

**The Corporation of the
Township of Nipissing
Financial Statements**
For the year ended December 31, 2013

The Corporation of the Township of Nipissing
Financial Statements
For the year ended December 31, 2013

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Nipissing

We have audited the accompanying financial statements of The Corporation of the Township of Nipissing, which comprise of the statement of financial position as at December 31, 2013, and the statement of operations and accumulated surplus, statement of changes in net debt and statement of 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 Township of Nipissing as at December 31, 2013 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

North Bay, Ontario
March 11, 2014

The Corporation of the Township of Nipissing Statement of Financial Position

December 31	2013	2012 (Restated Note 1)
<hr/>		
Financial assets		
Cash and cash equivalents	\$ 1,336,939	\$ 1,411,111
Investments (Note 2)	243,810	243,810
Taxes receivable (Note 3)	186,501	195,879
Accounts receivable (Note 4)	203,708	81,491
	1,970,958	1,932,291
Liabilities		
Accounts payable and accrued liabilities	148,228	121,357
Long-term liabilities (Note 7)	604,544	655,667
Landfill closure and post closure accrual (Note 8)	2,754,289	2,583,759
Deferred revenue (Note 9)	70,445	95,597
	3,577,506	3,456,380
Net debt	(1,606,548)	(1,524,089)
Non-financial assets		
Tangible capital assets (Note 6)	18,599,826	18,784,490
Prepays	26,163	24,155
Inventories (Note 5)	70,127	72,210
	18,696,116	18,880,855
Accumulated surplus (Note 11)	\$ 17,089,568	\$ 17,356,766

Commitments (Note 13)

On behalf of the Council:

_____, Clerk-Treasurer

_____, Mayor

The Corporation of the Township of Nipissing Statement of Operations and Accumulated Surplus

For the year ended December 31	2013 Budget (Note 14)	2013 Actual	2012 Actual (Restated Note 1)
Revenues			
Taxation (Note 12)	\$ 2,027,323	\$ 2,036,935	\$ 2,004,776
Government transfers and grants	596,037	566,546	513,188
Transfer from obligatory gas tax reserve fund	100,860	100,888	100,859
Other	162,329	155,424	235,432
User fees	67,462	88,595	57,835
	<u>2,954,011</u>	<u>2,948,388</u>	<u>2,912,090</u>
Expenses (Note 15)			
General government	485,445	478,643	464,427
Protection to persons and property	433,264	410,211	362,975
Transportation services	846,234	1,381,214	1,297,808
Environmental services	233,790	368,846	311,013
Social and family services	432,618	400,697	395,022
Recreation and culture	131,122	146,511	125,161
Planning and development	37,655	29,464	8,905
	<u>2,600,128</u>	<u>3,215,586</u>	<u>2,965,311</u>
Annual surplus (deficit)	<u>353,883</u>	<u>(267,198)</u>	<u>(53,221)</u>
Accumulated surplus, beginning of the year	17,356,766	17,356,766	17,609,212
Prior period adjustment (Note 1)	-	-	(199,225)
Accumulated surplus, beginning of the year as restated	<u>17,356,766</u>	<u>17,356,766</u>	<u>17,409,987</u>
Accumulated surplus, end of year	<u>\$ 17,710,649</u>	<u>\$ 17,089,568</u>	<u>\$ 17,356,766</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Nipissing Statement of Changes in Net Debt

For the year ended December 31	2013 Budget (Note 14)	2013 Actual	2012 Actual (Restated Note 1)
Annual surplus (deficit)	\$ 353,883	\$ (267,198)	\$ (53,221)
Acquisition of tangible capital assets	(734,130)	(646,997)	(645,772)
Amortization of tangible capital assets	-	820,561	791,641
(Loss) gain on disposition of tangible capital assets	-	(5,400)	(148,267)
Proceeds on disposition of tangible capital assets	-	16,500	231,849
	<u>(380,247)</u>	<u>(82,534)</u>	<u>176,230</u>
Acquisition of prepaid expenses and inventory of supplies	-	(96,290)	(96,365)
Consumption of prepaid expenses and inventory of supplies	-	96,365	35,130
	<u>-</u>	<u>75</u>	<u>(61,235)</u>
Change in debt	(380,247)	(82,459)	114,995
Net debt, beginning of year	<u>(1,524,089)</u>	<u>(1,524,089)</u>	<u>(1,639,084)</u>
Net debt, end of year	<u>\$ (1,904,336)</u>	<u>\$ (1,606,548)</u>	<u>\$ (1,524,089)</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Nipissing Statement of Cash Flows

