

Financial Statements of

**THE CORPORATION OF THE
TOWNSHIP OF NIPISSING**

Year ended December 31, 2018

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Financial Statements

Year ended December 31, 2018

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Management's Responsibility for the Financial Statements

The accompanying financial statements of The Corporation of the Township of Nipissing (the "Township") are the responsibility of the Township'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 financial statements. The preparation of 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 Township'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 financial statements. These systems are monitored and evaluated by Management.

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

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

Chief Administrative Officer

Treasurer-Deputy Clerk



KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury Ontario P3C 1X3
Canada
Telephone (705) 675-8500
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INDEPENDENT AUDITORS' REPORT

To the Members of Council, residents, and ratepayers of the Corporation of the Township of Nipissing

Opinion

We have audited the financial statements of The Corporation of the Township of Nipissing (The Entity), which comprise:

- The statement of financial position as at December 31, 2018
- The statement of operations for the year then ended
- The statements of changes in net financial assets for the year then ended
- The statement of cash flows for the year then ended
- And the notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.



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

Management is responsible for the preparation and fair presentation of the 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 Entity'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 Entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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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 the events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity's 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the right end.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

February 19, 2019

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Financial assets		
Cash	\$ 1,653,226	\$ 1,797,716
Short-term investments (note 3)	405,050	336,011
Taxes receivable	213,916	219,760
Accounts receivable (note 4)	142,995	127,724
	<u>2,415,187</u>	<u>2,481,211</u>
Financial liabilities		
Accounts payable and accrued liabilities	189,611	176,026
Deferred revenue (note 5)	141,252	107,819
Municipal debt (note 6)	61,655	112,004
Landfill closure liabilities (note 7)	421,431	415,943
	<u>813,949</u>	<u>811,792</u>
Net financial assets	1,601,238	1,669,419
Non-financial assets		
Tangible capital assets (note 8)	17,880,712	17,740,908
Prepaid expenses	31,194	35,301
Inventories	90,253	68,103
	<u>18,002,159</u>	<u>17,844,312</u>
Accumulated surplus (note 9)	<u>\$ 19,603,397</u>	<u>\$ 19,513,731</u>

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

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Statement of Operations and Accumulated Surplus

Year ended December 31, 2018, with comparative information for 2017

	Budget 2018 (note 13)	Actual 2018	Actual 2017
Revenues:			
Municipal taxation	\$ 2,521,640	2,531,083	\$ 2,443,908
Government transfers and grants	755,693	648,483	558,999
Transfer from obligatory gas tax reserve fund	85,050	119,500	160,135
Other	93,685	102,556	121,894
User fees	102,861	105,855	134,690
	3,558,929	3,507,477	3,419,626
Expenses:			
General government	499,292	516,368	476,680
Protection to persons and property	695,239	765,630	669,205
Transportation services	936,115	1,294,046	1,278,147
Environmental services	247,920	219,355	208,345
Health, social and family services	463,000	457,454	448,700
Recreational and cultural services	167,360	157,552	161,964
Planning and development	5,000	1,918	8,133
	3,013,926	3,412,323	3,251,174
Annual surplus before the undernoted	545,003	95,154	168,452
Landfill closure liability expense	-	(5,488)	(78,936)
Annual surplus	545,003	89,666	89,516
Accumulated surplus, beginning of year	19,513,731	19,513,731	19,424,215
Accumulated surplus, end of year	\$ 20,058,734	\$ 19,603,397	\$ 19,513,731

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

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Statement of Change in Net Financial Assets

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Annual surplus	\$ 89,666	\$ 89,516
Acquisition of tangible capital assets	(734,115)	(367,872)
Amortization of tangible capital assets	594,311	532,105
	(50,138)	253,749
Acquisition of prepaid expenses and inventory of supplies	(121,447)	(103,404)
Consumption of prepaid expenses and inventory of supplies	103,404	94,781
	(18,043)	(8,623)
Change in net financial assets	(68,181)	245,126
Net financial assets, beginning of year	1,669,419	1,424,293
Net financial assets, end of year	\$ 1,601,238	\$ 1,669,419

