



Financial Statements

The Corporation of the Municipality of Shuniah

December 31, 2017

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 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 2017 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 auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



Wendy Landry, Mayor



Paul Greenwood, CAO

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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, 2017 and the statements of operations and accumulated surplus, changes 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, 2017, 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 8, 2018

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Municipality of Shuniah

Statement of Financial Position

As at December 31	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	7,293,381	5,163,613
Investments <i>[note 3]</i>	1,613,804	2,912,458
Taxes receivable	591,825	522,270
Accounts receivable	138,514	218,980
Total financial assets	9,637,524	8,817,321
LIABILITIES		
Accounts payable and accrued liabilities	590,201	443,509
Deferred revenue <i>[note 5]</i>	468,068	554,026
Landfill closure and post-closure liability <i>[note 7]</i>	1,654,319	1,553,441
Total liabilities	2,712,588	2,550,976
NET FINANCIAL ASSETS	6,924,936	6,266,345
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 8] [schedule 2]</i>	9,688,973	9,879,749
Prepaid expenses	13,382	24,675
	9,702,355	9,904,424
Accumulated surplus <i>[schedule 1]</i>	16,627,291	16,170,769

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Statement of Operations and Accumulated Surplus

Year ended December 31	2017	2017	2016
	Budget	Actual	Actual
	\$	\$	\$
	[note 14]		
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	3,997,783	4,055,588	3,932,197
Commercial and industrial	354,719	355,576	354,578
Taxation from other governments	62,123	62,100	60,334
	4,414,625	4,473,264	4,347,109
User charges			
Other fees and service charges	159,500	95,023	143,754
	4,574,125	4,568,287	4,490,863
Grants			
Government of Canada	300,000	325,000	250,000
Province of Ontario	1,217,300	1,224,535	1,320,262
Other municipalities	20,000	47,641	27,353
	1,537,300	1,597,176	1,597,615
Other			
Investment income	60,000	93,953	64,602
Penalties and late payment charges	50,000	66,125	62,484
Other	52,300	79,017	93,318
	162,300	239,095	220,404
Total revenues	6,273,725	6,404,558	6,308,882
EXPENSES [note 9] [schedule 3]			
General government	911,318	852,471	874,111
Protection to persons and property	1,435,779	1,361,579	1,367,456
Transportation services	1,960,737	1,764,750	1,832,907
Environmental services	198,200	280,339	216,592
Health services	497,000	525,730	493,417
Social and family services	880,000	875,136	869,542
Recreation and cultural services	131,677	117,298	119,810
Planning and development	255,356	170,733	116,306
Total expenses	6,270,067	5,948,036	5,890,141
NET REVENUES BEFORE THE UNDERNOTED ITEM	3,658	456,522	418,741
Loss on on disposal of tangible capital assets	(200)	-	(5,614)
Annual surplus	3,458	456,522	413,127
Accumulated surplus, beginning of year	-	16,170,769	15,757,642
Accumulated surplus, end of year	3,458	16,627,291	16,170,769

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah Statement of Changes in Net Financial Assets

Year ended December 31	2017	2017	2016
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 14]</i>		
Annual surplus	3,458	456,522	413,127
Acquisition of tangible capital assets	(1,922,500)	(524,409)	(728,159)
Amortization of tangible capital assets	715,185	715,185	811,705
Loss on disposal of tangible capital assets	200	-	5,614
Acquisition of prepaid expenses	-	(13,382)	(24,675)
Use of prepaid expenses	-	24,675	1,643
(Decrease) increase in net financial assets	(1,203,657)	658,591	479,255
Net financial assets, beginning of year	6,266,345	6,266,345	5,787,090
Net financial assets, end of year	5,062,688	6,924,936	6,266,345

