. The Municipality holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries, as a result, the trust funds and assets are excluded from their financial statements.

Accounting for school board transactions

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

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2015

[b] Basis of accounting

Accrual accounting

The Municipality uses the accrual basis of accounting which recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent. It recognizes a liability until the obligation or conditions underlying the liability is partly or wholly satisfied and recognizes an asset until the future economic benefit underlying the asset is partly or wholly used or lost.

Cash and cash equivalents

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

Investments

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

The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer defined benefit plan, as a defined contribution plan. 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 less accumulated amortization and write-downs, if any. Costs include 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 other structures	20 to 50 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.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2015

[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 to the Municipality are accounted for as the acquisition of a capital asset and the incurrence of an obligation. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Reserves and reserve funds

Council segregates its surplus into various categories including reserves and reserve funds which are specifically for future operating and capital purposes.

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.

Revenue

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.

Funds received, other than government transfers and tax revenue, for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the 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.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2015

Government transfers

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

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

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include 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.

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.

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 estimate inflation and is charged to expenses as the landfill site's capacity is used.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2015

Change in accounting policy

On January 1, 2015, the Municipality adopted Public Sector Accounting Standards Section 3260 "Liability for Contaminated Sites". This new standard establishes the recognition, measurement and disclosure requirements for reporting liabilities associated with remediation of contaminated sites. The Municipalities' adoption of this new standard has not resulted in any significant change in liability recognition.

2. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$6,483 [2014 - \$63,769] 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 0.5% - 0.85%, maturing April and December 2016. 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 [2014 - \$732,000] for which the Municipality has provided a borrowing by-law as security, of which \$nil [2014 - \$nil] was borrowed at year-end. The Municipality cannot exceed borrowings of \$750,000 of the aggregate of temporary loans and long-term loans.

5. DEFERRED REVENUE

The continuity of deferred revenue is as follows:

	Government Transfer \$	Other \$	Total 2015 \$	Total 2014 \$
Balance, beginning of year	341,511	113,560	455,071	473,356
Investment income	4,167	692	4,859	4,939
Amounts deferred during the year	158,502	16,000	174,502	176,776
Net contributions to operations	-	-	-	(200,000)
Balance, end of year	504,180	130,252	634,432	455,071

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2015

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 2015 was \$81,616 [2014 - \$92,189] 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 3.33% for a 25-year term and 3.44% for a 30-year term. The change in the recorded liability is (\$118,710) [2014 - \$267,097] based on a total estimated undiscounted outflow in the future of \$2,476,834 [2014 - \$2,614,788], leaving an amount to be recognized in the future of \$969,201 [2014 - \$988,445] 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 \$1,010,815 [2014 - \$925,906] has been provided to fund this liability and future landfill expansion (Schedule 1). The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

The estimated remaining life of the McTavish site is approximately 16 years and the estimated capacity remaining is 7,792 cubic metres. The estimated remaining life of the MacGregor site is approximately 8 years and the estimated capacity remaining is 29,456 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 2015 [2014 - \$nil].

Interest capitalized during 2015 was \$nil [2014 - \$nil].

There were no contributed tangible capital assets in 2015 [2014 - \$nil].

Certain assets were recorded at a nominal value on adoption of tangible capital assets due to the difficulty in determining an appropriate value. This includes 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 roll at the Municipal incorporation date at date of purchase where available. Land purchased after 2007 is recorded at cost.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2015

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.

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.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2015

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.

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).

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2015

10. RESERVES AND RESERVE FUNDS

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

	2015 \$	2014 \$
Reserves		
Balance, beginning of year	5,081,833	4,743,451
Revenues		
Contributions from operations	543,208	719,637
Expenses		
Contributions to operations	(403,361)	(381,255)
Balance, end of year	5,221,680	5,081,833
Reserve funds		
Balance, beginning of year	1,770,191	1,586,367
Revenues		
Contributions from operations	731,000	150,000
Contributions from capital operations	4,000	20,600
Interest earned	19,495	17,886
	754,495	188,486
Expenses		
Contributions to operations	(450,000)	(4,662)
Balance, end of year	2,074,686	1,770,191

11. DESIGNATED ASSETS

Of the financial assets reported on the Statement of Financial Position, the Council has designated \$2,074,686 [2014 - \$1,770,191] to support reserve funds.

