

Consolidated Financial Statements of

**THE CORPORATION OF THE
MUNICIPALITY OF TEMAGAMI**

Year ended December 31, 2015

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Consolidated Financial Statements

Year ended December 31, 2015

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Municipality of Temagami (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



Chief Administrative Officer



KPMG LLP
Claridge Executive Centre
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of **The Corporation of the Municipality of Temagami**, which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects the consolidated financial position of The Corporation of the Municipality of Temagami as at December 31, 2015, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

May 30, 2016

Sudbury, Canada

Consolidated Financial Statements of

**THE CORPORATION OF THE
MUNICIPALITY OF TEMAGAMI**

Year ended December 31, 2015

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Consolidated Financial Statements

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The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



Chief Administrative Officer



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Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects the consolidated financial position of The Corporation of the Municipality of Temagami as at December 31, 2015, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

May 30, 2016

Sudbury, Canada

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Consolidated Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets:		
Cash	\$ 2,898,838	\$ 1,632,634
Taxes receivable	902,339	805,159
Accounts receivable (note 2)	580,254	194,764
Property held for sale	-	63,120
	<u>4,381,431</u>	<u>2,695,677</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 3)	733,921	476,583
Deferred revenue	907,323	-
Deferred revenue - obligatory	86,494	37,849
Municipal debt (note 4)	226,672	357,053
Landfill closure liabilities (note 5)	109,310	107,500
	<u>2,063,720</u>	<u>978,985</u>
Net financial assets	2,317,711	1,716,692
Non-financial assets:		
Tangible capital assets (note 6)	12,937,754	13,093,106
	<u>12,937,754</u>	<u>13,093,106</u>
Accumulated surplus (note 7)	\$ 15,255,465	\$ 14,809,798

The accompanying notes are an integral part of this consolidated financial statements.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2015, with comparative information for 2014

	Budget 2015	Actual 2015	Actual 2014
	(note 11)		
Revenues:			
Operating revenues:			
Municipal taxation	\$ 3,472,604	\$ 3,507,550	\$ 3,335,899
User charges	684,446	693,790	669,996
Provincial grants	1,652,500	1,727,380	1,722,625
Federal grants	6,500	10,035	6,200
Investment income	14,500	17,022	17,975
Penalties and interest on taxes	85,000	122,982	104,085
Provincial Offences Act	13,000	16,611	14,384
Other	26,034	76,332	49,622
Gain on sale of tangible capital assets	-	5,880	10,464
	5,954,584	6,177,582	5,931,250
Capital revenues:			
Provincial grants	2,418,679	263,388	133,645
Federal grants	604,367	180,284	14,729
Donations	85,000	448	2,047
	3,108,046	444,120	150,421
Total revenues	9,062,630	6,621,702	6,081,671
Expenses:			
Current operations:			
General government	1,030,872	1,065,786	1,094,498
Protection to persons and property	705,160	710,477	697,940
Transportation services	677,137	1,044,894	1,096,303
Environmental services	628,786	1,059,260	978,378
Health services	672,449	667,557	774,847
Social and family services	1,104,372	1,104,372	1,128,823
Recreational and cultural services	277,615	368,402	377,339
Planning and development	189,713	155,287	170,996
Total expenses	5,286,104	6,176,035	6,319,124
Annual surplus (deficit)	3,776,526	445,667	(237,453)
Accumulated surplus, beginning of year	14,809,798	14,809,798	15,047,251
Accumulated surplus, end of year	\$ 18,586,324	\$ 15,255,465	\$ 14,809,798

The accompanying notes are an integral part of this consolidated financial statements.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus (deficit)	\$ 445,667	\$ (237,453)
Acquisition of tangible capital assets	(751,492)	(455,846)
Amortization of tangible capital assets	906,844	879,872
Gain on sale of tangible capital assets	(5,880)	(10,464)
Proceeds on sale of tangible capital assets	69,000	10,464
Transfer to (from) property held for sale	(63,120)	63,120
Change in net financial assets	601,019	249,693
Net financial assets, beginning of year	1,716,692	1,466,999
Net financial assets, end of year	\$ 2,317,711	\$ 1,716,692

