

Township of Nipissing Year-end Audit Report

Presentation to Township Council

—
March 4th, 2025



01 Audit Highlights

- Our audit procedures were executed in accordance with Canadian Auditing Standards and are based on a materiality of \$133,000
 - Calculated as 3.0% of prior year's expenses
 - Results in a posting threshold of \$6,700
- We are prepared to issue an unqualified audit opinion on the Township's financial statements pending:
 - Council approval of the financial statements
 - Receipt of the management representation letter
 - Finalization of our file documentation
- No significant matters have been identified during the course of the audit for discussion with Council
 - No uncorrected audit differences above our posting threshold
 - No significant control deficiencies

02 Financial Statement Overview

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Statement of Financial Position

December 31, 2024, with comparative information for 2023

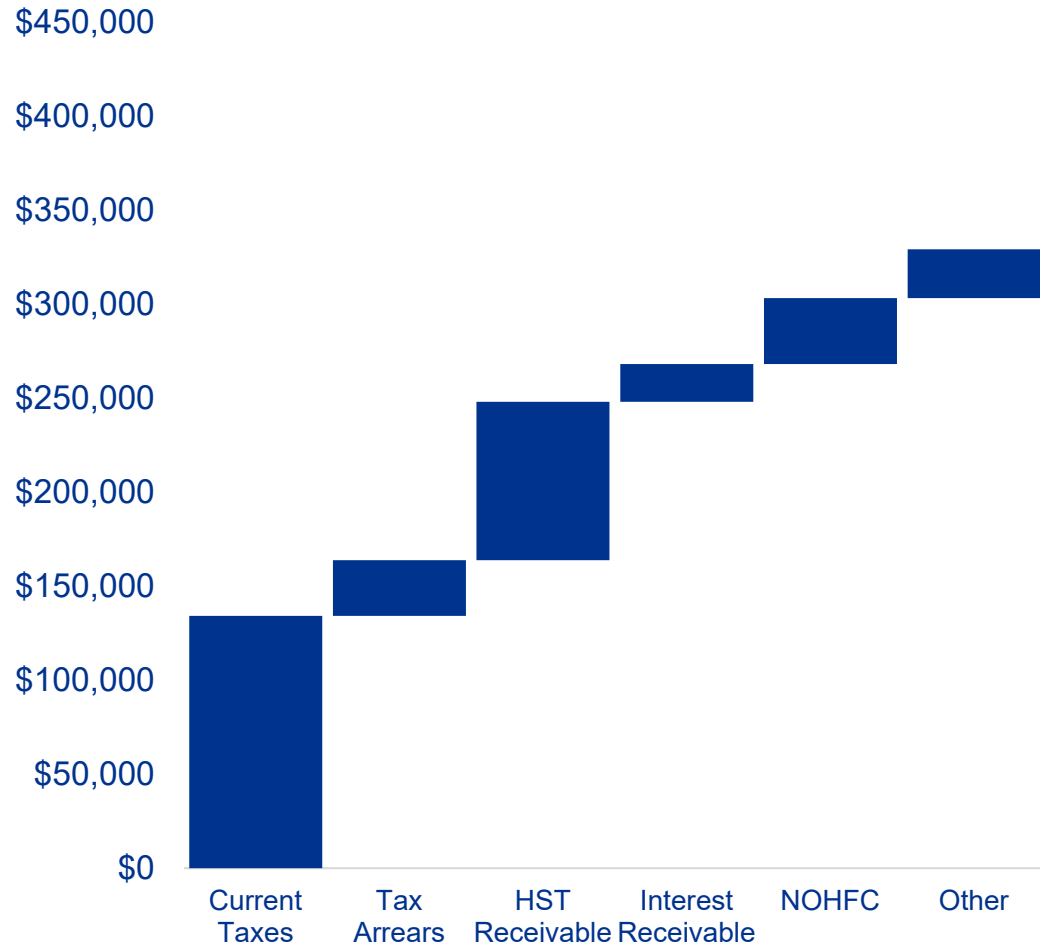
	2024	2023
Financial assets		
Cash	\$ 2,315,728	\$ 1,631,827
Short-term investments (note 4)	2,505,450	2,510,288
Taxes receivable	165,100	197,535
Accounts receivable (note 5)	164,026	200,952
	<u>5,150,304</u>	<u>4,540,602</u>
Financial liabilities		
Accounts payable and accrued liabilities	355,214	249,426
Deferred revenue (note 6)	249,627	-
Deferred revenue - obligatory reserve funds (note 7)	225,629	202,935
Municipal debt (note 8)	730,111	914,428
Asset retirement obligation (note 9)	3,952,809	3,679,639
	<u>5,513,390</u>	<u>5,046,428</u>
Net financial debt	(363,086)	(505,826)
Non-financial assets		
Tangible capital assets (note 10)	18,518,366	18,994,313
Prepaid expenses	63,865	60,314
Inventories	165,232	130,083
	<u>18,747,463</u>	<u>19,184,710</u>
Commitments (note 19)		
Accumulated surplus (note 11)	\$ 18,384,377	\$ 18,678,884

