

Financial Statements of

**THE CORPORATION OF THE
TOWNSHIP OF NIPISSING**

Year ended December 31, 2022

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Financial Statements

Year ended December 31, 2022

	Page
Management's Responsibility for the Financial Statements	
Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 20
Schedule to Note 19 - Segmented Information	21 - 22

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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's financial statements.

Municipal Administrator-Clerk-Treasurer



KPMG LLP
Times Square
1760 Regent Street, Unit 4
Sudbury ON P3E 3Z8
Canada
Tel 705-675-8500
Fax 705-675-7586

INDEPENDENT AUDITOR'S 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, 2022
- 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, 2022, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.



Page 3

- 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 auditor's 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 auditor's 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 22, 2023

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Financial assets		
Cash	\$ 2,121,156	\$ 3,639,626
Short-term investments (note 3)	2,010,156	5,152
Taxes receivable	154,334	127,639
Accounts receivable (note 4)	181,508	116,014
	<u>4,467,154</u>	<u>3,888,431</u>
Financial liabilities		
Accounts payable and accrued liabilities	256,140	250,621
Deferred revenue (note 5)	229,076	240,626
Municipal debt (note 6)	679,656	462,774
Landfill closure liabilities (note 7)	1,898,322	1,331,871
	<u>3,063,194</u>	<u>2,285,892</u>
Net financial assets	1,403,960	1,602,539
Non-financial assets		
Tangible capital assets (note 8)	18,319,924	18,037,644
Prepaid expenses	53,196	46,670
Inventories	169,555	98,498
	<u>18,542,675</u>	<u>18,182,812</u>
Commitments (note 17)		
Accumulated surplus (note 9)	<u>\$ 19,946,635</u>	<u>\$ 19,785,351</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, 2022, with comparative information for 2021

	Budget 2022 (note 14)	Actual 2022	Actual 2021
Revenues:			
Municipal taxation	\$ 2,942,197	\$ 2,970,218	\$ 2,810,551
Government transfers and grants (note 11)	999,296	1,091,775	767,137
Transfer from obligatory gas tax reserve fund	108,276	124,795	96,212
Other	105,100	285,152	135,242
User fees	111,438	151,747	152,024
	<u>4,266,307</u>	<u>4,623,687</u>	<u>3,961,166</u>
Expenses:			
General government	583,425	630,786	568,811
Protection to persons and property	829,240	859,442	851,824
Transportation services	1,401,823	1,365,339	1,532,429
Environmental services	328,608	336,012	302,682
Health, social and family services	512,548	511,249	487,276
Recreational and cultural services	196,604	187,096	133,337
Planning and development	5,000	6,028	7,358
	<u>3,857,248</u>	<u>3,895,952</u>	<u>3,883,717</u>
Annual surplus before the undernoted	409,059	727,735	77,449
Landfill closure liability expense	-	(566,451)	(566,393)
Gain on disposal of tangible capital assets	-	-	3,214
Annual surplus (deficit)	409,059	161,284	(485,730)
Accumulated surplus, beginning of year	19,785,351	19,785,351	20,271,081
Accumulated surplus, end of year	<u>\$ 20,194,410</u>	<u>\$ 19,946,635</u>	<u>\$ 19,785,351</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, 2022, with comparative information for 2021

	2022	2021
Annual surplus (deficit)	\$ 161,284	\$ (485,730)
Acquisition of tangible capital assets	(976,177)	(646,023)
Amortization of tangible capital assets	693,897	672,135
Gain on sale of tangible capital assets	-	(3,214)
Proceeds on sale of tangible capital assets	-	130,000
	(120,996)	(332,832)
Acquisition of prepaid expenses and inventory of supplies	(222,751)	(145,168)
Consumption of prepaid expenses and inventory of supplies	145,168	198,246
	(77,583)	53,078
Change in net financial assets	(198,579)	(279,754)
Net financial assets, beginning of year	1,602,539	1,882,293
Net financial assets, end of year	\$ 1,403,960	\$ 1,602,539

