



Financial Statements

The Corporation of the Municipality of Shuniah

December 31, 2022

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 2022 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.



Paul Greenwood, CAO



Susan Moore, Treasurer/Deputy Clerk

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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

Opinion

We have audited the financial statements of The Corporation of the Municipality of Shuniah (“the Municipality”), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the Municipality of Shuniah as at December 31, 2022, and its results of operations, its changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Thunder Bay, Canada
May 9, 2023

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Municipality of Shuniah Statement of Financial Position

As at December 31	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	3,885,422	4,668,428
Investments <i>[note 2]</i>	7,468,200	5,847,529
Taxes receivable	623,424	662,657
Accounts receivable	243,997	287,565
Total financial assets	12,221,043	11,466,179
LIABILITIES		
Accounts payable and accrued liabilities	675,893	564,604
Deferred revenue <i>[note 4]</i>	1,280,033	983,207
Vested sick leave liability <i>[note 5]</i>	128,482	123,825
Landfill closure and post-closure liability <i>[note 7]</i>	969,447	1,833,059
Total liabilities	3,053,855	3,504,695
NET FINANCIAL ASSETS	9,167,188	7,961,484
NON-FINANCIAL ASSETS		
Tangible capital assets <i>[note 8] [schedule 2]</i>	10,570,749	10,629,743
Prepaid expenses	24,385	31,527
	10,595,134	10,661,270
Accumulated surplus <i>[schedule 1]</i>	19,762,322	18,622,754

See accompanying notes to the financial statements.

On behalf of the Municipality:

Mayor



Councillor



The Corporation of the Municipality of Shuniah

Statement of Operations and Accumulated Surplus

Year ended December 31	2022	2022	2021
	Budget	Actual	Actual
	\$	\$	\$
	[note 13]		
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	4,806,574	4,855,050	4,686,354
Commercial and industrial	369,812	369,929	370,477
Taxation from other governments	66,782	66,666	68,151
	5,243,168	5,291,645	5,124,982
User charges			
Other fees and service charges	131,500	200,899	189,280
	5,374,668	5,492,544	5,314,262
Government transfers			
Government of Canada	720,000	148,728	54,315
Province of Ontario	1,344,492	1,088,955	1,305,407
Other municipalities	20,000	11,602	573
	2,084,492	1,249,285	1,360,295
Other			
Investment income	75,000	206,354	64,997
Penalties and late payment charges	50,000	80,925	69,926
Other	177,200	261,025	192,019
	302,200	548,304	326,942
Total revenues	7,761,360	7,290,133	7,001,499
EXPENSES [note 9] [schedule 3]			
General government	1,167,515	1,160,306	1,077,443
Protection to persons and property	1,512,910	1,468,170	1,414,263
Transportation services	2,054,200	2,068,239	1,779,597
Environmental services	302,723	(541,870)	180,800
Health services	718,164	768,882	708,115
Social and family services	926,021	933,837	909,487
Recreation and cultural services	181,090	162,788	172,877
Planning and development	146,900	130,213	69,290
Total expenses	7,009,523	6,150,565	6,311,872
NET REVENUES BEFORE THE UNDERNOTED ITEM	751,837	1,139,568	689,627
Loss on on disposal of tangible capital assets	-	-	(15,837)
Annual surplus	751,837	1,139,568	673,790
Accumulated surplus, beginning of year	18,622,754	18,622,754	17,948,964
Accumulated surplus, end of year	19,374,591	19,762,322	18,622,754

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	2022	2022	2021
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 13]</i>		
Annual surplus	751,837	1,139,568	673,790
Acquisition of tangible capital assets	(1,855,564)	(765,848)	(668,358)
Amortization of tangible capital assets	824,842	824,842	791,742
Proceeds from sale of tangible capital assets	-	-	2,650
Loss on disposal of tangible capital assets	-	-	15,837
Acquisition of prepaid expenses	-	(24,385)	(31,527)
Use of prepaid expenses	-	31,527	12,726
Increase (decrease) in net financial assets	(278,885)	1,205,704	796,860
Net financial assets, beginning of year	7,961,484	7,961,484	7,164,624
Net financial assets, end of year	7,682,599	9,167,188	7,961,484