12. CONTINGENCIES

The Municipality is subject to legal proceedings and claims from time to time, which arise in the normal course of business for which the amount of settlement, if any, is indeterminable at this time. The settlement, if any, will be expensed in the financial statements at the time of settlement.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2015

13. COMMITMENTS

The Municipality leases certain equipment which expires February, 2020. The future minimum annual lease and maintenance payments over the next five years are as follows:

	\$
2016	2,906
2017	2,906
2018	2,906
2019	2,906
2020	484
	<u>12,108</u>

14. BUDGET FIGURES

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the 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 2015 Budget \$	PSAB Adjustment \$	PSAB Adjusted Budget \$
Revenue	7,051,277	(861,362)	6,189,915
Expenses	7,051,277	(1,381,847)	5,669,430
Annual surplus	-	520,485	520,485
Less:			
Acquisition of tangible capital assets	-	(1,779,850)	(1,779,850)
Contributions to reserve	364,000	(364,000)	-
Add:			
Amortization	-	762,003	762,003
Contributions from reserves	(861,362)	861,362	-
	<u>(497,362)</u>	<u>(520,485)</u>	<u>(1,017,847)</u>
Decrease in net financial assets	<u>(497,362)</u>	-	<u>(497,362)</u>

The Corporation of the Municipality of Shuniah

Schedule 1

Schedule of Accumulated Surplus

Year ended December 31	2015	2014
	\$	\$
Surpluses		
Invested in tangible capital assets	9,968,909	9,965,199
Unfunded		
Landfill closure and post-closure liabilities	(1,507,633)	(1,626,343)
Total surpluses	8,461,276	8,338,856
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	96,482	86,482
For recreation	3,592	3,592
For road improvements	1,879,597	1,908,096
For roads equipment replacement	521,210	521,210
For working capital	2,175,270	2,016,924
For municipal office building	-	130,000
For future health benefit assistance	130,000	-
Total reserves	5,221,680	5,081,833
Reserve funds set aside for specific purposes by Council		
For fire department equipment replacement	591,456	470,421
For municipal land for public use	46,953	46,456
For office building replacement	207,742	230,277
For sick leave credits	3,723	3,684
For computerization	137,123	21,889
For landfill contingencies	1,010,815	925,906
For election	15,780	11,655
For Isku Park	25,878	25,604
For insurance	6,470	6,401
For fire department training	2,205	2,181
For Josh Klukie Memorial Fund	26,541	25,717
Total reserve funds	2,074,686	1,770,191
Accumulated surplus	15,757,642	15,190,880

The Corporation of the Municipality of Shuniah

Schedule of Tangible Capital Assets

Schedule 2

Year ended December 31, 2015

	General		Equipment and Vehicles		Roads		Infrastructure Bridges and Other Structures		Assets Under Construction		Total	
	Land \$	Buildings \$									2015 \$	2014 \$
COST												
Balance, beginning of year	557,849	2,059,566	2,738,636	8,974,816	1,376,574	125,135	15,832,576	15,139,419				
Add												
Additions during the year	-	-	233,870	229,312	57,194	255,531	775,907	1,162,647				
Less												
Disposals during the year	-	-	42,816	37,500	-	-	80,316	469,490				
Balance, end of year	557,849	2,059,566	2,929,690	9,166,628	1,433,768	380,666	16,528,167	15,832,576				
ACCUMULATED AMORTIZATION												
Balance, beginning of year	-	855,908	980,102	3,488,559	542,808	-	5,867,377	5,560,751				
Add												
Amortization during the year	-	68,212	142,105	486,930	64,756	-	762,003	749,584				
Less												
Accumulated amortization on disposals	-	-	32,622	37,500	-	-	70,122	442,958				
Balance, end of year	-	924,120	1,089,585	3,937,989	607,564	-	6,559,258	5,867,377				
Net book value	557,849	1,135,446	1,840,105	5,228,639	826,204	380,666	9,968,909	9,965,199				

