

**THE CORPORATION OF THE CITY OF THUNDER BAY
CONSOLIDATED STATEMENT OF CASH FLOWS**

| For the Year Ended December 31, | 2015 | 2014 |
|--|----------------------|---------------------|
| | \$ | \$ |
| Operating Activities | | |
| Annual surplus | 12,855,228 | 13,591,026 |
| Non-cash charges to operations: | | |
| Earnings from Thunder Bay Hydro Corporation (note 6) | (2,646,542) | (2,663,682) |
| Amortization of tangible capital assets | 75,952,680 | 71,457,459 |
| Contributed tangible capital assets | (18,161) | - |
| Loss on disposal of tangible capital assets | 7,546,758 | 939,076 |
| Contaminated sites liability | 204,758 | - |
| Landfill closure and post closure liability | 124,274 | (1,260,043) |
| Employment future benefits | (79,151) | (63,506) |
| Change in non-cash working capital balances | | |
| Taxes receivable | (3,904,636) | 1,330,725 |
| Accounts receivable | 813,064 | (6,016,855) |
| User charges receivable | (994,021) | 511,331 |
| Other assets | (1,591,730) | 422,960 |
| Accounts payable and accrued liabilities | 2,640,964 | (2,776,749) |
| Deferred revenue | (21,636) | 1,812,963 |
| Supplies inventory | 434,548 | (979,545) |
| Prepaid expenses | (807,932) | 25,627 |
| Cash provided by operating activities | 90,508,465 | 76,330,787 |
| Capital Activities | | |
| Acquisition of tangible capital assets | (107,719,388) | (101,464,434) |
| Proceeds on disposal of tangible capital assets | 263,643 | 1,473,932 |
| Cash used in capital activities | (107,455,745) | (99,990,502) |
| Financing Activities | | |
| Decrease in bank indebtedness | - | (3,069,000) |
| Increase (decrease) in Tbaytel long term payable | 15,950,000 | (4,606,000) |
| Proceeds from municipal debenture debt | 29,226,938 | 19,550,499 |
| Repayment of municipal debenture debt | (20,370,433) | (18,394,703) |
| Cash provided by (used in) financing activities | 24,806,505 | (6,519,204) |
| Investing Activities | | |
| Reduction of investment in own debentures | 1,733 | 1,641 |
| (Increase) decrease in investments | (9,972,831) | 37,550,242 |
| (Increase) decrease in long term receivable | (173,825) | 55,621 |
| Cash provided by (used in) investing activities | (10,144,923) | 37,607,504 |
| Increase (decrease) in cash | (2,285,698) | 7,428,585 |
| Cash, beginning of year | 12,392,054 | 4,963,469 |
| Cash, end of year | 10,106,356 | 12,392,054 |

The accompanying notes are an integral part of these financial statements.