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Statement of Cash Flows

Year ended December 31	2022	2021
	\$	\$
OPERATIONS		
Annual surplus	1,139,568	673,790
Non-cash charges		
Amortization of tangible capital assets	824,842	791,742
Increase (decrease) in landfill closure and post-closure liabilities	(863,612)	(98,533)
Increase in vested sick leave liability	4,657	7,316
Loss on disposal of tangible capital assets	-	15,837
	1,105,455	1,390,152
Net change in non-cash working capital balances		
Decrease (increase) in taxes receivable	39,233	(16,773)
Decrease (increase) in accounts receivable	43,568	(95,930)
Increase (decrease) in accounts payable and accrued liabilities	111,289	(28,404)
Increase in deferred revenue	296,826	256,901
Decrease (increase) in prepaid expenses	7,142	(18,801)
Cash provided by operating transactions	1,603,513	1,487,145
CAPITAL		
Acquisition of tangible capital assets	(765,848)	(668,358)
Proceeds from sale of tangible capital assets	-	2,650
Cash used in capital transactions	(765,848)	(665,708)
INVESTING		
Increase in investments	(1,620,671)	(33,988)
Cash used in investing transactions	(1,620,671)	(33,988)
Increase in cash and cash equivalents	(783,006)	787,449
Opening cash and cash equivalents	4,668,428	3,880,979
Closing cash and cash equivalents	3,885,422	4,668,428

See accompanying notes to the financial statements.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2022

GENERAL

The Corporation of the Municipality of Shuniah (the "Municipality") 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

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, 2022

[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	15 to 40 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, 2022

[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.

[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 at the present value of minimum future lease payments. 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.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2022

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.

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.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2022

Taxation revenue

Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Municipality based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenue is initially recorded at the time assessment information is received from MPAC and is subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Municipality is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are 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 estimated inflation and is charged to expenses as the landfill site's capacity is used.

2. INVESTMENTS

Investments consist of a high interest savings account, deposits in Money Market, Bond Funds, and five Guaranteed Investment Certificates carrying interest between 1.4% and 4.86%, maturing between Jan 2023 and Apr 2026. The carrying value of these investments reported on the Statement of Financial Position closely reflects fair market value.

3. TEMPORARY LOANS

The Municipality cannot exceed borrowings of \$500,000 of the aggregate of temporary and long-term loans.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2022

4. DEFERRED REVENUE

	2022	2021
	\$	\$
Obligatory reserve funds		
OCIF	15,729	-
Federal Gas Tax	937,311	840,742
Parkland	145,122	142,465
NORDS	131,871	-
General deferred revenue		
Hydro One	25,000	-
TransCanada Pipeline	10,000	-
Resolute	15,000	-
	1,280,033	983,207

The continuity of deferred revenue is as follows:

	Government Transfer	Other	Total 2022	Total 2021
	\$	\$	\$	\$
Balance, beginning of year	840,742	142,465	983,207	726,306
Investment income	19,278	2,657	21,935	5,627
Amounts deferred during the year	144,041	50,000	194,041	352,342
Net contributions to operations	177,478	-	177,478	(52,056)
Gas Tax revenue earned	(96,628)	-	(96,628)	(49,012)
Balance, end of year	1,084,911	195,122	1,280,033	983,207

5. LIABILITY FOR EMPLOYEE VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate up to 120 hours for certain eligible employees. Active employees may become entitled to that sick leave if they are unable to work due to a valid medical condition. The Municipality recognizes these costs in the period in which the employees rendered the services. The employees may be entitled to be paid 25% - 50% of the value of the accumulated sick leave credits upon retirement. The liability for these accumulated days, if the eligible employees took the maximum available hours is approximately \$128,482 [2021 - \$123,825]. An amount of \$128,482 has been provided for this past service liability as a reserve.

An amount of \$nil [2021 - \$nil] was paid to employees who left the Municipality's employment during the year.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2022

6. PENSION AGREEMENTS

The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all the pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$130,306 million with respect to benefits accrued for services with actuarial assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organization and their employees. As a result, the Municipality does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2022 was \$110,423 [2021 - \$98,303] 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 4.73% [2021 - 2.45%]. The change in the recorded liability is \$(863,612) [2021 - (98,533)] based on a total estimated undiscounted outflow in the future of \$2,152,751 [2021 - \$2,134,609], leaving an amount to be recognized in the future of \$1,183,304 [2021 - \$301,550] over the closure and post-closure period. This change is charged (credited) to materials expense in Schedule 3. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill. An amount of \$1,652,247 [2021 - \$1,546,994] 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 4 years and the estimated capacity remaining is 6,024 cubic metres. The estimated remaining life of the MacGregor site is approximately 11.75 years and the estimated capacity remaining is 44,864 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.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2022

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 2022 [2021 - \$nil].