The accompanying notes are an integral part of this consolidated financial statements.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Consolidated Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 445,667	\$ (237,453)
Items not involving cash:		
Amortization of tangible capital assets	906,844	879,872
Gain on sale of tangible capital assets	(5,880)	(10,464)
Increase in landfill closure liabilities	1,810	12,500
	1,348,441	644,455
Change in non-cash assets and liabilities:		
Increase in taxes receivable	(97,180)	(68,312)
Increase in accounts receivable	(385,490)	(20,147)
Increase (decrease) in accounts payable and accrued liabilities	257,338	(264,498)
Decrease in deferred revenue	907,323	(70,520)
Increase in deferred revenue - obligatory	48,645	35,447
Net change in cash from operating activities	2,079,077	256,425
Financing activities:		
Principal repayments on net long-term liabilities	(130,381)	(165,585)
Net change in financing activities	(130,381)	(165,585)
Capital activities:		
Proceeds on sale of tangible capital assets	69,000	10,464
Acquisition of tangible capital assets	(751,492)	(455,846)
Net change in cash from capital activities	(682,492)	(445,382)
Net change in cash	1,266,204	(354,542)
Cash, beginning of year	1,632,634	1,987,176
Cash, end of year	\$ 2,898,838	\$ 1,632,634

The accompanying notes are an integral part of this consolidated financial statements.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Notes to Consolidated Financial Statements

Year ended December 31, 2015

The Corporation of the Municipality of Temagami (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 other related legislation.

1. Significant accounting policies:

The consolidated financial statements of the Municipality are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board and the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting entity:

- (i) These consolidated financial statements reflect the assets, liabilities, revenues and expenses and include the activities of all committees of Council and the following boards which are under the control of Council:

- Parks and Recreation Committee
 - Water Supply System
 - Planning Board
 - Temagami Community Library
 - Cemetery Board
 - Temagami Ambulance Service

All interfund and inter-organizational transactions and balances between these organizations are eliminated.

- (ii) The Municipality collects taxation revenue on behalf of the school boards.

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances on these financial statements (note 8).

- (iii) Trust funds and their related operations administered by the Municipality are not included in these financial statements but are reported on separately on the Trust Funds Financial Statements (note 9).

(b) Basis of accounting:

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Amounts applied to specific operating and capital projects are recorded as revenue in the fiscal period in which the funds are expended on these projects.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Notes to Consolidated Financial Statements

Year ended December 31, 2015

1. Significant accounting policies (continued):

(c) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, design, construction, development, improvement or betterment of the tangible capital asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Buildings	10 - 50
Heavy equipment	10 - 25
Vehicles	10 - 25
Equipment	5 - 20
Roads	10 - 30
Water distribution lines	40 - 50
Sewer lines	40 - 50
Land improvements	10 - 50

Landfill sites are amortized using the units of production method based upon capacity used during the year.

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(d) Deferred revenues:

Deferred revenues represent cash received for which the related services or inspections have yet to be performed or eligibility criteria have not been met. These amounts will be recognized as revenues in the fiscal year the services are performed and eligibility criteria have been met.

(e) Landfill liability:

The liability for closure of operational sites and post-closure care has been recognized based on estimated future expenses, estimated inflation and the usage of the site's capacity during the year.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Notes to Consolidated Financial Statements

Year ended December 31, 2015

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods specified. Significant items subject to such estimates and assumptions include the valuation allowances for taxes and accounts receivable, the carrying value of tangible capital assets and provisions for accrued liabilities and landfill liabilities.

Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(g) Investments:

Investments are carried at market value.

2. Accounts receivable:

	2015	2014
Government of Canada - HST	\$ 99,700	\$ 71,021
Government of Canada - Grants	117,350	25,084
Province of Ontario - Grants	267,274	24,674
Other	125,930	103,985
Allowance for doubtful accounts	(30,000)	(30,000)
	\$ 580,254	\$ 194,764

3. Accounts payable and accrued liabilities:

	2015	2014
Trade and miscellaneous	\$ 660,516	\$ 402,105
Personnel related obligations	73,405	74,478
	\$ 733,921	\$ 476,583

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Notes to Consolidated Financial Statements

Year ended December 31, 2015

4. Municipal debt:

Municipal debt reported on the consolidated statement of financial position is made up of the following:

	2015	2014
Debenture with the Ontario Infrastructure Projects Corporation bearing interest at 4.19% and payable in semi-annual blended payments of \$27,897, due May 2020	\$ 226,672	271,553
Bank loan payable in monthly installment of \$7,125 plus interest at bank prime, repaid December 2015	–	85,500
	<u>\$ 226,672</u>	<u>\$ 357,053</u>

Principal repayments on the municipal debt are as follows:

2016	\$ 46,781
2017	48,762
2018	50,826
2019	52,978
2020	27,325
	<u>\$ 226,672</u>

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Notes to Consolidated Financial Statements

Year ended December 31, 2015

5. Landfill closure liabilities:

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated life of the landfill sites based on usage.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over terms using the best information available to management. Future events may result in significant changes to the estimated total expenditures; capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the risk-free rate adjusted for the effect of the Municipality's credit standing of 3.0%. The estimated total landfill closure and post-closure care expenditures are calculated to be \$109,310 (2014 - \$107,500). The estimated liability for these expenditures is recognized as the landfill site's capacity is used.