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

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 89,666	\$ 89,516
Items not involving cash:		
Amortization of tangible capital assets	594,311	532,105
<u>Decrease in landfill closure liabilities</u>	<u>5,488</u>	<u>78,936</u>
	689,465	700,557
Change in non-cash assets and liabilities:		
Decrease in taxes receivable	5,844	6,098
Increase in accounts receivable	(15,271)	(4,453)
Increase (decrease) in accounts payable and accrued liabilities	13,585	(72,442)
Increase (decrease) in prepaid expenses	4,107	(4,311)
Increase in inventories	(22,150)	(4,311)
<u>Increase (decrease) in deferred revenue</u>	<u>33,433</u>	<u>(42,483)</u>
Net change in cash from operating activities	709,013	578,655
Financing activities:		
<u>Principal repayments on municipal debt</u>	<u>(50,349)</u>	<u>(104,393)</u>
Net change in financing activities	(50,349)	(104,393)
Capital activities:		
<u>Acquisition of tangible capital assets</u>	<u>(734,115)</u>	<u>(367,872)</u>
Net change in cash from capital activities	(734,115)	(367,872)
Investing activities:		
<u>Increase in short-term investments</u>	<u>(69,039)</u>	<u>(74,111)</u>
Net change in cash from investing activities	(69,039)	(74,111)
Net change in cash	(144,490)	32,279
Cash, beginning of year	1,797,716	1,765,437
<u>Cash, end of year</u>	<u>\$ 1,653,226</u>	<u>\$ 1,797,716</u>

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

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2018

The Corporation of the Township of Nipissing (the "Township") is a Township 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 financial statements of the Township 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 Township are as follows:

(a) Reporting entity:

- (i) These financial statements reflect contributions to the following joint local boards, which are not under the direct control of council as expense in the statement of operations and accumulated surplus:

- The District of Parry Sound Social Services Administration Board
- North Bay Parry Sound District Health Unit
- Eastholme, Home for the Aged

- (ii) Accounting for School Board Transactions.

Although the Township collects taxation on behalf of the School Boards, the assets, liabilities, revenues and expenses, relating to the operations of the school boards are not reflected in these financial statements (note 10).

- (iii) Trust Funds:

Trust funds and their related operations administered by the Township are not included in these financial statements but are reported on separately on the Trust Funds financial statements (note 11).

(b) Basis of accounting:

- (i) Accrual basis of accounting:

Revenues and expenses are reported on the accrual basis of accounting. Revenues are recognized as they are earned 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. 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 TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(ii) Investments:

Investments consist of authorized investments pursuant to provisions of the Municipal Act and are comprised of short term instruments of various financial institutions. Investments with original maturity dates between three months and one year are classified as investments in the statement of financial position and are carried at fair market value.

Investment income earned on the short term instruments, reserves and reserve funds (other than obligatory funds) are 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 respective deferred revenue balances.

(iii) Reserves:

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustments to the respective fund when approved.

(iv) Revenue recognition:

The Township prepares tax billings based on assessment rolls issued by the Municipality Property Assessment Corporation in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized in the period in which the taxes are levied.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated. Government grants are recognized when approved to the extent the related expenditures have been incurred and collection can be reasonably assured.

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

(v) Use of estimates:

The preparation of the financial statements in accordance with Canadian public sector accounting standards 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 year. 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.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

b) Basis of accounting (continued):

(vi) Pension plan:

The Township provides a pension plan for all its full time employees through the Ontario Municipal Employees Retirement System (OMERS). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund (the Fund), and provides pension for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Township to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognized as an employee benefits expense in net income when they are due.

(c) 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.

(d) Deferred revenue:

The Township receives contributions pursuant to legislation, regulations or agreements that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenues in the fiscal year the related expenses are incurred or services performed.

(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.

(f) 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, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Roads and bridges	17 to 100 years
Buildings	40 years
Equipment	5 to 20 years
Vehicles	10 to 25 years

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

(f) Tangible capital assets (continued):

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

Amortization is charged using the half year rule 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.

(i) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(ii) Works of art and culture and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(g) Financial instruments:

The Township's financial instruments consist of cash, accounts receivables, taxes receivables, accounts payables and accrued liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the Township does not have any significant concentration of interest, currency or credit risk.