Interest capitalized during 2022 was \$nil [2021 - \$nil].

There were no contributed tangible capital assets in 2022 [2021 - \$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.

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.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2022

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.

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, 2022

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:

	2022	2021
	\$	\$
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Reserves		
Balance, beginning of year	2,269,242	2,284,455
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Revenues		
Contributions from operations	9,657	52,990
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Expenses		
Contributions to operations	(37,717)	(68,203)
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Balance, end of year	2,241,182	2,269,242
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Reserve funds		
Balance, beginning of year	7,680,653	6,940,996
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Revenues		
Contributions from operations	714,444	942,590
Interest earned	151,692	50,352
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	866,136	992,942
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Expenses		
Contributions to current operations	(498,469)	(253,285)
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Balance, end of year	8,048,320	7,680,653
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The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2022

11. DESIGNATED ASSETS

Of the financial assets reported on the Statement of Financial Position, the Council has designated \$8,048,320 [2021 - \$7,680,653] to support reserve funds.

12. COMMITMENTS

The Municipality leases certain equipment which expires April 2025. The future minimum annual lease and maintenance payments over the next three years are as follows:

	\$
2023	2,142
2024	2,142
2025	714
	<hr/> 4,998 <hr/>

In October 2022, the Municipality entered into a service agreement with KGS Group for the new SNEMS Ambulance base in the amount of \$39,979 to be paid in 2023.

The Corporation of the Municipality of Shuniah

Notes to the Financial Statements

December 31, 2022

13. 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 Fiscal Plan \$	PSAB Adjustments \$	Fiscal Plan per Financial Statements \$
Revenues			
Taxation	5,243,168	-	5,243,168
User charges	131,500	-	131,500
Government transfers	2,084,492	-	2,084,492
Other	1,131,583	(829,383)	302,200
	8,590,743	(829,383)	7,761,360
	8,590,743	(829,383)	7,761,360
Expenses			
General government	1,132,016	35,499	1,167,515
Protection to persons and property	1,503,276	9,634	1,512,910
Transportation services	2,670,221	(616,021)	2,054,200
Environmental services	377,723	(75,000)	302,723
Health services	718,164	-	718,164
Social and family services	926,021	-	926,021
Recreation and cultural services	1,115,922	(934,832)	181,090
Planning and development	147,400	(500)	146,900
	8,590,743	(1,581,220)	7,009,523
Annual surplus	-	751,837	751,837
Interfund transfers	-	(278,885)	
Purchase of tangible capital assets	-	1,855,564	
Amortization	-	(824,842)	
	-	751,837	

14. COMPARATIVE FIGURES

The comparative figures been reclassified from statements previously presented to conform to the presentation of the 2022 financial statements.

The Corporation of the Municipality of Shuniah

Schedule 1

Schedule of Accumulated Surplus

Year ended December 31	2022	2021
	\$	\$
Surpluses		
Invested in tangible capital assets	10,570,749	10,629,743
Unfunded		
Employee vested sick leave	(128,482)	(123,825)
Landfill closure and post-closure liabilities	(969,447)	(1,833,059)
Total surpluses	9,472,820	8,672,859
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	84,996	84,996
For recreation	57,296	62,296
For election	12,673	27,058
For working capital	1,488,581	1,506,913
For future health benefit assistance	182,107	172,450
Total reserves	2,241,182	2,269,242
Reserve funds set aside for specific purposes by Council		
For fire department equipment replacement	1,021,695	915,061
For municipal land for public use	51,098	50,163
For COVID-19	134,445	164,769
For landfill contingencies	1,652,247	1,546,994
For roads equipment replacement	540,232	887,435
For road improvements	4,648,603	4,116,231
Total reserve funds	8,048,320	7,680,653
Accumulated surplus	19,762,322	18,622,754

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

Schedule 2

Year ended December 31, 2022

	General			Infrastructure			Total	
	Land \$	Buildings \$	Equipment and Vehicles \$	Roads \$	Bridges and Other Structures \$	Assets Under Construction \$	2022 \$	2021 \$
COST								
Balance, beginning of year	713,532	2,407,258	4,239,226	11,261,778	2,678,412	31,940	21,332,146	20,773,460
Add								
Additions during the year	-	133,436	484,981	95,504	-	51,927	765,848	668,358
Transfers	-	-	10,697	-	-	(10,697)	-	-
Less								
Disposals during the year	-	-	4,500	3,659	-	-	8,159	109,672
Balance, end of year	713,532	2,540,694	4,730,404	11,353,623	2,678,412	73,170	22,089,835	21,332,146
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	1,530,794	1,623,962	6,282,617	1,265,030	-	10,702,403	10,001,846
Add								
Amortization during the year	-	82,693	265,684	380,688	95,777	-	824,842	791,742
Less								
Accumulated amortization on disposals	-	-	4,500	3,659	-	-	8,159	91,185
Balance, end of year	-	1,613,487	1,885,146	6,659,646	1,360,807	-	11,519,086	10,702,403
Net book value, beginning of year	713,532	876,464	2,615,264	4,979,161	1,413,382	31,940	10,629,743	10,771,614
Net book value, end of year	713,532	927,207	2,845,258	4,693,977	1,317,605	73,170	10,570,749	10,629,743