- Total cash and investments increased from \$4.14 million to \$4.82 million (+\$680K), reflecting:
 - Cash adjusted operating surplus +\$1.20 million
 - Proceeds on debt issuance +\$0.08 million
 - Principal debt repayments -\$0.26 million
 - Capital additions, net of proceeds -\$0.34 million
- Taxes and other accounts receivable decreased by \$69K, due primarily to:
 - Lower accrued interest -\$46K
 - Lower HST receivable -\$34K
 - Improved tax collections -\$32K
 - NOHFC grant receivable in 2024 +\$28K
- Accounts payable and accrued liabilities increased by \$106K, reflecting higher OPP and wage-related accruals

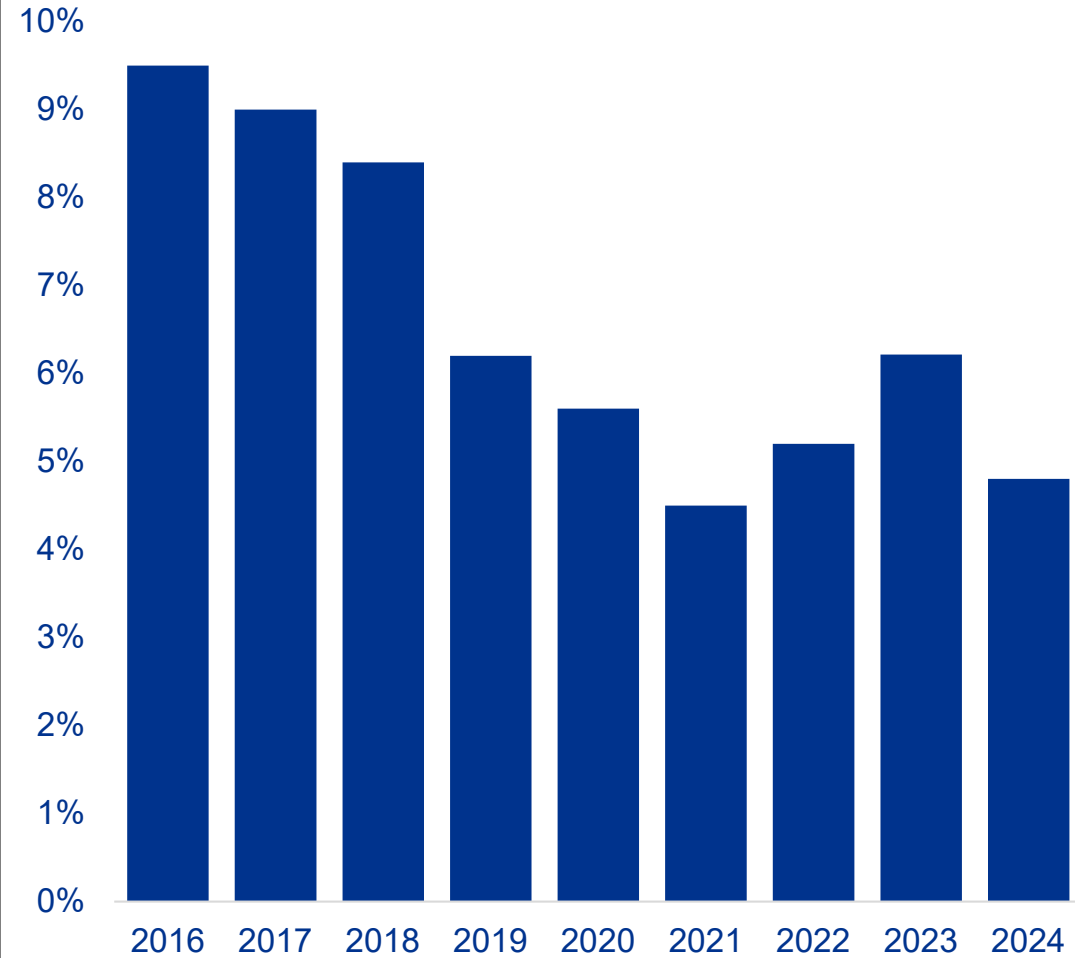


02 Financial Statement Overview

Taxes and Accounts Receivable



Taxes Receivable as a Percentage of Tax Levy



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- Accounts payable and accrued liabilities increased by \$106K, reflecting higher OPP and wage-related accruals
- Deferred revenue (including obligatory reserve funds) increased by \$272K, primarily due to OCIF and NORDS funding received but not spent in 2024
- Municipal debt decreased by \$184K, reflecting:
 - New debt issued for PW pickup truck +\$80K
 - Principal repayments -\$264K

