

Financial Statements of

**THE CORPORATION OF THE
TOWNSHIP OF NIPISSING**

Year ended December 31, 2020

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Financial Statements

Year ended December 31, 2020

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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 of 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



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Claridge Executive Centre
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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, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement 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, 2020, and its results of operations and accumulated surplus, 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 auditors' 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.



- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

March 9, 2021

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets		
Cash	\$ 1,063,807	\$ 2,646,592
Short-term investments (note 3)	2,005,101	5,075
Taxes receivable	152,683	163,985
Accounts receivable (note 4)	178,971	127,585
	<u>3,400,562</u>	<u>2,943,237</u>
Financial liabilities		
Accounts payable and accrued liabilities	219,356	175,323
Deferred revenue (note 5)	124,155	178,592
Municipal debt (note 6)	409,280	34,717
Landfill closure liabilities (note 7)	765,478	487,189
	<u>1,518,269</u>	<u>875,821</u>
Net financial assets	1,882,293	2,067,416
Non-financial assets		
Tangible capital assets (note 8)	18,190,542	18,014,988
Prepaid expenses	36,521	33,251
Inventories	161,725	89,964
	<u>18,388,788</u>	<u>18,138,203</u>
Commitments (note 17)		
Impacts of COVID-19 (note 18)		
Accumulated surplus (note 9)	<u>\$ 20,271,081</u>	<u>\$ 20,205,619</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, 2020, with comparative information for 2019

	Budget 2020 (note 14)	Actual 2020	Actual 2019
Revenues:			
Municipal taxation	\$ 2,730,574	\$ 2,716,139	\$ 2,627,138
Government transfers and grants (note 11)	762,150	905,550	1,149,798
Transfer from obligatory gas tax reserve fund	171,129	165,449	147,299
Other	113,800	97,175	133,646
User fees	138,200	136,399	129,695
	<u>3,915,853</u>	<u>4,020,712</u>	<u>4,187,576</u>
Expenses:			
General government	605,012	578,783	524,550
Protection to persons and property	748,540	801,065	772,926
Transportation services	1,096,899	1,349,575	1,362,843
Environmental services	258,743	328,542	219,967
Health, social and family services	481,803	484,018	465,418
Recreational and cultural services	177,245	109,034	157,419
Planning and development	25,000	25,944	16,474
	<u>3,393,242</u>	<u>3,676,961</u>	<u>3,519,597</u>
Annual surplus before the undernoted	522,611	343,751	667,979
Landfill closure liability expense	-	(278,289)	(65,757)
Annual surplus	522,611	65,462	602,222
Accumulated surplus, beginning of year	20,205,619	20,205,619	19,603,397
Accumulated surplus, end of year	<u>\$ 20,728,230</u>	<u>\$ 20,271,081</u>	<u>\$ 20,205,619</u>

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

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Statement of Changes in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Annual surplus	\$ 65,462	\$ 602,222
Acquisition of tangible capital assets	(843,408)	(753,382)
Amortization of tangible capital assets	667,854	619,106
	(110,092)	467,946
Acquisition of prepaid expenses and inventory of supplies	(198,246)	(123,215)
Consumption of prepaid expenses and inventory of supplies	123,215	121,447
	(75,031)	(1,768)
Change in net financial assets	(185,123)	466,178
Net financial assets, beginning of year	2,067,416	1,601,238
Net financial assets, end of year	\$ 1,882,293	\$ 2,067,416

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, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 65,462	\$ 602,222
Items not involving cash:		
Amortization of tangible capital assets	667,852	619,106
Decrease in landfill closure liabilities	278,289	65,757
	<u>1,011,603</u>	<u>1,287,085</u>
Change in non-cash assets and liabilities:		
Decrease in taxes receivable	11,302	49,931
Decrease (increase) in accounts receivable	(51,386)	15,410
Increase (decrease) in accounts payable and accrued liabilities	44,032	(14,289)
Increase in prepaid expenses	(3,270)	(2,057)
Decrease (increase) in inventories	(71,761)	289
Decrease (increase) in deferred revenue	(54,437)	37,340
Net change in cash from operating activities	<u>886,083</u>	<u>1,373,709</u>
Financing activities:		
Proceeds on issuance of municipal debt	425,442	-
Principal repayments on municipal debt	(50,879)	(26,938)
Net change in financing activities	<u>374,563</u>	<u>(26,938)</u>
Capital activities:		
Acquisition of tangible capital assets	(843,408)	(753,382)
Net change in cash from capital activities	<u>(843,408)</u>	<u>(753,382)</u>
Investing activities:		
Increase in short-term investments	(2,000,023)	399,977
Net change in cash from investing activities	<u>(2,000,023)</u>	<u>399,977</u>
Net change in cash	<u>(1,582,785)</u>	<u>993,366</u>
Cash, beginning of year	2,646,592	1,653,226
Cash, end of year	<u>\$ 1,063,807</u>	<u>\$ 2,646,592</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, 2020

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 an 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 (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, 2020

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 adjustment to the respective fund when approved.