The Corporation of the Municipality of Shuniah
Schedule of Segment Disclosure

Schedule 3

Year ended December 31, 2022

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	5,291,645	5,124,982	-	-	-	-	-	-	-	-
Government transfers	996,654	1,185,978	62,308	-	82,093	72,232	-	-	-	-
User fees and service charges	-	-	146,244	146,975	-	-	39,985	41,915	-	-
Other municipalities	-	-	11,602	573	-	-	-	-	-	-
Other revenues	244,234	166,464	6,524	59,026	-	-	38,225	41,245	-	-
Interest income - general	54,662	14,645	-	-	-	-	-	-	-	-
Interest income - reserves and reserve funds	151,692	50,352	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	96,628	49,012	-	-	-	-
	6,738,887	6,542,421	226,678	206,574	178,721	121,244	78,210	83,160	-	-
Expenses										
Salaries, wages and employee benefits	600,664	624,312	265,975	262,073	598,017	580,624	94,017	94,884	-	-
Materials	295,378	277,429	176,686	184,712	610,343	378,675	(748,347)	(18,701)	-	-
Contracted services	228,766	140,204	127,273	115,176	210,900	198,302	112,460	104,617	-	-
External transfers to others	-	-	789,603	742,553	-	-	-	-	768,882	708,115
Amortization	35,498	35,498	108,633	109,749	648,979	621,996	-	-	-	-
	1,160,306	1,077,443	1,468,170	1,414,263	2,068,239	1,779,597	(541,870)	180,800	768,882	708,115
Net revenues (expenses) before undernoted item	5,578,581	5,464,978	(1,241,492)	(1,207,689)	(1,889,518)	(1,658,353)	620,080	(97,640)	(768,882)	(708,115)
Gain (loss) on disposal of tangible capital assets	-	-	-	371	-	(16,208)	-	-	-	-
Annual surplus (deficit)	5,578,581	5,464,978	(1,241,492)	(1,207,318)	(1,889,518)	(1,674,561)	620,080	(97,640)	(768,882)	(708,115)

The Corporation of the Municipality of Shuniah
Schedule of Segment Disclosure

Schedule 3 (continued)

Year ended December 31, 2022

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Taxation	-	-	-	-	-	-	5,291,645	5,124,982
Government transfers	-	-	-	-	-	-	1,141,055	1,258,210
User fees and service charges	-	-	14,670	390	-	-	200,899	189,280
Other municipalities	-	-	-	-	-	-	11,602	573
Other revenues	-	-	15	29,360	52,952	18,350	341,950	314,445
Interest income - general	-	-	-	-	-	-	54,662	14,645
Interest income - reserves and reserve funds	-	-	-	-	-	-	151,692	50,352
Capital grants	-	-	-	-	-	-	96,628	49,012
	-	-	14,685	29,750	52,952	18,350	7,290,133	7,001,499
Expenses								
Salaries, wages and employee benefits	-	-	64,791	40,079	71,410	31,089	1,694,874	1,633,061
Materials	-	-	36,692	83,041	3,709	2,675	374,461	907,831
Contracted services	-	-	29,573	25,258	55,094	35,526	764,066	619,083
External transfers to others	933,837	909,487	-	-	-	-	2,492,322	2,360,155
Amortization	-	-	31,732	24,499	-	-	824,842	791,742
	933,837	909,487	162,788	172,877	130,213	69,290	6,150,565	6,311,872
Net revenues (expenses) before undernoted item	(933,837)	(909,487)	(148,103)	(143,127)	(77,261)	(50,940)	1,139,568	689,627
Gain (loss) on disposal of tangible capital assets	-	-	-	-	-	-	-	(15,837)
Annual surplus (deficit)	(933,837)	(909,487)	(148,103)	(143,127)	(77,261)	(50,940)	1,139,568	673,790