The estimated remaining capacity of the landfill sites is 40,012 cubic meters. The Municipality has established a reserve of \$112,500 to date to provide for these obligations.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Notes to Consolidated Financial Statements

Year ended December 31, 2015

6. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Land	\$ 99,378	\$ 12,866	\$ -	\$ 112,244
Land improvements	241,897	62,514	-	304,411
Buildings	8,519,611	625,048	-	9,144,659
Vehicles	222,883	-	-	222,883
Equipment	4,932,662	36,522	-	4,969,184
Heavy equipment	1,383,619	14,542	(92,000)	1,306,161
Roads	3,416,188	-	-	3,416,188
Water distribution lines	3,849,902	-	-	3,849,902
Sewer lines	3,213,967	-	-	3,213,967
Total	\$ 25,880,107	\$ 751,492	\$ (92,000)	\$ 26,539,599

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	85,767	-	12,989	98,756
Buildings	2,033,094	-	202,929	2,236,023
Vehicles	155,966	-	14,319	170,285
Equipment	1,686,187	-	214,768	1,900,955
Heavy equipment	640,403	(92,000)	76,659	625,062
Roads	2,675,768	-	243,902	2,919,670
Water distribution lines	3,002,923	-	76,998	3,079,921
Sewer lines	2,506,893	-	64,280	2,571,173
Total	\$ 12,787,001	\$ (92,000)	\$ 906,844	\$ 13,601,845

	Net book value December 31, 2014	Net book value December 31, 2015
Land	\$ 99,378	\$ 112,244
Land improvements	156,130	205,655
Buildings	6,486,517	6,908,636
Vehicles	66,917	52,598
Equipment	3,246,475	3,068,229
Heavy equipment	743,216	681,099
Roads	740,420	496,518
Water distribution lines	846,979	769,981
Sewer lines	707,074	642,794
Total	\$ 13,093,106	\$ 12,937,754

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Notes to Consolidated Financial Statements

Year ended December 31, 2015

6. Tangible capital assets (continued):

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Land	\$ 62,664	\$ 36,714	\$ -	\$ 99,378
Land improvements	221,252	20,645	-	241,897
Buildings	8,643,963	41,749	(166,101)	8,519,611
Vehicles	222,883	-	-	222,883
Equipment	4,917,804	14,858	-	4,932,662
Heavy equipment	1,257,046	193,595	(67,022)	1,383,619
Roads	3,267,903	148,285	-	3,416,188
Water distribution lines	3,849,902	-	-	3,849,902
Sewer lines	3,213,967	-	-	3,213,967
Total	\$ 25,657,384	\$ 455,846	\$ (233,123)	\$ 25,880,107

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	74,862	-	10,905	85,767
Buildings	1,956,181	(102,981)	179,894	2,033,094
Vehicles	141,647	-	14,319	155,966
Equipment	1,476,371	-	209,816	1,686,187
Heavy equipment	627,666	(67,022)	79,759	640,403
Roads	2,431,866	-	243,902	2,675,768
Water distribution lines	2,925,925	-	76,998	3,002,923
Sewer lines	2,442,614	-	64,279	2,506,893
Total	\$ 12,077,132	\$ (170,003)	\$ 879,872	\$ 12,787,001

	Net book value December 31, 2013	Net book value December 31, 2014
Land	\$ 62,664	\$ 99,378
Land improvements	146,390	156,130
Buildings	6,687,782	6,486,517
Vehicles	81,236	66,917
Equipment	3,441,433	3,246,475
Heavy equipment	629,380	743,216
Roads	836,037	740,420
Water distribution lines	923,977	846,979
Sewer lines	771,353	707,074
Total	\$ 13,580,252	\$ 13,093,106

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Notes to Consolidated Financial Statements