Interest rates on loans range from 2.67% to 6.29%
- Asset retirement obligations represent estimated future remediation costs for buildings (\$302K) and landfills (\$3.651 million)



02 Financial Statement Overview

Accounts payable and accrued liabilities	2022	2023	2024
Advanced property tax payments	\$88,992	\$85,213	\$85,676
Deposits	\$49,653	\$35,109	\$40,005
OPP accrual	\$26,609	\$25,988	\$77,414
Accrued vacation, wages and overtime	\$71,999	\$73,436	\$95,176
WSIB accrual	–	\$2,222	\$12,897
Audit accrual	\$14,000	\$16,000	\$25,000
Other amounts	\$4,887	\$11,458	\$19,046
Total	\$256,140	\$249,426	\$355,214

Deferred revenue	Gas Tax	Parkland	OCIF	NORDS
Balance, beginning of year	\$55,189	\$147,746	–	–
Funding received	\$109,715	–	\$151,947	\$97,680
Interest	\$5,310	\$6,799	–	–
Amounts recognized as revenue	(\$99,130)	–	–	–
Balance, end of year	\$71,084	\$154,545	\$151,947	\$97,680



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- Tangible capital assets decreased by \$273K, reflecting \$343K in capital additions offset by \$818K in amortization expense
- Major capital additions include:
 - Fire Department SCBA \$141K
 - Birchgrove Drive resurfacing \$99K
 - Public Works pick-up truck \$81K