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Statement of Cash Flows

Year ended December 31	2017	2016
	\$	\$
OPERATIONS		
Annual surplus	456,522	413,127
Non-cash charges		
Amortization of tangible capital assets	715,185	811,705
Increase in landfill closure and post-closure liabilities	100,878	45,808
Loss on disposal of tangible capital assets	-	5,614
	1,272,585	1,276,254
Net change in non-cash working capital balances		
Increase in taxes receivable	(69,555)	(71,540)
Decrease in accounts receivable	80,466	18,851
Increase (decrease) in accounts payable and accrued liabilities	146,692	(144,849)
Decrease in deferred revenue	(85,958)	(80,406)
Decrease (increase) in prepaid expenses	11,293	(23,032)
Cash provided by operating transactions	1,355,523	975,278
CAPITAL		
Acquisition of tangible capital assets	(524,409)	(728,159)
Cash used in capital transactions	(524,409)	(728,159)
INVESTING		
Decrease (increase) in investments	1,298,654	(29,179)
Cash provided by (used in) investing transactions	1,298,654	(29,179)
Increase in cash and cash equivalents	2,129,768	217,940
Opening cash and cash equivalents	5,163,613	4,945,673
Closing cash and cash equivalents	7,293,381	5,163,613

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2017

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, 2017

[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, 2017

[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, 2017

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, 2017

2. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$6,543 [2016 - \$6,483] 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 1.015%, maturing April, 2018. 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 [2016 - \$732,000] for which the Municipality has provided a borrowing by-law as security, of which \$nil [2016 - \$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 2017	Total 2016
	\$	\$	\$	\$
Balance, beginning of year	424,728	129,298	554,026	634,432
Investment income	4,674	145	4,819	4,517
Amounts deferred during the year	169,373	(1,650)	167,723	173,077
Net contributions to operations	-	41,500	41,500	(8,000)
Gas Tax revenue earned	(300,000)	-	(300,000)	(250,000)
Balance, end of year	298,775	169,293	468,068	554,026

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2017

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 2017 was \$92,459 [2016 - \$81,787] 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 3.45%. The change in the recorded liability is \$100,878 [2016 - \$45,808] based on a total estimated undiscounted outflow in the future of \$2,409,299 [2016 - \$2,420,572], leaving an amount to be recognized in the future of \$754,980 [2016 - \$867,131] 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 \$1,182,941 [2016 - \$1,094,521] 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 14 years and the estimated capacity remaining is 4,656 cubic metres. The estimated remaining life of the MacGregor site is approximately 6 years and the estimated capacity remaining is 19,609 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 2017 [2016 - \$nil].

Interest capitalized during 2017 was \$nil [2016 - \$nil].

There were no contributed tangible capital assets in 2017 [2016 - \$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, 2017

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, 2017

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, 2017

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:

	2017 \$	2016 \$
Reserves		
Balance, beginning of year	5,450,746	5,221,680
Revenues		
Contributions from operations	1,022,749	649,652
Expenses		
Contributions to operations	(557,857)	(420,586)
Balance, end of year	5,915,638	5,450,746
Reserve funds		
Balance, beginning of year	2,393,715	2,074,686
Revenues		
Contributions from operations	254,000	304,000
Interest earned	29,284	15,029
	283,284	319,029
Balance, end of year	2,676,999	2,393,715

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2017

11. DESIGNATED ASSETS

Of the financial assets reported on the Statement of Financial Position, the Council has designated \$2,676,999 [2016 - \$2,393,715] 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.

13. COMMITMENTS

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

	\$
2018	2,373
2019	2,373
2020	396
	<hr/> 5,142

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2017

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 (Deficit) has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements:

	Approved Fiscal Plan \$	Adjustments \$	Fiscal Plan per Financial Statements \$
Revenues			
Taxation	4,414,625	-	4,414,625
User charges	159,500	-	159,500
Government transfers	1,537,300	-	1,537,300
Other	1,730,657	(1,568,357)	162,300
	<u>7,842,082</u>	<u>(1,568,357)</u>	<u>6,273,725</u>
Loss on disposal of tangible capital assets	-	(200)	(200)
	<u>7,842,082</u>	<u>(1,568,557)</u>	<u>6,273,525</u>
Expenses			
General government	965,964	(54,646)	911,318
Protection to persons and property	1,986,812	(551,033)	1,435,779
Transportation services	2,745,950	(785,213)	1,960,737
Environmental services	363,200	(165,000)	198,200
Health services	497,000	-	497,000
Social and family services	880,000	-	880,000
Recreation and cultural services	162,300	(30,623)	131,677
Planning and development	240,856	14,500	255,356
	<u>7,842,082</u>	<u>(1,572,015)</u>	<u>6,270,067</u>
Annual surplus	-	3,458	3,458
Interfund transfers	(1,203,857)	(1,203,857)	
Capital items	1,922,500	1,922,500	
Amortization	-	(715,185)	
	<u>718,643</u>	<u>3,458</u>	

15. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2017 financial statements.