Year ended December 31, 2015

7. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2015	2014
Surplus (deficit):		
Invested in tangible capital assets	\$ 12,937,754	\$ 13,093,106
General municipal	601,638	334,467
Amounts to be recovered:		
Unfinanced municipal debt - operating	-	(85,500)
Unfinanced municipal debt - grinder pumps	(226,672)	(271,553)
Total surplus	13,312,720	13,070,520
Reserves set aside by Council for:		
Discretionary Capital Reserves		
- Working capital	91,630	91,630
- Arena	10,074	54,925
- Public Works Complex	202,000	152,000
- Official Plan Review	54,230	44,230
- Survey	21,291	21,291
- Lot Creation and Development	50,000	50,000
- Future Improvements Lake Temagami Access Road	110,000	85,000
- Future Improvement Town Roads	110,000	85,000
- Marten River Fire	50,000	30,000
- Temagami Fire	80,000	20,000
- Landfill closure costs	112,500	105,000
- OMB Hearing	30,000	30,000
- Welcome Centre - Generator Primary EOC	25,000	25,000
- Loan Reserve	62,981	12,977
- Cemetery Columbarium / Memory Wall	4,313	3,499
	1,014,019	810,552
Other Reserves		
- Discretionary Operating	457,166	457,166
- Tax Rate Stabilization	167,031	167,031
- Operating Budget Contingency	45,717	45,717
- Water and Wastewater Stabilization	51,901	51,901
- Dedicated Water and Wastewater Capital	206,911	206,911
	928,726	928,726
Total Reserves	1,942,745	1,739,278
Accumulated surplus	\$ 15,255,465	\$ 14,809,798

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Notes to Consolidated Financial Statements

Year ended December 31, 2015

8. Operations of school boards:

Further to note 1 (a) (ii), the property taxes collected on behalf of the school boards are \$1,970,313 (2014 - \$1,972,916).

9. Trust Funds:

Trust Funds administered by the Municipality amounting to \$35,952 (2014 - \$35,308) have not been included on the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated surplus.

10. Pension agreement:

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 the 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 \$101,328 (2014 - \$104,221) for current service.

11. Budget figures:

The budget adopted by Council was not prepared on a basis consistent with that used to report actual results according to Public Sector Accounting Standards. As a result, the budget figures presented in the consolidated statement of operations and accumulated surplus and change in net financial assets represent the financial plan adopted by Council with adjustment as follows:

Annual surplus per budget approved by Council	\$	–
Less:		
Internal reserve transfers		(296,502)
Add:		
Investment in tangible capital assets		3,935,013
Debt principal repayments		138,015
Surplus per revised budget	\$	3,776,526

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Notes to Consolidated Financial Statements

Year ended December 31, 2015

12. Public Sector Salary Disclosure:

During 2015, one employee was paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Municipality.

13. Comparative information:

Certain of the 2014 comparative information have been reclassified to conform to the current year presentation.

14. Segmented information:

The Municipality of Temagami is a diversified municipal government institution that provides a wide range of services to its citizens, including General Government Services, Protection Services, Transportation Services, Environmental Services, Health Services, Social and Family Services, Recreational and Cultural Services and Planning and Development Services. Service areas were created for the purposes of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations (see Schedule to note).

Municipal Services are provided by departments and their activities are reported in these Service Areas. Departments disclosed in the Segmented Information, along with the services they provide, are as follows:

General Government Services

The Departments within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing Municipal assets; ensuring effective financial management; monitoring performance and ensuring that high quality Municipal Service standards are met.

Protection Services

Services provided in this segment include the enforcement of laws, prevention of crime, and maintenance of peace, order, and security by protecting life, property and the environment through the provision of emergency response, thus ensuring safe homes and safe communities.

Transportation Services

Areas of responsibility include planning, design, construction, cleaning, repair, snow removal and signage.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Notes to Consolidated Financial Statements

Year ended December 31, 2015

14. Segmented information (continued):

Environmental Services

The environmental services include water and sewer services as well as garbage and recycling services.

Water and Sewer services include the operation and distribution of water and networking sewer mains, storm sewers and the pump station.

The Garbage and Recycling Services Group are responsible for the delivery of municipal services including garbage collection and recycling.

Health Services

The Municipality funds a range of public health services and provides cemetery services through the health unit.

Social and Family Services

The services are provided indirectly by the Municipality through the District Social Services Board and include family and children's services and housing services.

Recreation and Cultural Services

The Department is responsible for providing, facilitating the development of, and maintaining high quality parks, recreational facilities, and cultural services.

Planning and Development

The Planning and Development Department is responsible for preparing land use plans, bylaws and policies for sustainable development of the Municipality and for reviewing and approving new development, some of which is carried out by the Manitoulin Planning Board of which the Municipality is a member.