02 Financial Statement Overview

THE CORPORATION OF THE TOWNSHIP OF NIPISSING

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

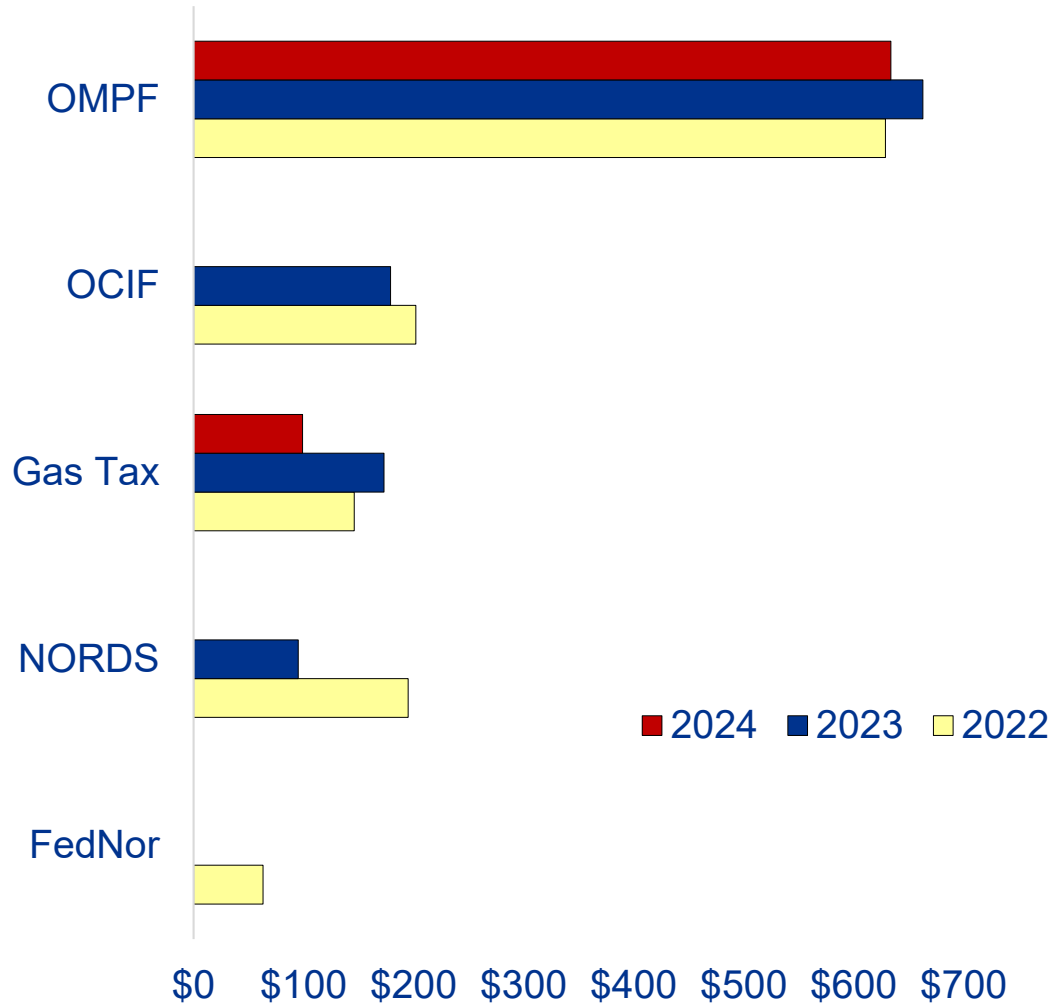
	Budget 2024 (note 16)	Actual 2024	Actual 2023
Revenues:			
Municipal taxation	\$ 3,424,837	\$ 3,437,281	\$ 3,178,436
Government transfers and grants (note 13)	1,038,827	670,247	990,134
Transfer from obligatory gas tax reserve fund	111,235	99,131	173,206
Other	342,050	324,050	358,154
User fees	144,666	159,997	153,904
	5,061,615	4,690,706	4,853,834
Expenses:			
General government	774,806	800,967	723,076
Protection to persons and property	865,217	901,961	871,359
Transportation services	1,487,421	1,877,196	1,724,611
Environmental services	473,795	655,693	425,083
Health, social and family services	549,745	564,203	528,893
Recreational and cultural services	216,001	187,610	169,303
Planning and development	5,000	686	16,347
	4,371,985	4,988,316	4,458,672
Annual surplus (deficit) before the undernoted	689,630	(297,610)	395,162
Gain on disposal of tangible capital assets	-	3,103	44,632
Annual surplus (deficit)	689,630	(294,507)	439,794
Accumulated surplus, beginning of year	18,678,884	18,678,884	18,239,090
Accumulated surplus, end of year	\$ 19,368,514	\$ 18,384,377	\$ 18,678,884

- Total revenues decreased by \$163K (-3.4%), primarily due to lower capital grant revenues in the current year
- Total expenses increased by \$530K (+11.9%), reflecting higher wages (+\$221K) and ARO costs (+\$200K) in 2024
- Overall, the Township reported a deficit of \$298K for financial reporting purposes, which differs significantly from the Township's performance on a budgeted basis