2. Contributions to unconsolidated joint boards:

Further to note 1(a)(i), the following contributions were made by the Township to these Boards:

	2018	2017
North Bay Parry Sound District Health Unit	\$ 58,876	58,876
District of Parry Sound Social Services Administration Board	163,639	161,299
Eastholme, Home for the Aged	105,960	102,470
	\$ 328,475	322,645

3. Short-term investments:

The Township, in accordance with its Investment Policy, has invested as follows in guaranteed investment certificates. Interest is recognized as it accrues in the Township's financial statements

	2018	2017
GIC- 1.95% due May 13, 2019	\$ 200,000	200,000
GIC- 2.10% due March 26, 2019	200,000	130,986
GIC- 0.50% due April 26, 2019	5,050	5,025
	\$ 405,050	336,011

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2018

4. Accounts receivable:

Accounts receivable consist of the following:

	2018	2017
GST/HST recoverable	\$ 123,945	81,540
Other	19,050	46,184
	\$ 142,995	127,724

5. Deferred revenue:

The balance in the obligatory reserve funds of the Township is summarized below:

	2018	2017
Parkland	\$ 101,776	96,732
AMO Main Street	39,189	–
Federal gas tax	287	11,087
	\$ 141,252	107,819

The continuity of deferred revenue is as follows:

	2018	2017
Balance, beginning of year	\$ 107,819	150,302
Add amounts received:		
Federal gas tax	108,548	105,449
AMO Main Street	39,155	–
Parkland fees	3,690	11,447
Investment income	1,540	756
	152,933	117,652
Less transfer to operations:		
Federal gas tax revenue earned	(119,500)	(160,135)
Balance, end of year	\$ 141,252	107,819

Included within cash is restricted amounts of \$141,252 (2017 - \$107,819) with respect to the above obligatory reserve funds.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2018

6. Municipal debt:

Long-term liabilities reported on the statement of financial position are made up of the following:

	2018	2017
Loan payable, interest at 2.68%, repayable in monthly installments of \$2,353 principal and interest, secured by a specified asset, due March 2021.	\$ 61,655	87,890
Loan payable, interest at 3.32%, repayable in monthly installments of \$2,717 principal and interest, secured by a specified asset, due September 2018.	–	24,114
	\$ 61,655	112,004

Principal due on municipal debt are as follows:

2019	\$	26,891
2020		27,634
2021		7,130
	\$	61,655

7. 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 a rate of 3.39% (2017 - 3.39%). The estimated total landfill closure and post-closure care expenditures are calculated to be \$421,431 (2017 - \$415,943). The estimated liability for these expenditures is recognized as the landfill site's capacity is used.

Wolfe Lake

The landfill is expected to reach its capacity in 121 years, and the estimated remaining capacity is 43,880 cubic meters, which is 80% of the site's total capacity. The total discounted future expenditures for closure and post-closure care are \$150,071 (2017 - \$142,047). The estimated length of time for post-closure care is 25 years.

Bear Creek

The landfill is expected to reach its capacity in 41 years, and the estimated remaining capacity is 17,744 cubic metres, which is 44% of the site's total capacity. The total discounted future expenditures for closure and post-closure care are \$703,797 (2017 - \$697,826). The estimated length of time for post-closure care is 25 years.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2018

8. Tangible capital assets:

Cost	Balance at December 31, 2017	Additions	Disposals	Balance at December 31, 2018
Land	\$ 342,322	-	-	342,322
Roads and bridges	25,045,358	367,536	-	25,412,894
Buildings	1,071,315	-	-	1,071,315
Vehicles	1,324,023	309,319	-	1,633,342
Equipment	1,055,265	57,260	-	1,112,525
Total	\$ 28,838,283	734,115	-	29,572,398

Accumulated Amortization	Balance at December 31, 2017	Disposals	Amortization	Balance at December 31, 2018
Land	\$ -	-	-	-
Roads and bridges	9,450,134	-	411,096	9,861,230
Buildings	472,243	-	24,191	496,434
Vehicles	622,684	-	83,986	706,670
Equipment	552,314	-	75,038	627,352
Total	\$ 11,097,375	-	594,311	11,691,686