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, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 161,284	\$ (485,730)
Items not involving cash:		
Amortization of tangible capital assets	693,897	672,135
Gain on sale of tangible capital assets	-	(3,214)
Increase in landfill closure liabilities	566,451	566,393
	1,421,632	749,584
Change in non-cash assets and liabilities:		
Decrease in taxes receivable	(26,695)	25,044
Decrease (increase) in accounts receivable	(65,494)	62,957
Increase (decrease) in accounts payable and accrued liabilities	5,519	31,265
Increase in prepaid expenses	(6,526)	(10,149)
Decrease (increase) in inventories	(71,057)	63,227
Decrease (increase) in deferred revenue	(11,550)	116,471
Net change in cash from operating activities	1,245,829	1,038,399
Financing activities:		
Proceeds on issuance of municipal debt	331,788	139,645
Principal repayments on municipal debt	(114,906)	(86,151)
Net change in financing activities	216,882	53,494
Capital activities:		
Proceeds on sale of tangible capital assets	-	130,000
Acquisition of tangible capital assets	(976,177)	(646,023)
Net change in cash from capital activities	(976,177)	(516,023)
Investing activities:		
Decrease (increase) in short-term investments	(2,005,004)	1,999,949
Net change in cash from investing activities	(2,005,004)	1,999,949
Net change in cash	(1,518,470)	2,575,819
Cash, beginning of year	3,639,626	1,063,807
Cash, end of year	\$ 2,121,156	\$ 3,639,626

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, 2022

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 of 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 12).

(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, 2022

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, 2022

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, 2022

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:

	2022	2021
North Bay Parry Sound District Health Unit	\$ 56,651	\$ 54,849
District of Parry Sound Social Services Administration Board	168,831	167,296
Eastholme, Home for the Aged	133,352	126,374
	\$ 358,834	\$ 348,519

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.

	2022	2021
GIC - 1.00% due February 22, 2023	\$ 5,156	\$ 5,152
GIC - 2.49% due April 3, 2023	5,000	–
GIC - 1.60% due April 14, 2023	2,000,000	–
	\$ 2,010,156	\$ 5,152

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2022

4. Accounts receivable:

Accounts receivable consist of the following:

	2022	2021
GST/HST recoverable	\$ 140,736	\$ 110,611
Other	40,772	5,403
	<u>\$ 181,508</u>	<u>\$ 116,014</u>

5. Deferred revenue:

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

	2022	2021
Parkland	\$ 120,680	\$ 118,428
Federal gas tax	108,396	122,198
	<u>\$ 229,076</u>	<u>\$ 240,626</u>

The continuity of deferred revenue is as follows:

	2022	2021
Balance, beginning of year	\$ 240,626	\$ 124,155
Add amounts received:		
Federal gas tax	108,276	108,276
Federal gas tax top up	–	104,088
Federal gas tax adjustment	21,136	–
Investment income	4,970	318
	<u>134,382</u>	<u>212,682</u>
Less transfer to operations:		
Federal gas tax revenue earned	(145,932)	(96,211)
Balance, end of year	<u>\$ 229,076</u>	<u>\$ 240,626</u>

Included within cash are restricted amounts of \$229,071 (2021 - \$222,584) with respect to the above obligatory reserve funds.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2022

6. Municipal debt:

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

	2022	2021
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.	\$ 20,476	\$ 28,587
Loan payable, interest at 2.67%, repayable in monthly installments of \$1,265 principal and interest, secured by a specified asset, due August 2025.	38,367	52,327
Loan payable, interest at 2.67%, repayable in monthly installments of \$5,244 principal and interest, secured by a specified asset, due September 2025.	187,433	244,360
Loan payable, interest at 3.50%, repayable in monthly installments of \$2,547 principal and interest, secured by a specified asset, due November 2026.	111,264	137,500
Loan payable, interest at 5.76%, repayable in monthly installments of \$6,377 principal and interest, secured by a specified asset, due October 2027.	322,116	–
	<u>\$ 679,656</u>	<u>\$ 462,774</u>

Principal due on municipal debt are as follows:

2023	\$ 168,231
2024	174,802
2025	178,056
2026	97,859
2027	60,708
	<u>\$ 679,656</u>

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2022

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 2.17% (2021 – 2.31%) for landfills with a time from closure under 30 years. The estimated total landfill closure and post-closure care expenditures are calculated to be \$1,898,322 (2021 - \$1,331,871). 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 16.5 years, and the estimated remaining capacity is 41,990 cubic meters, which is 77% of the site's total capacity. The total discounted future expenditures for closure and post-closure care are \$1,742,641 (2021 - \$72,257). The estimated length of time for post-closure care is 25 years.