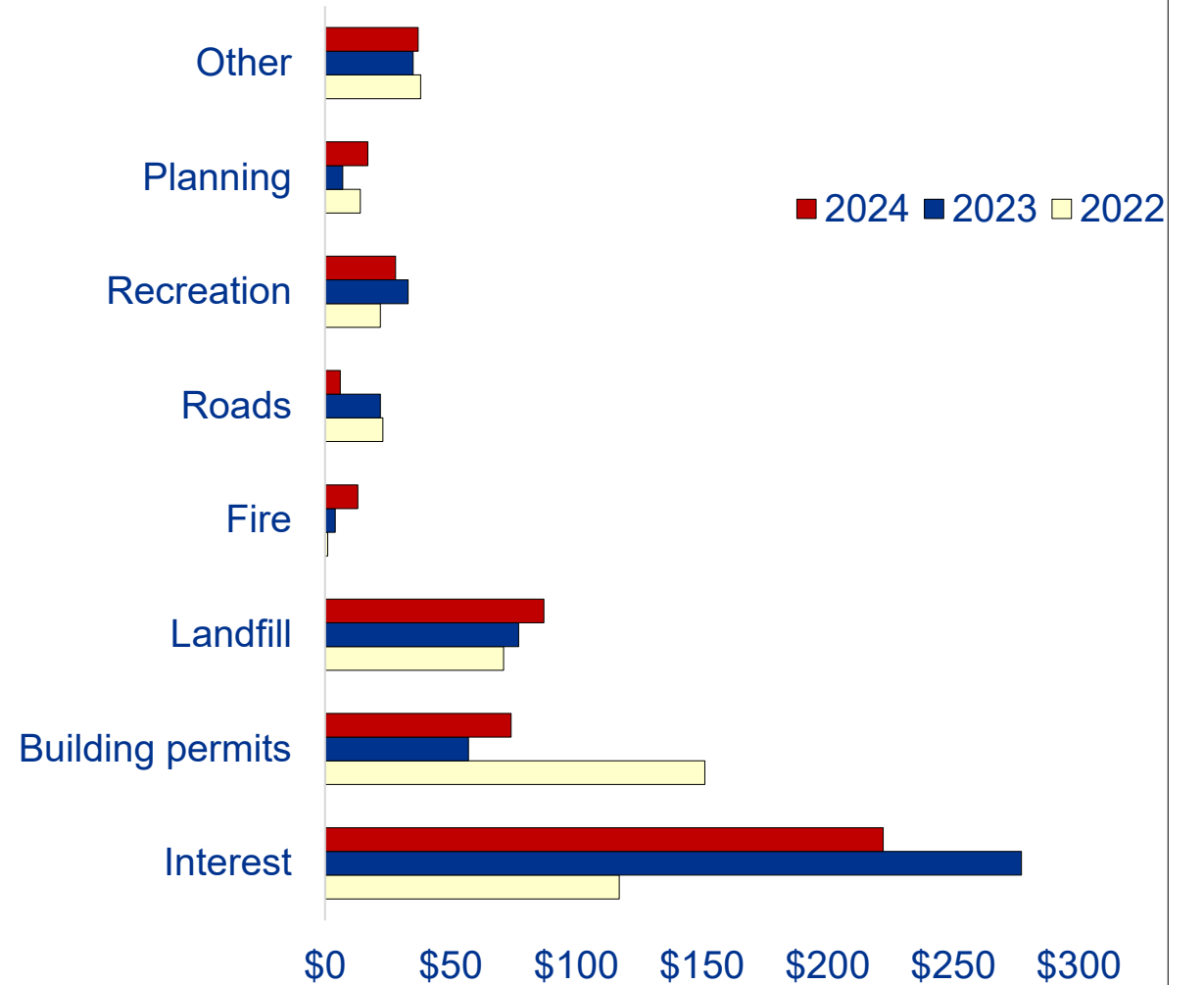


02 Financial Statement Overview

Grant Revenue (in thousands)