The Corporation of the Municipality of Shuniah

Schedule of Segment Disclosure

Schedule 3

Year ended December 31, 2015

	General Government		Protection to		Transportation		Environmental		Health Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	4,245,310	4,149,863	-	-	-	-	-	-	-	-
Operating grants	1,330,000	1,477,700	97,825	92,229	-	-	-	-	-	-
User fees and service charges	-	-	37,133	86,142	-	-	43,400	36,965	-	-
Other municipalities	-	-	31,784	47,462	-	-	-	-	-	-
Other revenues	113,694	133,214	52,862	72,513	-	-	-	-	-	-
Interest income - general	43,872	56,653	-	-	-	-	-	-	-	-
Interest income - reserves and reserve funds	24,355	17,563	-	-	-	-	-	-	-	-
Capital grants	25,000	20,751	-	-	-	200,000	-	-	-	-
	5,782,231	5,855,744	219,604	298,346	-	200,000	43,400	36,965	-	-
Expenses										
Salaries, wages and employee benefits	576,156	543,776	231,102	225,142	509,997	498,128	74,561	74,081	-	-
Materials	211,589	168,986	284,584	272,206	530,358	580,348	(14,012)	347,698	-	-
Contracted services	136,312	194,047	3,497	1,312	-	-	26,793	32,879	-	-
External transfers to others	-	-	555,910	602,520	-	-	-	-	455,956	460,578
Amortization	29,543	21,949	65,633	77,842	647,450	630,416	-	-	-	-
	953,600	928,758	1,140,726	1,179,022	1,687,805	1,708,892	87,342	454,658	455,956	460,578
Net revenues (expenses) before under noted item	4,828,631	4,926,986	(921,122)	(880,676)	(1,687,805)	(1,508,892)	(43,942)	(417,693)	(455,956)	(460,578)
Gain (loss) on disposal of tangible capital assets	(1,194)	5,895	-	-	-	-	-	-	-	-
Annual surplus (deficit)	4,827,437	4,932,881	(921,122)	(880,676)	(1,687,805)	(1,508,892)	(43,942)	(417,693)	(455,956)	(460,578)

Schedule 3 (continued)

The Corporation of the Municipality of Shuniah Schedule of Segment Disclosure

Year ended December 31, 2015

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total
	2015	2014	2015	2014	2015	2014	
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Taxation	-	-	-	-	-	-	4,149,863
Operating grants	-	-	-	-	-	-	1,569,929
User fees and service charges	-	-	2,396	1,700	-	-	124,807
Other municipalities	-	-	-	-	-	-	47,462
Other revenues	-	-	-	-	8,500	9,100	214,827
Interest income - general	-	-	-	-	-	-	56,653
Interest income - reserves and reserve funds	-	-	-	-	-	-	17,563
Capital grants	-	-	2,396	1,700	8,500	9,100	220,751
							6,401,855
Expenses							
Salaries, wages and employee benefits	-	-	39,131	34,751	78,914	64,681	1,440,559
Materials	-	-	77,048	36,409	2,537	2,764	1,408,411
Contracted services	-	-	200	225	42,883	29,890	258,353
External transfers to others	902,656	846,105	-	-	-	-	1,909,203
Amortization	-	-	19,377	19,377	-	-	749,584
	902,656	846,105	135,756	90,762	124,334	97,335	5,766,110
Net revenues (expenses) before under noted item	(902,656)	(846,105)	(133,360)	(89,062)	(115,834)	(88,235)	635,745
Gain (loss) on disposal of tangible capital assets	-	-	-	-	-	-	5,895
Annual surplus (deficit)	(902,656)	(846,105)	(133,360)	(89,062)	(115,834)	(88,235)	641,640

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, 2015 and the statements of continuity 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 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, 2015 and the continuity and cash flows of the Trust Funds for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Thunder Bay, Canada
October 24, 2016

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Municipality of Shuniah Trust Funds

Statement of Financial Position

As at December 31

			2015	2014
	MacGregor Recreational Association Trust Fund \$	Developers' Trust Fund \$	Total \$	Total \$
FINANCIAL ASSETS				
Cash	6,483	-	6,483	63,769
FINANCIAL POSITION				
Fund balances	6,483	-	6,483	63,769

See accompanying note to the financial statements.

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

Year ended December 31

		2015	2014
	MacGregor Recreational Association Trust Fund \$	Developers' Trust Fund \$	Total \$
Balance, beginning of year	6,379	57,390	63,769
REVENUES			
Interest earned	104	-	104
EXPENSES	-	57,390	57,390
Excess (shortfall) of revenues over expenses for the year	104	(57,390)	(57,286)
Balance, end of year	6,483	-	6,483

See accompanying note to the financial statements.

The Corporation of the Municipality of Shuniah
Trust Funds
Statement of Cash Flows

Year ended December 31	2015	2014
	\$	\$
OPERATING ACTIVITIES		
Excess (shortfall) of revenues over expenses for the year	(57,286)	525
Increase (decrease) in cash during year	(57,286)	525
Cash, beginning of year	63,769	63,244
Cash, end of year	6,483	63,769

See accompanying note to the financial statements.

**The Corporation of the Municipality of Shuniah
Trust Funds**

Note to the Financial Statements

December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

Developers' Trust Fund

The Developers' Trust Fund was made up of the amounts received for the Grann Subdivision and during the current year the project was completed.