For the year ended December 31	2013	2012 (Restated Note 1)
Cash provided by (used in)		
Operating transactions		
Annual surplus (deficit)	\$ (267,198)	\$ (53,221)
Items not involving cash		
Amortization of tangible capital assets	820,561	791,641
(Gain) loss on disposal of tangible capital assets	(5,401)	(148,267)
	<u>547,962</u>	<u>590,153</u>
Change in non-cash operating balances		
Taxes receivable	9,379	15,959
Accounts receivable	(122,218)	15,835
Prepays	(2,008)	(199)
Inventories	2,083	(61,036)
Accounts payable, accrued liabilities and interest	26,872	12,982
Deferred revenue	(25,153)	6,123
Landfill closure and post closure accrual	170,529	113,584
	<u>607,446</u>	<u>693,401</u>
Investing transactions		
Purchase of investments	-	(120,000)
Capital transactions		
Purchase of tangible capital assets	(646,997)	(645,773)
Proceeds on disposition of tangible capital assets	16,500	231,849
	<u>(630,497)</u>	<u>(413,924)</u>
Financing transactions		
Proceeds from long-term liabilities	150,000	120,000
Repayment of long-term liabilities	(201,121)	(212,710)
	<u>(51,121)</u>	<u>(92,710)</u>
Increase (decrease) in cash and cash equivalents during the year	(74,172)	66,767
Cash and cash equivalents, beginning of year	<u>1,411,111</u>	<u>1,344,344</u>
Cash and cash equivalents, end of year	<u>\$ 1,336,939</u>	<u>\$ 1,411,111</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Nipissing

Summary of Significant Accounting Policies

December 31, 2013

Management Responsibility	The financial statements of The Corporation of the Township of Nipissing (the "Township") are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards. The Township provides municipal services such as general government, fire, building, protection to persons, transportation, environmental, health, social, family, recreation, culture, planning and development services.								
Basis of Accounting	Revenues and expenses are reported on the accrual basis of accounting. This method recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.								
Cash and Cash Equivalents	Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.								
Investments	Investments are recorded at the lower of cost and market value.								
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table><tr><td>Roads and bridges</td><td>7 to 70 years</td></tr><tr><td>Buildings</td><td>40 years</td></tr><tr><td>Equipment</td><td>5 to 20 years</td></tr><tr><td>Vehicles</td><td>5 to 25 years</td></tr></table>	Roads and bridges	7 to 70 years	Buildings	40 years	Equipment	5 to 20 years	Vehicles	5 to 25 years
Roads and bridges	7 to 70 years								
Buildings	40 years								
Equipment	5 to 20 years								
Vehicles	5 to 25 years								
Landfill Closure and Post-closure costs	The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimation inflation, and are charged to expense as the landfill site's capacity is used.								

The Corporation of the Township of Nipissing

Summary of Significant Accounting Policies

December 31, 2013

**Retirement Benefits and Other
Employee Benefit Plans**

The Township's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.

**Collection of Taxes on
Behalf of School Boards**

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

Trust Funds

Funds held in trust by the Township, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the Nipissing Union Cemetery trust fund financial statements.

Revenue Recognition

a. Taxation

Taxes are recognized as revenue in the year they are levied. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

b. User Fees and Other

User fees and other revenue are recognized on an accrual basis as services are rendered and collection is reasonably assured.

c. Government Transfers

Transfer payments, which include legislative grants, are recognized in the financial statements in the period in which the events giving rise to the transfer occurs, providing the transfers are authorized, all eligibility criteria have been met and reasonable estimates of the amount can be determined.

The Corporation of the Township of Nipissing Summary of Significant Accounting Policies

December 31, 2013

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant items subject to such estimates and assumptions include allowances for doubtful accounts, other accrued liabilities and/or obligations and landfill closure and post closure liabilities.