Bear Creek

The landfill is expected to reach its capacity in 3.4 years, and the estimated remaining capacity is 12,422 cubic meters, which is 31% of the site's total capacity. The total discounted future expenditures for closure and post-closure care are \$2,163,602 (2021 - \$2,132,282). 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, 2022

8. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Land	\$ 342,322	\$ -	\$ -	\$ 342,322
Roads and bridges	26,485,298	359,347	-	26,844,645
Buildings	1,169,751	-	-	1,169,751
Vehicles	1,780,851	-	-	1,780,851
Equipment	1,456,264	616,830	-	2,073,094
Total	\$ 31,234,486	\$ 976,177	\$ -	\$ 32,210,663

Accumulated Amortization	Balance at December 31, 2021	Disposals	Amortization	Balance at December 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Roads and bridges	11,204,429	-	473,455	11,677,884
Buildings	573,380	-	26,651	600,031
Vehicles	720,659	-	87,043	807,702
Equipment	698,374	-	106,748	805,122
Total	\$ 13,196,842	\$ -	\$ 693,897	\$ 13,890,739

	Net book value, December 31, 2021	Net book value, December 31, 2022
Land	\$ 342,322	\$ 342,322
Roads and bridges	15,280,869	15,166,761
Buildings	596,371	569,720
Vehicles	1,060,192	973,149
Equipment	757,890	1,267,972
Total	\$ 18,037,644	\$ 18,319,924

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2022

8. Tangible capital assets (continued):

Cost	Balance at December 31, 2020	Additions	Disposals	Balance at December 31, 2021
Land	\$ 342,322	\$ -	\$ -	\$ 342,322
Roads and bridges	26,219,914	265,384	-	26,485,298
Buildings	1,122,738	47,013	-	1,169,751
Vehicles	1,780,851	-	-	1,780,851
Equipment	1,458,350	333,626	(335,712)	1,456,264
Total	\$ 30,924,175	\$ 646,023	\$ (335,712)	\$ 31,234,486

Accumulated Amortization	Balance at December 31, 2020	Disposals	Amortization	Balance at December 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Roads and bridges	10,745,341	-	459,088	11,204,429
Buildings	547,316	-	26,064	573,380
Vehicles	632,527	-	88,132	720,659
Equipment	808,449	(208,926)	98,851	698,374
Total	\$ 12,733,633	\$ (208,926)	\$ 672,135	\$ 13,196,842

	Net book value, December 31, 2020	Net book value, December 31, 2021
Land	\$ 342,322	\$ 342,322
Roads and bridges	15,474,573	15,280,869
Buildings	575,422	596,371
Vehicles	1,148,324	1,060,192
Equipment	649,901	757,890
Total	\$ 18,190,542	\$ 18,037,644

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2022

9. Accumulated surplus:

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

	2022	2021
Investment in tangible capital assets	\$ 17,640,268	\$ 17,574,870
Amounts to be recovered	(1,898,322)	(1,331,871)
Current fund	459,136	193,572
Reserve funds:		
Working capital	1,360,767	1,137,770
Capital	1,711,001	1,516,665
Solid waste closure and post closure	673,785	694,345
	3,745,553	3,348,780
	\$ 19,946,635	\$ 19,785,351

10. Operations of school boards:

Further to note 1 (a) (ii), the property taxes collected on behalf of the school boards are \$630,935 (2021 - \$618,082).

11. Government transfers and grants:

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

	2022	2021
Ontario Municipal Partnership Fund	\$ 629,400	\$ 619,000
OCIF	202,196	95,150
NORDS	195,359	–
FedNor	62,720	–
Modernization funding (recovery)	–	(13,718)
Safe Restart Program	–	20,000
ICIP	–	43,818
Other	2,100	2,887
	\$ 1,091,775	\$ 767,137

12. Trust funds:

Trust Funds administered by the Township amounting to \$136,648 (2021 - \$125,142) 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, 2022

13. Pension agreement:

The Township makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 12 (2021 - 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 2022 was \$70,004 (2021 - \$71,204) 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:

	2022
Annual surplus per budget approved by Council	\$ -
Less:	
Proceeds on issuance of long-term debt	(681,600)
Prior year surplus	(148,031)
	<u>(829,631)</u>
Add:	
Transfers to and from reserve funds	(231,061)
Debt principal repayments	142,021
Capital additions	1,327,730
	<u>1,238,690</u>
Surplus per revised budget	<u>\$ 409,059</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, 2022, no funds were drawn against this credit facility.