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Schedule to Note 14 - Segmented Information

Year ended December 31, 2015

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2015
Revenues:									
Operating revenues:									
User charges	\$ 41,455	69,187	576	552,470	5,151	-	12,481	12,470	693,790
Provincial grants	1,030,835	-	6,480	-	670,766	-	19,299	-	1,727,380
Federal grants	-	-	-	-	-	-	10,035	-	10,035
Investment income	17,022	-	-	-	-	-	-	-	17,022
Penalties and interest on taxes	122,982	-	-	-	-	-	-	-	122,982
Provincial Offences Act	-	16,611	-	-	-	-	-	-	16,611
Other	35,766	6,995	297	13,371	2,699	-	6,801	10,403	76,332
Gain on sale of tangible capital assets	5,880	-	-	-	-	-	-	-	5,880
Capital revenues:									
Provincial grants	263,388	-	-	-	-	-	-	-	263,388
Federal grants	173,837	-	-	-	-	-	-	6,447	180,284
Donations	-	448	-	-	-	-	-	-	448
Total revenues	1,691,165	93,241	7,353	565,841	678,616	-	48,616	29,320	3,114,152
Expenses:									
Salaries, wages and benefits	478,288	128,752	372,495	68,656	552,903	-	142,687	89,467	1,833,248
Long-term debt interest	1,371	-	-	10,913	-	-	-	-	12,284
Materials	365,080	127,137	303,595	138,079	56,386	-	134,256	30,916	1,155,449
Contracted services	126,547	419,444	27,943	483,194	16,574	-	6,326	32,410	1,112,438
Rents and financial	5,943	-	7,635	-	-	-	-	-	13,578
External transfers	-	-	-	-	37,822	1,104,372	-	-	1,142,194
Amortization of tangible capital assets	88,557	35,144	333,226	358,418	3,872	-	85,133	2,494	906,844
Total expenses	1,065,786	710,477	1,044,894	1,059,260	667,557	1,104,372	368,402	155,287	6,176,035
Funded through:									
Taxation									3,507,550
Annual surplus (deficit)	\$ 625,379	(617,236)	(1,037,541)	(493,419)	11,059	(1,104,372)	(319,786)	(125,967)	\$ 445,667

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

Schedule to Note 14 - Segmented Information

Year ended December 31, 2014

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2014
Revenues:									
Operating revenues:									
User charges	\$ 40,666	68,635	1,404	535,933	2,584	-	10,564	10,210	669,996
Provincial grants	1,076,590	-	-	-	627,230	-	18,805	-	1,722,625
Federal grants	-	-	-	-	-	-	6,200	-	6,200
Investment income	17,975	-	-	-	-	-	-	-	17,975
Penalties and interest on taxes	104,085	-	-	-	-	-	-	-	104,085
Provincial Offences Act	-	14,384	-	-	-	-	-	-	14,384
Other	16,945	7,165	570	-	3,679	-	7,598	13,665	49,622
Gain on sale of tangible capital assets	10,464	-	-	-	-	-	-	-	10,464
Capital revenues:									
Provincial grants	133,645	-	-	-	-	-	-	-	133,645
Federal grants	14,729	-	-	-	-	-	-	-	14,729
Donations	-	2,047	-	-	-	-	-	-	2,047
Total revenues	1,415,099	92,231	1,974	535,933	633,493	-	43,167	23,875	2,745,772
Expenses:									
Salaries, wages and benefits	485,610	124,375	365,177	58,888	644,486	-	134,750	108,089	1,921,375
Long-term debt interest	4,454	-	-	12,735	-	-	-	-	17,189
Materials	426,753	116,648	323,368	143,352	64,148	-	155,076	38,534	1,267,879
Contracted services	107,545	418,675	53,711	407,022	22,963	-	4,345	21,879	1,036,140
Rents and financial	5,564	-	22,904	-	-	-	-	-	28,468
External transfers	-	-	-	-	39,378	1,128,823	-	-	1,168,201
Amortization of tangible capital assets	64,572	38,242	331,143	356,381	3,872	-	83,168	2,494	879,872
Total expenses	1,094,498	697,940	1,096,303	978,378	774,847	1,128,823	377,339	170,996	6,319,124
Funded through:									
Taxation									3,335,899
Annual surplus (deficit)	\$ 320,601	(605,709)	(1,094,329)	(442,445)	(141,354)	(1,128,823)	(334,172)	(147,121)	\$ (237,453)