(iv) Revenue recognition:

The Township prepares tax billings based on assessment rolls issued by the Municipal 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 these 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, 2020

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 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 revenue 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, 2020

1. Significant accounting policies (continued):

(f) Tangible capital assets (continued):

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:

	2020	2019
North Bay Parry Sound District Health Unit	\$ 54,849	\$ 56,812
District of Parry Sound Social Services Administration Board	167,856	166,472
Eastholme, Home for the Aged	114,000	109,286
	\$ 336,705	\$ 332,570

3. Short-term investments:

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

	2020	2019
GIC- 1.00% due June 9, 2021	\$ 2,000,000	\$ -
GIC- 1.00% due April 26, 2021	5,101	5,075
	\$ 2,005,101	\$ 5,075

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2020

4. Accounts receivable:

Accounts receivable consist of the following:

	2020	2019
GST/HST recoverable	\$ 145,449	\$ 114,263
Other	33,522	13,322
	<u>\$ 178,971</u>	<u>\$ 127,585</u>

5. Deferred revenue:

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

	2020	2019
Parkland	\$ 118,186	\$ 111,031
Federal gas tax	5,969	67,561
	<u>\$ 124,155</u>	<u>\$ 178,592</u>

The continuity of deferred revenue is as follows:

	2020	2019
Balance, beginning of year	\$ 178,592	\$ 141,252
Add amounts received:		
Federal gas tax	103,568	214,137
Parkland fees	6,570	7,464
Investment income	874	2,908
	<u>111,012</u>	<u>224,509</u>
Less transfer to operations:		
AMO Main Street revenue earned	—	(39,870)
Federal gas tax revenue earned	(165,449)	(147,299)
	<u>(165,449)</u>	<u>(187,169)</u>
Balance, end of year	<u>\$ 124,155</u>	<u>\$ 178,592</u>

Included within cash is restricted amounts of \$124,155 (2019 - \$178,592) with respect to the above obligatory reserve funds.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2020

6. Municipal debt:

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

	2020	2019
Loan payable, interest at 2.68%, repayable in monthly installments of \$2,353 principal and interest, secured by a specified asset, due March 2021.	\$ 7,062	\$ 34,717
Loan payable, interest at 2.68%, repayable in monthly installments of blended monthly payments of principal and interest, secured by a specified asset, due May 2025.	36,487	—
Loan payable, interest at 2.67%, repayable in monthly installments of \$1,265 principal and interest, secured by a specified asset, due August 2025.	65,924	—
Loan payable, interest at 2.67%, repayable in monthly installments of \$5,244 principal and interest, secured by a specified asset, due September 2025.	299,807	—
	<u>\$ 409,280</u>	<u>\$ 34,717</u>

Principal due on municipal debt are as follows:

2021	\$ 84,005
2022	78,999
2023	81,109
2024	83,275
2025	81,892
	<u>\$ 409,280</u>

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2020

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 2.77% (2019 - 3.39%) for landfills with a time from closure under 30 years and 5.56% (2019 - 3.39%) for landfills with a time from closure of over 31 years. The estimated total landfill closure and post-closure care expenditures are calculated to be \$765,478 (2019 - \$487,189). 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 113 years, and the estimated remaining capacity is 43,310 cubic meters, which is 79% of the site's total capacity. The total discounted future expenditures for closure and post-closure care are \$17,249 (2019 - \$206,041). The estimated length of time for post-closure care is 25 years.