16. Public sector salary disclosure:

During 2022, one employee was 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, 2022

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, 2022, the Township has paid \$160,000 (2021 - \$150,000) towards its total contribution.

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 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.

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.

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Notes to Financial Statements

Year ended December 31, 2022

18. Segmented information (continued):

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, 2022

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated amounts	Total 2022
Revenues:									
Municipal taxation	\$ -	-	-	-	-	-	-	2,970,218	\$ 2,970,218
Government transfers and grants	-	-	397,555	-	-	64,820	-	629,400	1,091,775
Transfer from obligatory gas tax reserve	-	-	124,795	-	-	-	-	-	124,795
Other	115,956	154,561	-	-	2,495	12,140	-	-	285,152
User fees	8,303	728	23,059	71,372	10,880	25,155	12,250	-	151,747
	124,259	155,289	545,409	71,372	13,375	102,115	12,250	3,599,618	4,623,687
Expenses:									
Salaries, wages and benefits	386,761	228,880	385,449	163,202	9,860	66,656	-	-	1,240,808
Materials	126,350	185,340	391,773	69,649	7,640	79,928	6,028	-	866,708
Contracted services	78,832	369,555	-	103,161	124,916	-	-	-	676,464
Interest	-	3,053	13,168	-	-	-	-	-	16,221
External transfers	-	-	-	-	368,833	33,021	-	-	401,854
Amortization of tangible capital assets	38,843	72,614	574,949	-	-	7,491	-	-	693,897
	630,786	859,442	1,365,339	336,012	511,249	187,096	6,028	-	3,895,952
Annual surplus (deficit) before the undernoted	(506,527)	(704,153)	(819,930)	(264,640)	(497,874)	(84,981)	6,222	3,599,618	727,735
Landfill liability expense	-	-	-	(566,451)	-	-	-	-	(566,451)
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-
Annual surplus (deficit)	\$ (506,527)	(704,153)	(819,930)	(831,091)	(497,874)	(84,981)	6,222	3,599,618	\$ 161,284

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Schedule to Note 19 - Segmented Information

Year ended December 31, 2022

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated amounts	Total 2021
Revenues:									
Municipal taxation	\$ -	-	-	-	-	-	-	2,810,551	\$ 2,810,551
Government transfers and grants	30,100	20,000	95,150	-	-	2,887	-	619,000	767,137
Transfer from obligatory gas tax reserve	-	-	96,212	-	-	-	-	-	96,212
Other	45,515	88,106	-	-	246	1,375	-	-	135,242
User fees	15,030	20,708	8,807	73,432	9,695	11,602	12,750	-	152,024
	90,645	128,814	200,169	73,432	9,941	15,864	12,750	3,429,551	3,961,166
Expenses:									
Salaries, wages and benefits	364,268	199,339	431,173	154,960	6,730	46,121	-	-	1,202,591
Materials	109,797	210,944	516,735	57,819	4,368	47,307	7,358	-	954,328
Contracted services	76,014	368,201	-	89,903	117,659	-	-	-	651,777
Interest	-	4,031	7,642	-	-	-	-	-	11,673
External transfers	-	-	-	-	358,519	32,694	-	-	391,213
Amortization of tangible capital assets	18,732	69,309	576,879	-	-	7,215	-	-	672,135
	568,811	851,824	1,532,429	302,682	487,276	133,337	7,358	-	3,883,717
Annual surplus (deficit) before the undernoted	(478,166)	(723,010)	(1,332,260)	(229,250)	(477,335)	(117,473)	5,392	3,429,551	77,449
Landfill liability expense	-	-	-	(566,393)	-	-	-	-	(566,393)
Gain (loss) on disposal of tangible capital assets	-	3,214	-	-	-	-	-	-	3,214
Annual surplus (deficit)	\$ (478,166)	(719,796)	(1,332,260)	(795,643)	(477,335)	(117,473)	5,392	3,429,551	\$ (485,730)