	Net book value, December 31, 2017	Net book value, December 31, 2018
Land	\$ 342,322	342,322
Roads and bridges	15,595,224	15,551,664
Buildings	599,072	574,881
Vehicles	701,339	926,672
Equipment	502,951	485,173
Total	\$ 17,740,908	17,880,712

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2018

8. Tangible capital assets (continued):

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Land	\$ 342,322	-	-	342,322
Roads and bridges	24,691,770	353,588	-	25,045,358
Buildings	1,071,315	-	-	1,071,315
Vehicles	1,324,023	-	-	1,324,023
Equipment	1,040,981	14,284	-	1,055,265
Total	\$ 28,470,411	367,872	-	28,838,283

Accumulated Amortization	Balance at December 31, 2016	Disposals	Amortization	Balance at December 31, 2017
Land	\$ -	-	-	-
Roads and bridges	9,067,015	-	383,119	9,450,134
Buildings	450,235	-	22,008	472,243
Vehicles	565,760	-	56,924	622,684
Equipment	482,261	-	70,053	552,314
Total	\$ 10,565,271	-	532,104	11,097,375

	Net book value, December 31, 2016	Net book value, December 31, 2017
Land	\$ 342,322	342,322
Roads and bridges	15,624,755	15,595,224
Buildings	621,080	599,072
Vehicles	758,263	701,339
Equipment	558,720	502,951
Total	\$ 17,905,140	17,740,908

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2018

9. Accumulated surplus:

The Township accumulated surplus consists of individual fund surplus and reserve funds as follows:

	2018	2017
Investment in tangible capital assets	\$ 17,819,057	17,628,904
Amounts to be recovered	(421,431)	(415,943)
Current fund	105,010	315,798
Reserve funds:		
Working capital	627,286	627,286
Capital	835,752	746,470
Solid waste closure and post closure	637,723	611,216
	\$ 19,603,397	19,513,731

10. Operations of school boards:

Further to note 1 (a) (ii), the property taxes collected on behalf of the school boards are \$640,164 (2017 - \$650,542).

11. Trust Funds:

Trust Funds administered by the Township amounting to \$113,700 (2017 - \$111,262) have not been included on the statement of financial position nor have their operations been included in the statement of operations and accumulated surplus.

12. Pension agreement:

The Township makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 8 (2017 - 8) members. The plan is a contributory 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. Employers and employees contribute jointly to the plan.

The amount contributed to OMERS for 2018 was \$50,038 (2017 - \$44,150) for current service. Employer's contributions for current services are included as an expense in the statement of operations.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2018

13. 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 statement of operations and accumulated surplus and change in the net financial assets represent the financial plan adopted by Council with adjustment as follows:

	2018
Annual surplus per budget approved by Council	\$ -
Add:	
Transfers to and from reserve funds	(247,208)
Debt principal repayments	52,291
Capital additions	739,920
Surplus per revised budget	\$ 545,003

14. Credit facility:

The Township has a revolving line of credit available to them through the Royal Bank of Canada. In accordance with the terms of their credit agreement, the Township may borrow an amount not to exceed 50% of estimated revenues between January and September 30th, and an amount not to exceed 25% of estimated revenues between October 1st and December 31st. The credit facility bears interest at the Royal Bank of Canada prime rate.

As of December 31, 2018, no funds were drawn against this credit facility.

15. Public sector salary disclosure:

During 2018, no employees were paid a salary, as defines in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Township.

16. Commitments:

In 2006, the Township passed a resolution which allows for a total contribution of \$200,000 over a 20 year period to the new North Bay Regional Health Centre Project. At December 31, 2018, the Township has paid \$120,000 (2017 - \$110,000) towards its total contribution.

17. Comparative information:

Certain 2017 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2018

18. Segmented information:

The Township of Nipissing is a diversified municipal government institution that provides a wide range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocations methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclose in note 1.

Municipality 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

Includes corporate services and governance of the Township. General Government is responsible for human resource management, support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status is provided as well as frontline reception and customer service.

Protection Services

Protection includes police and fire services, animal control, and the building department. The police services work to ensure the safety and protection of citizens and their property. The volunteer fire department is responsible for the provision of fire suppression services, fire prevention programs, training and education. The building department provides a number of services including maintenance and enforcement of building and construction codes.