In particular, management's estimate for the landfill closure and post-closure liability is subject to measurement uncertainty. The estimate is based on assumptions and calculations contained in an engineer's report, modified as necessary for the passage of time and actual use of the landfill site. Actual results could differ significantly from those estimates because of the uncertainty related to future cost estimates and future use of the landfill site.

The Corporation of the Township of Nipissing

Notes to Financial Statements

December 31, 2013

1. Prior Period Adjustment

During the course of the audit it was determined that the landfill closure and post-closure accrual opening balances were incorrect. This resulted in an increase to the opening 2012 landfill closure and post closure accrual of \$199,225 and decrease to the opening 2012 accumulated surplus of \$199,225. The comparative figures were adjusted to increase the landfill closure and post-closure accrual by \$191,911 and an increase to environmental services expense by \$191,911.

2. Short-term Investments

The Township, in accordance with its Investment Policy, has invested \$243,810 in guaranteed investment certificates, \$123,810 maturing March 3, 2014 and \$120,000 maturing August 15, 2017 with interest rates of 1.55% and 2.20%, respectively. Interest is recognized as it accrues in the Township's financial statements.

3. Taxes Receivable

	<u>2013</u>	<u>2012</u>
Current taxes	\$ 116,150	\$ 119,036
Taxes in arrears	56,598	60,584
Interest	13,773	16,279
Less allowance for uncollectible taxes	<u>(20)</u>	<u>(20)</u>
	<u>\$ 186,501</u>	<u>\$ 195,879</u>

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established annually by Council, incorporating amounts to be raised for local services, the requisition made by the various local boards in respect of Regional services and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings.

**The Corporation of the Township of Nipissing
Notes to Financial Statements**

December 31, 2013

4. Accounts Receivable

	<u>2013</u>	<u>2012</u>
GST/HST receivable	\$ 120,387	\$ 77,271
Other receivables	<u>83,321</u>	<u>4,220</u>
	<u>\$ 203,708</u>	<u>\$ 81,491</u>

5. Inventories

	<u>2013</u>	<u>2012</u>
Fuel	\$ 4,749	\$ 5,931
Gravel	<u>65,378</u>	<u>66,279</u>
	<u>\$ 70,127</u>	<u>\$ 72,210</u>

**The Corporation of the Township of Nipissing
Notes to Financial Statements**

December 31, 2013

	2013					
	Land	Roads and Bridges	Buildings	Vehicles	Equipment	Total
Cost, beginning of year	\$ 251,876	\$ 23,485,819	\$ 949,877	\$ 1,341,078	\$ 708,834	\$ 26,737,484
Additions	-	291,707	89,791	-	265,498	646,996
Disposals	-	-	-	-	(37,000)	(37,000)
Cost, end of year	251,876	23,777,526	1,039,668	1,341,078	937,332	27,347,480
Accumulated amortization, beginning of year	-	7,000,395	320,941	394,876	236,782	7,952,994
Amortization	-	649,446	35,567	70,230	65,318	820,561
Disposals	-	-	-	-	(25,901)	(25,901)
Accumulated amortization, end of year	-	7,649,841	356,508	465,106	276,199	8,747,654
Net carrying amount, end of year	\$ 251,876	\$ 16,127,685	\$ 683,160	\$ 875,972	\$ 661,133	\$ 18,599,826

**The Corporation of the Township of Nipissing
Notes to Financial Statements**

December 31, 2013

6. Tangible Capital Assets (continued)

	2012					
	Land	Road and Bridges	Buildings	Vehicles	Equipment	Total
Cost, beginning of year	\$ 251,876	\$ 23,229,173	\$ 949,877	\$ 1,155,855	\$ 708,834	\$ 26,295,615
Additions	-	256,646	-	389,127	-	645,773
Disposals	-	-	-	(203,904)	-	(203,904)
Cost, end of year	251,876	23,485,819	949,877	1,341,078	708,834	26,737,484
Accumulated amortization, beginning of year	-	6,379,921	287,619	444,528	169,606	7,281,674
Amortization	-	620,474	33,322	70,669	67,176	791,641
Disposals	-	-	-	(120,321)	-	(120,321)
Accumulated amortization, end of year	-	7,000,395	320,941	394,876	236,782	7,952,994
Net carrying amount, end of year	\$ 251,876	\$ 16,485,424	\$ 628,936	\$ 946,202	\$ 472,052	\$ 18,784,490