Bear Creek

The landfill is expected to reach its capacity in 30 years, and the estimated remaining capacity is 16,177 cubic meters, which is 40% of the site's total capacity. The total discounted future expenditures for closure and post-closure care are \$1,280,273 (2019 - \$772,577). 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, 2020

8. Tangible capital assets:

Cost	Balance at December 31, 2019	Additions	Disposals	Balance at December 31, 2020
Land	\$ 342,322	\$ -	\$ -	\$ 342,322
Roads and bridges	25,871,273	348,641	-	26,219,914
Buildings	1,119,898	2,840	-	1,122,738
Vehicles	1,610,093	341,146	(170,388)	1,780,851
Equipment	1,307,571	150,781	-	1,458,352
Total	\$ 30,251,157	\$ 843,408	\$ (170,388)	\$ 30,924,177

Accumulated Amortization	Balance at December 31, 2019	Disposals	Amortization	Balance at December 31, 2020
Land	\$ -	\$ -	\$ -	\$ -
Roads and bridges	10,291,189	-	454,152	10,745,341
Buildings	521,840	-	25,476	547,316
Vehicles	709,101	(170,388)	93,814	632,527
Equipment	714,039	-	94,412	808,451
Total	\$ 12,236,169	\$ (170,388)	\$ 667,854	\$ 12,733,635

	Net book value, December 31, 2019	Net book value, December 31, 2020
Land	\$ 342,322	\$ 342,322
Roads and bridges	15,580,084	15,474,573
Buildings	598,058	575,422
Vehicles	900,992	1,148,324
Equipment	593,532	649,901
Total	\$ 18,014,988	\$ 18,190,542

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2020

8. Tangible capital assets (continued):

Cost	Balance at December 31, 2018	Additions	Disposals	Balance at December 31, 2019
Land	\$ 342,322	\$ -	\$ -	\$ 342,322
Roads and bridges	25,412,894	458,379	-	25,871,273
Buildings	1,071,315	48,583	-	1,119,898
Vehicles	1,633,342	51,374	(74,623)	1,610,093
Equipment	1,112,525	195,046	-	1,307,571
Total	\$ 29,572,398	\$ 753,382	\$ (74,623)	\$ 30,251,157

Accumulated Amortization	Balance at December 31, 2018	Disposals	Amortization	Balance at December 31, 2019
Land	\$ -	\$ -	\$ -	\$ -
Roads and bridges	9,861,230	-	429,959	10,291,189
Buildings	496,434	-	25,406	521,840
Vehicles	706,670	(74,623)	77,054	709,101
Equipment	627,352	-	86,687	714,039
Total	\$ 11,691,686	\$ (74,623)	\$ 619,106	\$ 12,236,169

	Net book value, December 31, 2018	Net book value, December 31, 2019
Land	\$ 342,322	\$ 342,322
Roads and bridges	15,551,664	15,580,084
Buildings	574,881	598,058
Vehicles	926,672	900,992
Equipment	485,173	593,532
Total	\$ 17,880,712	\$ 18,014,988

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2020

9. Accumulated surplus:

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

	2020	2019
Investment in tangible capital assets	\$ 17,781,263	\$ 18,014,988
Amounts to be recovered	(765,478)	(487,189)
Current fund	48,799	301,164
Reserve funds:		
Working capital	1,129,051	619,786
Capital	1,393,101	1,087,844
Solid waste closure and post closure	684,345	669,026
	3,206,497	2,736,656
	\$ 20,271,081	\$ 20,205,619

10. Operations of school boards:

Further to note 1 (a) (ii), the property taxes collected on behalf of the school boards are \$616,190 (2019 - \$625,902).

11. Government transfers and grants:

The Township's government transfers and grants consists of funding sources as follows:

	2020	2019
Ontario Municipal Partnership Fund	\$ 620,800	\$ 597,700
Modernization Funding	30,000	412,200
OCIF	95,150	96,852
Safe Restart Program	159,600	—
AMO Main Street	—	39,156
Other	—	3,860
	\$ 905,550	\$ 1,149,798

12. Trust funds:

Trust Funds administered by the Township amounting to \$121,262 (2019 - \$117,963) have not been included on the statement of financial position nor have their operations been included in the statement of operations and accumulated surplus.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2020

13. Pension agreement:

The Township makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 10 (2019 - 11) 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 2020 was \$60,172 (2019 - \$60,365) for current service. Employer's contributions for current services are included as an expense in the statement of operations.

14. 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:

	2020
Annual surplus per budget approved by Council	\$ -
Less:	
Proceeds on issuance of long-term debt	(369,264)
Prior year surplus	(506,765)
	<u>(876,029)</u>
Add:	
Transfers to and from reserve funds	510,016
Debt principal repayments	57,749
Capital additions	830,875
	<u>1,398,640</u>
Surplus per revised budget	<u>\$ 522,611</u>

15. 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, 2020, no funds were drawn against this credit facility.

16. Public sector salary disclosure:

During 2020, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Township.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2020

17. 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, 2020, the Township has paid \$140,000 (2019 - \$130,000) towards its total contribution.