The Corporation of the Municipality of Shuniah

Schedule 1

Schedule of Accumulated Surplus

Year ended December 31	2017	2016
	\$	\$
Surpluses		
Invested in tangible capital assets	9,688,973	9,879,749
Unfunded		
Landfill closure and post-closure liabilities	(1,654,319)	(1,553,441)
Total surpluses	8,034,654	8,326,308
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	116,482	106,482
For recreation	43,592	43,592
For road improvements	2,674,597	1,924,597
For roads equipment replacement	761,210	521,210
For working capital	1,774,228	2,309,336
For future health benefit assistance	130,000	130,000
Total reserves	5,915,638	5,450,746
Reserve funds set aside for specific purposes by Council		
For fire department equipment replacement	1,003,643	818,392
For municipal land for public use	47,872	47,329
For office building replacement	211,810	209,407
For sick leave credits	3,796	3,753
For computerization	139,808	138,222
For landfill contingencies	1,182,941	1,094,521
For election	24,213	19,938
For Isku Park	26,385	26,086
For insurance	6,596	6,521
For fire department training	2,248	2,222
For Josh Klukie Memorial Fund	27,687	27,324
Total reserve funds	2,676,999	2,393,715
Accumulated surplus	16,627,291	16,170,769

The Corporation of the Municipality of Shuniah
Schedule of Tangible Capital Assets

Schedule 2

Year ended December 31, 2017

	General			Infrastructure			Total	
	Land \$	Buildings \$	Equipment and Vehicles \$	Roads \$	Bridges and Other Structures \$	Assets Under Construction \$	2017 \$	2016 \$
COST								
Balance, beginning of year	557,654	2,098,826	3,126,845	9,481,625	1,965,234	-	17,230,184	16,528,167
Add								
Additions during the year	86,382	-	15,351	294,230	107,646	20,800	524,409	728,159
Transfers	60,000	(60,000)	-	-	-	-	-	-
Adjustments	-	217,882	-	-	-	-	217,882	30,000
Less								
Disposals during the year	-	-	36,000	-	-	-	36,000	56,142
Balance, end of year	704,036	2,256,708	3,106,196	9,775,855	2,072,880	20,800	17,936,475	17,230,184
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	993,320	1,232,061	4,357,848	767,206	-	7,350,435	6,559,258
Add								
Amortization during the year	-	68,976	147,303	462,074	90,832	-	769,185	811,705
Transfers	-	(54,000)	-	-	-	-	(54,000)	-
Adjustments	-	217,882	-	-	-	-	217,882	30,000
Less								
Accumulated amortization on disposals	-	-	36,000	-	-	-	36,000	50,528
Balance, end of year	-	1,226,178	1,343,364	4,819,922	858,038	-	8,247,502	7,350,435
Net book value, beginning of year	557,654	1,105,506	1,894,784	5,123,777	1,198,028	-	9,879,749	9,968,909
Net book value, end of year	704,036	1,030,530	1,762,832	4,955,933	1,214,842	20,800	9,688,973	9,879,749