The Corporation of the Township of Nipissing Notes to Financial Statements

December 31, 2013

7. Long-term Liabilities

Long-term debt reported on the statement of financial position is comprised of the following:

	2013	2012
Loan payable, 5.52%, payable \$3,630 monthly blended principal and interest, due in 2017, secured by a lien on equipment.	\$ 144,368	\$ 180,407
Loan payable, 3.75%, payable \$2,380 monthly blended principal and interest, due in 2015, secured by a lien on equipment.	30,267	57,138
Loan payable, 3.35%, payable \$3,625 monthly blended principal and interest, due in 2016, secured by a lien on equipment.	96,907	136,440
Loan payable, 3.35%, payable \$1,631 monthly blended principal and interest, due in 2016, secured by a lien on equipment.	42,098	59,938
Loan payable, 3.35%, payable \$2,171 monthly blended principal and interest, due in 2016, secured by a GIC.	56,241	79,987
Loan payable, 2.86%, payable \$2,149 monthly blended principal and interest, due in 2017, secured by a GIC.	91,587	114,398
Loan payable, 3.32%, payable \$2,717 monthly blended principal and interest, due in 2018, secured by a lien on equipment.	143,076	-
Loan payable, 4.18%, payable \$3,520 monthly blended principal and interest, due in 2013, secured by a lien on equipment.	-	17,346
Loan payable, 4.75%, payable \$2,565 monthly blended principal and interest, due in 2013, secured by a lien on equipment.	-	10,013
	\$ 604,544	\$ 655,667

**The Corporation of the Township of Nipissing
Notes to Financial Statements**

December 31, 2013

7. Long-term Liabilities (continued)

Principal repayments for the next five years are as follows:

2014	\$	200,777
2015		180,994
2016		119,501
2017		79,165
2018		<u>24,107</u>
	\$	<u>604,544</u>

Interest expense paid relating to the long-term debt above is \$19,615 (2012 - \$26,646) and has been included in expenses on the statement of operations.

The Corporation of the Township of Nipissing

Notes to Financial Statements

December 31, 2013

8. Landfill Closure and Post-Closure Accrual

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfills, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the Township's estimated future liability for this expense is recognized as the landfill sites capacities are used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill sites and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$2,754,289 (Restated 2012 - \$2,583,759) and reflects a discount rate of 2.64% (2012 - 2.64%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfills. Future events could impact the established total expenses, capacity used or total capacity. If such events occur it would be treated as a change in estimate and dealt with prospectively.

Wolfe Lake

The landfill is expected to reach its capacity in 22 years, and the estimated remaining capacity is 26,353 cubic metres which is 48% (Restated 2012 - 50%) of the site's total capacity. The total discounted estimated future expenditures for closure and post-closure care is \$1,935,692 (Restated 2012 - \$1,874,202) leaving an amount to be recognized of \$931,3 (Restated 2012 - \$944,903). The estimated length of time needed for post-closure care is 25 years.

Bear Creek

The landfill is expected to reach its capacity in 24 years, and the estimated remaining capacity is 16,501 cubic metres which is 41% (Restated 2012 - 43%) of the site's total capacity. The total discounted estimated future expenditures for closure and post-closure care is \$2,978,798 (Restated 2012 - \$2,902,180) leaving an amount to be recognized of \$1,228,829 (2012 - \$1,247,720). The estimated length of time needed for post-closure care is 25 years.

Municipal reserves for the landfill site total \$518,304 (2012 - \$483,694).

The Corporation of the Township of Nipissing Notes to Financial Statements

December 31, 2013

9. Obligatory Reserve Funds	2013	2012
Obligatory reserve funds, beginning of year	\$ 95,597	\$ 89,475
Add:		
Federal gas tax contributions	100,859	100,859
Parkland development contributions	22,089	14,418
Interest earned	-	28
Less:		
Utilization of funds	(148,100)	(109,183)
Obligatory reserve funds, end of year	\$ 70,445	\$ 95,597
Analysed as follows:		
Federal gas tax rebate	\$ -	\$ 28
Recreational parkland	70,445	95,569
	\$ 70,445	\$ 95,597

Included in cash and cash equivalents is restricted amounts of \$70,445 (2012 - \$95,597) with respect to the above obligatory reserve funds.