Transportation Services

Areas of responsibility include the maintenance of the Township's roadway systems.

Environmental Services

Environmental services consist of the provision of recycling and waste disposal services to citizens.

Health, Social and Family Services

The Township provides ambulance services through the District Social Services Board, Cemetery Services and a range of public health services through the North Bay Parry Sound District Health Unit.

Recreation and Cultural Services

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

Planning and Development

Planning and development is responsible for municipal planning, and the review of all property development plans through its application process.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Schedule to Note 18 - Segmented Information

Year ended December 31, 2018

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated amounts	Total 2018
Revenues:									
Municipal taxation	\$ -	-	-	-	-	-	-	2,531,083	2,531,083
Government transfers and grants	-	-	61,720	-	-	13,063	-	573,700	648,483
Transfer from obligatory gas tax reserve	-	-	119,500	-	-	-	-	-	119,500
Other	72,696	25,716	-	-	2,219	1,925	-	-	102,556
User fees	8,934	9,497	1,613	50,146	5,240	26,925	3,500	-	105,855
	81,630	35,213	182,833	50,146	7,459	41,913	3,500	3,104,783	3,507,477
Expenses:									
Salaries, wages and benefits	319,600	181,869	420,552	85,569	9,967	57,540	-	-	1,075,097
Materials	114,480	130,303	371,530	36,048	3,314	56,305	1,918	-	713,898
Contracted services	73,564	379,830	-	97,738	105,698	-	-	-	656,830
Interest	-	2,006	335	-	-	-	-	-	2,341
External transfers	-	-	-	-	338,475	31,371	-	-	369,846
Amortization of tangible capital assets	8,724	71,622	501,629	-	-	12,336	-	-	594,311
	516,368	765,630	1,294,046	219,355	457,454	157,552	1,918	-	3,412,323
Annual surplus (deficit) before the undernoted	(434,738)	(730,417)	(1,111,213)	(169,209)	(449,995)	(115,639)	1,582	3,104,783	95,154
Landfill liability expense	-	-	-	(5,488)	-	-	-	-	(5,488)
Annual surplus (deficit)	\$ (434,738)	(730,417)	(1,111,213)	(174,697)	(449,995)	(115,639)	1,582	3,104,783	\$ 89,666

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Schedule to Note 18 - Segmented Information

Year ended December 31, 2018

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated amounts	Total 2017
Revenues:									
Municipal taxation	\$ -	-	-	-	-	-	-	2,443,908	2,443,908
Government transfers and grants	-	-	50,000	-	-	4,999	-	504,000	558,999
Transfer from obligatory gas tax reserve	-	-	160,135	-	-	-	-	-	160,135
Other	62,900	52,520	-	-	1,199	5,275	-	-	121,894
User fees	6,673	29,529	4,524	46,981	6,605	33,278	7,100	-	134,690
	69,573	82,049	214,659	46,981	7,804	43,552	7,100	2,947,908	3,419,626
Expenses:									
Salaries, wages and benefits	303,309	157,413	387,962	82,242	9,955	48,356	-	-	989,237
Materials	92,469	117,268	416,692	19,211	3,239	64,901	8,133	-	721,913
Contracted services	72,412	352,371	-	106,892	102,488	-	-	-	634,163
Interest	-	3,001	1,366	-	373	-	-	-	4,740
External transfers	-	-	-	-	332,645	36,371	-	-	369,016
Amortization of tangible capital assets	8,490	39,152	472,127	-	-	12,336	-	-	532,105
	476,680	669,205	1,278,147	208,345	448,700	161,964	8,133	-	3,251,174
Annual surplus (deficit) before the undernoted	(407,107)	(587,156)	(1,063,488)	(161,364)	(440,896)	(118,412)	(1,033)	2,947,908	168,452
Landfill liability expense	-	-	-	(78,936)	-	-	-	-	(78,936)
Annual surplus (deficit)	\$ (407,107)	(587,156)	(1,063,488)	(240,300)	(440,896)	(118,412)	(1,033)	2,947,908	\$ 89,516