18. Impacts of COVID-19:

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") a global pandemic. This resulted in the Province mandating various social distancing protocols, resulting in the temporary shutdown of various programs and services.

During the year, the Township received funding from the Province of Ontario to offset the financial impacts of COVID-19, which has been recognized as revenue in the current year. Consistent with direction received from the Province of Ontario, unexpended funding at December 31, 2020 will be placed in a reserve to offset future financial impacts of COVID-19.

As at December 31, 2020, the Township did not have significant adjustments to reflect the possible future impact of COVID-19. Management assessed the impact on the Township and believes there are no significant financial issues as the Township has strong working capital available and access to sufficient liquid resources to sustain operations in the coming year.

The outcome and timeframe to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its financial effect on future operations at this time.

19. 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 disclosed in note 1.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government

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.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2020

19. Segmented information (continued):

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 service through Parry Sound District Emergency Medical Services (EMS), a range of public health services through the North Bay Parry Sound District Health Unit and family and social services through the District of Parry Sound Social Services Administration Board.

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 19 - Segmented Information

Year ended December 31, 2020

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated amounts	Total 2020
Revenues:									
Municipal taxation	\$ -	-	-	-	-	-	-	2,716,139	\$ 2,716,139
Government transfers and grants	30,000	159,600	95,150	-	-	-	-	620,800	905,550
Transfer from obligatory gas tax reserve	-	-	165,449	-	-	-	-	-	165,449
Other	54,363	40,578	-	-	609	1,625	-	-	97,175
User fees	9,196	24,422	29,022	60,222	6,495	2,942	4,100	-	136,399
	93,559	224,600	289,621	60,222	7,104	4,567	4,100	3,336,939	4,020,712
Expenses:									
Salaries, wages and benefits	368,949	187,708	386,016	134,287	7,307	24,826	-	-	1,109,093
Materials	117,169	159,653	387,344	85,580	5,145	44,900	25,944	-	825,735
Contracted services	75,672	381,913	-	108,675	124,861	-	-	-	691,121
Interest	-	2,048	2,037	-	-	-	-	-	4,085
External transfers	-	-	-	-	346,705	32,370	-	-	379,075
Amortization of tangible capital assets	16,993	69,743	574,178	-	-	6,938	-	-	667,852
	578,783	801,065	1,349,575	328,542	484,018	109,034	25,944	-	3,676,961
Annual surplus (deficit) before the undernoted	(485,224)	(576,465)	(1,059,954)	(268,320)	(476,914)	(104,467)	(21,844)	3,336,939	343,751
Landfill liability expense	-	-	-	(278,289)	-	-	-	-	(278,289)
Annual surplus (deficit)	\$ (485,224)	(576,465)	(1,059,954)	(546,609)	(476,914)	(104,467)	(21,844)	3,336,939	\$ 65,462

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Schedule to Note 19 - Segmented Information

Year ended December 31, 2020

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated amounts	Total 2019
Revenues:									
Municipal taxation	\$ -	-	-	-	-	-	-	2,627,138	\$ 2,627,138
Government transfers and grants	412,200	-	96,852	-	-	43,046	-	597,700	1,149,798
Transfer from obligatory gas tax reserve	-	-	147,299	-	-	-	-	-	147,299
Other	90,900	35,570	-	-	1,951	5,225	-	-	133,646
User fees	25,125	7,706	9,006	45,091	8,255	32,362	2,150	-	129,695
	528,225	43,276	253,157	45,091	10,206	80,633	2,150	3,224,838	4,187,576
Expenses:									
Salaries, wages and benefits	339,572	178,205	430,869	91,540	11,991	61,360	-	-	1,113,537
Materials	100,274	148,389	400,308	31,560	2,302	53,019	16,474	-	752,326
Contracted services	74,623	379,201	-	96,867	108,555	-	-	-	659,246
Interest	-	1,303	-	-	-	-	-	-	1,303
External transfers	-	-	-	-	342,570	31,509	-	-	374,079
Amortization of tangible capital assets	10,081	65,828	531,666	-	-	11,531	-	-	619,106
	524,550	772,926	1,362,843	219,967	465,418	157,419	16,474	-	3,519,597
Annual surplus (deficit) before the undernoted	3,675	(729,650)	(1,109,686)	(174,876)	(455,212)	(76,786)	(14,324)	3,224,838	667,979
Landfill liability expense	-	-	-	(65,757)	-	-	-	-	(65,757)
Annual surplus (deficit)	\$ 3,675	(729,650)	(1,109,686)	(240,633)	(455,212)	(76,786)	(14,324)	3,224,838	\$ 602,222