Gas tax revenue is provided by the Government of Canada. The use of the funds is established by the funding agreement signed between the Township and the Association of Municipalities of Ontario. Gas tax funds may be used towards designated projects as specified in the funding agreements.

The Corporation of the Township of Nipissing

Notes to Financial Statements

December 31, 2013

10. Pension Agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer pension plan, on behalf of full-time members of 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 Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 439,528 active and retired members and approximately 982 employers.

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 pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2013. The results of this valuation disclosed total actuarial liabilities of \$73,004 million in respect of benefits accrued for service with actuarial assets at that date of \$64,363 million indicating an actuarial deficit of \$8,641 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Township to OMERS for 2013 were \$33,756 (2012 - \$33,322).

11. Accumulated Surplus

The Township segregates its accumulated surplus in the following categories:

	2013	2012 (Restated Note 1)
Investment in tangible capital assets	\$ 18,599,826	\$ 18,784,490
Amounts to be recovered	(2,754,289)	(2,583,759)
Current fund	(539,243)	(531,880)
Reserve funds		
Working	601,580	601,580
Capital	663,390	602,641
Solid waste closure and post closure	518,304	483,694
	<u>\$ 17,089,568</u>	<u>\$ 17,356,766</u>

The Corporation of the Township of Nipissing Notes to Financial Statements

December 31, 2013

12. Taxation

	2013	2012
Taxation raised for municipal purposes	\$ 2,020,905	\$ 1,985,360
Payments in lieu of taxation	16,030	19,416
	\$ 2,036,935	\$ 2,004,776

Taxes of \$673,386 (2012 - \$674,608), raised on behalf of and submitted to the school boards have not been included in the above totals.

13. Commitments

In 2006 the Township passed a resolution which allows for a total contribution of \$200,000 over a twenty year period to the new North Bay Regional Health Centre Project. At December 31, 2013 the Township has paid \$70,000 (2012 - \$60,000) towards its total contribution.

14. Budget

The Budget By-law adopted by Council on April 23, 2013 was not prepared on a basis consistent with that used to report actual results (Canadian public sector accounting standards). The budget was prepared on a modified accrual basis while Canadian public sector accounting standards now require a full accrual basis. The budget figures anticipated use surpluses accumulated in previous years to reduce current year expenses in excess of current year revenues to \$Nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on April 23, 2013 with adjustments as follows:

	2013
Budget By-law surplus for the year	\$ -
Add:	
Debt repayment	234,420
Net transfers to (from) reserve funds	119,463
Budget surplus per statement of operations	\$ 353,883

The Corporation of the Township of Nipissing Notes to Financial Statements

December 31, 2013

15. Expenses by Object

	2013	2012
Salaries and benefits	\$ 846,914	\$ 790,702
Materials	951,726	786,014
Contracted services	258,750	253,585
Interest	19,739	27,483
External transfers	317,896	315,886
Amortization	820,561	791,641
	<u>\$ 3,215,586</u>	<u>\$ 2,965,311</u>

16. Credit Facility Agreement

The Township has a credit facility agreement with a Canadian Financial Institution of one million dollars bearing interest at the bank's prime rate. The maximum draw under the terms of the operating line are \$250,000. At December 31, 2013, the Township has not utilized any amount under this credit facility.

17. Trust Fund

The trust fund administered by the Township amounting to \$95,312 (2012 - \$91,962) has not been included in the Statement of Financial Position, nor have its operations been included on the Statement of Operations. Separate audited financial statements for Nipissing Union Cemetery have been prepared and are available for the trust fund.

18. Segment Disclosures

The Township is a diversified municipal government institution that provides a wide range of services to its citizens such as police and fire. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This relates to the revenues and expenditures of the Township itself and cannot be directly attributed to specific segments.

The Corporation of the Township of Nipissing

Notes to Financial Statements

December 31, 2013

18. Segment Disclosures (continued)

Protection to Persons

Protection is comprised of police and fire services, animal control, livestock evaluators and the building department. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers. The building department provides a number of services including maintenance and enforcement of building and construction codes.