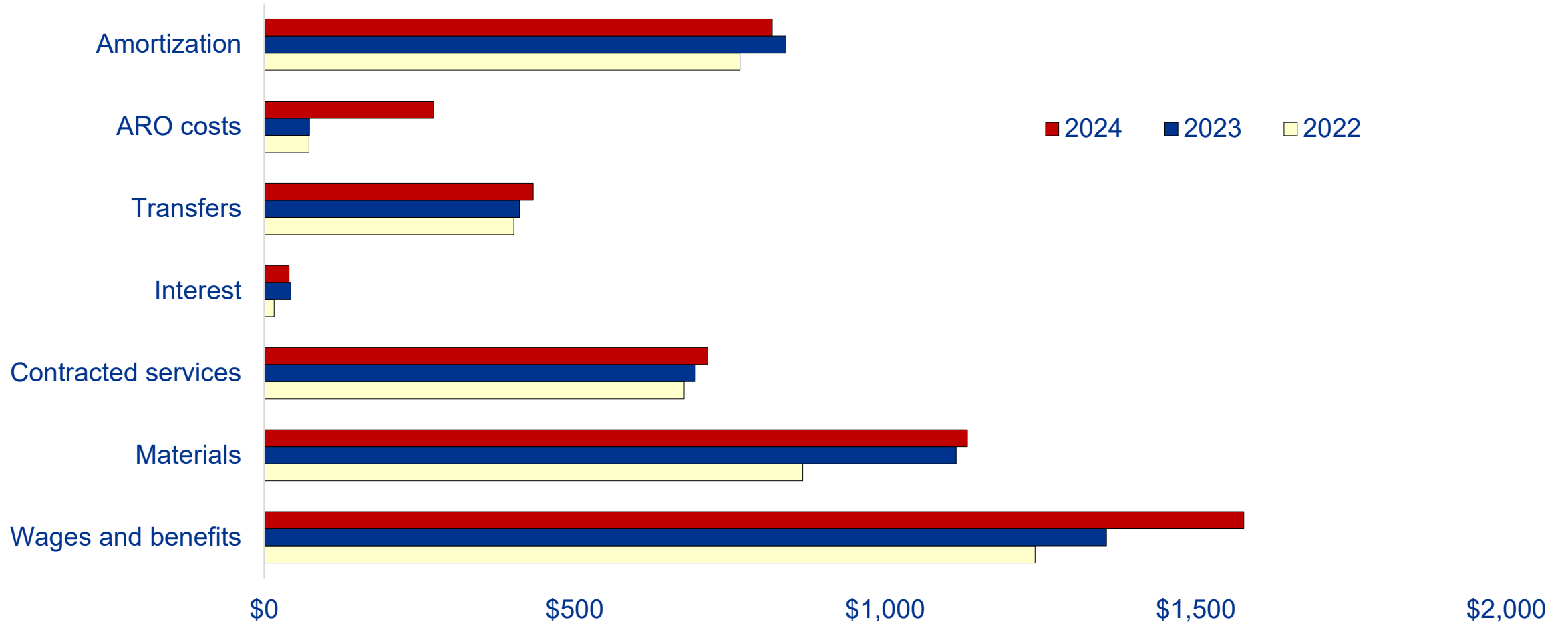


User Fees and Other Revenue (in thousands)



02 Financial Statement Overview

Operating Expenses (in thousands)



02 Financial Statement Overview

(in thousands)	2024	2023	2022
Total reported surplus (deficit) per Statement of Operations	(\$295)	\$440	\$655
Add (less): Non-cash items included in Statement of Operations:			
• Amortization expense	\$818	\$766	\$694
• Gain on sale of capital assets	(\$3)	(\$45)	—
• Change in asset retirement obligation costs	\$273	\$74	\$72
Less: Cash items not included in Statement of Operations:			
• Capital expenditures	(\$344)	(\$1,454)	(\$976)
• Proceeds on long-term debt	\$80	\$457	\$332
• Proceeds on sale of capital assets	\$5	\$58	—
• Principal repayment of long-term debt	(\$264)	(\$222)	(\$115)
• Net reserve transfers	(\$719)	\$132	(\$397)
• Prior year's surplus carried forward to the current year	\$206	—	—
Adjusted surplus (deficit)	(\$243)	\$206	\$265





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