The Corporation of the Municipality of Shuniah
Schedule of Segment Disclosure

Schedule 3

Year ended December 31, 2017

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	4,473,264	4,347,109	-	-	-	-	-	-	-	-
Operating grants	1,156,650	1,227,400	76,256	77,862	16,629	-	-	-	-	-
User fees and service charges	-	-	50,518	109,579	-	-	37,010	33,240	-	-
Other municipalities	-	-	47,641	27,353	-	-	-	-	-	-
Other revenues	99,888	94,462	6,860	6,826	-	-	26,815	34,098	-	-
Interest income - general	72,679	49,573	-	-	-	-	-	-	-	-
Interest income - reserves and reserve funds	21,274	15,029	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	300,000	250,000	-	-	-	-
	5,823,755	5,733,573	181,275	221,620	316,629	250,000	63,825	67,338	-	-
Expenses										
Salaries, wages and employee benefits	552,098	510,863	228,997	219,756	538,440	486,739	77,551	72,930	-	-
Materials	202,557	207,126	178,011	230,506	523,364	607,491	152,118	93,217	-	-
Contracted services	123,462	126,568	94,912	79,902	45,459	43,869	50,670	50,445	-	-
External transfers to others	-	-	795,692	769,326	-	-	-	-	525,730	493,417
Amortization	(25,646)	29,554	63,967	67,966	657,487	694,808	-	-	-	-
	852,471	874,111	1,361,579	1,367,456	1,764,750	1,832,907	280,339	216,592	525,730	493,417
Net revenues (expenses) before under noted item	4,971,284	4,859,462	(1,180,304)	(1,145,836)	(1,448,121)	(1,582,907)	(216,514)	(149,254)	(525,730)	(493,417)
Loss on disposal of tangible capital assets	-	-	-	-	-	(5,614)	-	-	-	-
Annual surplus (deficit)	4,971,284	4,859,462	(1,180,304)	(1,145,836)	(1,448,121)	(1,588,521)	(216,514)	(149,254)	(525,730)	(493,417)

The Corporation of the Municipality of Shuniah
Schedule of Segment Disclosure

Schedule 3 (continued)

Year ended December 31, 2017

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Taxation	-	-	-	-	-	-	4,473,264	4,347,109
Operating grants	-	-	-	15,000	-	-	1,249,535	1,320,262
User fees and service charges	-	-	7,495	935	-	-	95,023	143,754
Other municipalities	-	-	-	-	-	-	47,641	27,353
Other revenues	-	-	579	9,116	11,000	11,300	145,142	155,802
Interest income - general	-	-	-	-	-	-	72,679	49,573
Interest income - reserves and reserve funds	-	-	-	-	-	-	21,274	15,029
Capital grants	-	-	-	-	-	-	300,000	250,000
	-	-	8,074	25,051	11,000	11,300	6,404,558	6,308,882
Expenses								
Salaries, wages and employee benefits	-	-	34,327	42,392	83,487	56,795	1,514,900	1,389,475
Materials	-	-	57,077	44,927	7,581	2,882	1,120,708	1,186,149
Contracted services	-	-	6,517	13,114	79,665	56,629	400,685	370,527
External transfers to others	875,136	869,542	-	-	-	-	2,196,558	2,132,285
Amortization	-	-	19,377	19,377	-	-	715,185	811,705
	875,136	869,542	117,298	119,810	170,733	116,306	5,948,036	5,890,141
Net revenues (expenses) before under noted item	(875,136)	(869,542)	(109,224)	(94,759)	(159,733)	(105,006)	456,522	418,741
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	(5,614)
Annual surplus (deficit)	(875,136)	(869,542)	(109,224)	(94,759)	(159,733)	(105,006)	456,522	413,127

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, 2017 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, 2017 and the continuity and cash flows of the Trust Funds for the year then ended in accordance with Canadian public sector accounting standards.



Thunder Bay, Canada
May 8, 2018

Chartered Professional Accountants
Licensed Public Accountants

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

As at December 31

		2017	2016
	MacGregor Recreational Association Trust Fund	Total	Total
	\$	\$	\$
FINANCIAL ASSETS			
Cash	6,543	6,543	6,483
FINANCIAL POSITION			
Fund balances	6,543	6,543	6,483

See accompanying note to the financial statements.

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

Year ended December 31	2017		2016
	MacGregor Recreational Association Trust Fund	Total	Total
	\$	\$	\$
Balance, beginning of year	6,483	6,483	6,483
REVENUES			
Interest earned	60	60	45
EXPENSES			
Contributions to operating	-	-	45
Excess of revenues over expenses for the year	60	60	-
Balance, end of year	6,543	6,543	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	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	60	-
Increase in cash during year	60	-
Cash, beginning of year	6,483	6,483
Cash, end of year	6,543	6,483

See accompanying note to the financial statements.

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

December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICY

Basis of accounting

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