Transportation Services

Transportation is responsible for maintaining the municipality's roadway systems.

Environmental Services

Environmental services consists of providing recycling and waste disposal to citizens.

Health, Social and Family Services

Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities. Social and family services provides services that are meant to help the less fortunate in society. Social housing is provided to help shelter families and elderly in need. Child care funding is provided to subsidize day cares and to provide early learning programs. The ambulance service transports the injured to the hospital and provides emergency medical care to those in distress.

Recreation and Culture

Recreation and culture represents cultural activity support within the Township. This includes maintenance and upkeep of parks, running recreation programs, and providing library services.

Planning and Development

This department provides a number of services including municipal planning and review of all property development plans through its application process.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter segment transfers are measured on the basis of the percentage of budgeted expenditures.

**The Corporation of the Township of Nipissing
Notes to Financial Statements**

December 31, 2013

18. Segment Disclosures (continued)

	General Government	Protection to Persons	Transportation Services	Environmental Services	Health, Social & Family Services	Recreation & Culture & Development	Planning & Development	Unallocated Amounts	2013 Total
Revenues									
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,036,935	\$ 2,036,935
Government transfers and grants	-	-	2,880	-	-	51,108	21,558	491,000	566,546
Transfer from obligatory gas tax reserve	-	-	100,888	-	-	-	-	-	100,888
Other	62,041	36,519	5,401	-	3,371	48,092	-	-	155,424
User fees	13,322	3,647	21,828	17,614	5,390	20,944	5,850	-	88,595
	75,363	40,166	130,997	17,614	8,761	120,144	27,408	2,527,935	2,948,388
Expenses									
Salaries and benefits	265,344	151,248	317,889	68,151	8,201	36,081	-	-	846,914
Materials	135,861	106,706	316,050	296,635	11,805	55,205	29,464	-	951,726
Contracted services	58,502	95,967	-	2,324	86,533	15,424	-	-	258,750
Interest	-	7,195	5,380	1,736	5,428	-	-	-	19,739
External transfers	-	-	-	-	288,730	29,166	-	-	317,896
Amortization	18,936	49,095	741,895	-	-	10,635	-	-	820,561
	478,643	410,211	1,381,214	368,846	400,697	146,511	29,464	-	3,215,586
Annual (deficit) surplus	\$ (403,280)	\$ (370,045)	\$ (1,250,217)	\$ (351,232)	\$ (391,936)	\$ (26,367)	\$ (2,056)	\$ 2,527,935	\$ (267,198)

**The Corporation of the Township of Nipissing
Notes to Financial Statements**

December 31, 2013

18. Segment Disclosures (continued)

	General Government	Protection Services	Transportation Services	Environmental Services	Health, Social & Family Services	Recreation & Culture & Development	Planning & Development	Unallocated Amounts	2012 Total (Restated Note 1)
Revenues									
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,004,776	\$ 2,004,776
Government transfers and grants	-	-	-	-	-	8,588	-	504,600	513,188
Transfer from obligatory gas tax reserve fund	-	-	100,859	-	-	-	-	-	100,859
Other	58,460	26,015	148,767	-	1,665	1,025	-	-	235,432
User fees	16,579	960	4,199	10,645	6,620	13,832	5,000	-	57,835
	75,039	26,975	253,325	10,645	8,285	23,445	5,000	2,509,376	2,912,090
Expenses									
Salaries and benefits	252,123	137,627	298,799	63,080	8,784	30,289	-	-	790,702
Materials	105,304	101,612	278,685	243,286	4,420	43,802	8,905	-	786,014
Contracted services	58,618	96,624	-	2,324	84,749	11,270	-	-	253,585
Interest	-	7,764	7,047	2,323	10,349	-	-	-	27,483
External transfers	-	-	-	-	286,720	29,166	-	-	315,886
Amortization	48,382	19,348	713,277	-	-	10,634	-	-	791,641
	464,427	362,975	1,297,808	311,013	395,022	125,161	8,905	-	2,965,311
Annual (deficit) surplus	\$ (389,388)	\$ (336,000)	\$ (1,044,483)	\$ (300,368)	\$ (386,737)	\$ (101,716)	\$ (3,905)	\$ 2,509,376	\$ (53,221)