

**Corporation of the Municipality of  
West Nipissing**

**Independent Auditor's Report and  
Financial Report**

**December 31, 2022**

**Corporation of the Municipality of  
West Nipissing**

**Financial Report**

**December 31, 2022**

Management Report

Independent Auditor's Report

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## **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of the Corporation of the Municipality of West Nipissing (the "Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the consolidated financial statements.

The preparation of consolidated 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 Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. Council meets with management and the external auditor to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Baker Tilly SNT LLP, independent external auditor appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



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Chief Administrative Officer  
June 20, 2023



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Treasurer  
June 20, 2023

## **Independent Auditor's Report**

### **To the Members of Council, Inhabitants and Ratepayers of Corporation of the Municipality of West Nipissing**

#### **Opinion**

We have audited the consolidated financial statements of the Corporation of the Municipality of West Nipissing, which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations and accumulated surplus, cash flows and change in net debt for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Municipality of West Nipissing as at December 31, 2022, and its consolidated results of operations and its consolidated 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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical 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.

## **Independent Auditor's Report (Continued)**

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 risks of material misstatement of the consolidated 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, intentional 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 purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Independent Auditor's Report (Continued)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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 events or conditions that may cast significant doubt on the Municipality'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 consolidated 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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

Sturgeon Falls, Ontario  
June 20, 2023

*Baker Tilly SNT LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS,  
LICENSED PUBLIC ACCOUNTANTS

**Corporation of the Municipality of West Nipissing**  
**Consolidated Statement of Financial Position**  
**December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>Financial Assets</b>		
Cash and cash equivalents (note 4)	\$ 19,300,880	\$ 16,842,338
Taxes receivable	2,104,063	2,106,185
Accounts receivable (note 5)	3,344,533	3,401,277
Other current assets	559,258	739,618
	<u>25,308,734</u>	<u>23,089,418</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 6)	8,195,750	7,485,581
Deferred revenues - other (note 7)	1,918,282	1,042,378
Deferred revenues - obligatory reserve funds (note 8)	638,675	1,720,852
Municipal debt (note 9)	32,013,801	34,421,702
Employee future benefits payable (note 10)	2,567,463	1,986,939
Landfill closure and post-closure (note 11)	2,223,462	2,003,478
	<u>47,557,433</u>	<u>48,660,930</u>
<b>Net Debt</b>	<u>(22,248,699)</u>	<u>(25,571,512)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 12)	149,097,415	150,580,139
Prepaid expenses	238,569	311,395
Inventories	228,376	209,791
	<u>149,564,360</u>	<u>151,101,325</u>
<b>Accumulated Surplus (note 13)</b>	<u>\$ 127,315,661</u>	<u>\$ 125,529,813</u>
Commitments (note 14)		
Contingencies (note 15)		

Approved by: 



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

**Corporation of the Municipality of West Nipissing**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**For The Year Ended December 31, 2022**

	<u>2022</u>		<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Unaudited)		
<b>Revenues</b>			
Net taxation	\$ 20,579,879	\$ 20,829,988	\$ 20,286,257
User charges	17,000,734	16,149,864	16,237,844
Government grants and transfers - Provincial	14,920,076	15,719,117	15,197,788
Government grants and transfers - Federal	125,743	56,054	55,412
Other	<u>2,128,800</u>	<u>3,076,376</u>	<u>1,815,647</u>
Total revenues	<u>54,755,232</u>	<u>55,831,399</u>	<u>53,592,948</u>
<b>Expenses (note 22)</b>			
General government	3,752,220	3,777,644	3,290,778
Protection services	7,800,176	7,635,817	6,772,341
Transportation services	7,422,212	8,484,816	7,916,265
Environmental services	12,389,471	13,335,868	13,237,659
Health services	505,886	457,150	578,568
Social and family services	16,640,531	16,405,625	15,493,428
Recreation and cultural services	5,466,452	5,889,171	4,937,970
Planning and development	<u>1,155,010</u>	<u>1,000,033</u>	<u>693,287</u>
Total expenses	<u>55,131,958</u>	<u>56,986,124</u>	<u>52,920,296</u>
<b>Annual surplus (deficit) before other</b>	(376,726)	(1,154,725)	672,652
<b>Other</b>			
Government grants and transfers related to capital - Provincial	1,851,500	1,106,972	518,247
Government grants and transfers related to capital - Federal	<u>2,454,100</u>	<u>1,833,601</u>	<u>1,086,778</u>
<b>Annual surplus</b>	3,928,874	1,785,848	2,277,677
<b>Accumulated surplus, beginning of year</b>	<u>125,529,813</u>	<u>125,529,813</u>	<u>123,252,136</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 129,458,687</u>	<u>\$ 127,315,661</u>	<u>\$ 125,529,813</u>

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



**Corporation of the Municipality of West Nipissing**  
**Consolidated Statement of Cash Flows**  
**For The Year Ended December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>Operating transactions</b>		
Annual surplus	\$ 1,785,848	\$ 2,277,677
<b>Cash and cash equivalents provided by (applied to)</b>		
Non-cash items:		
Amortization of tangible capital assets	7,189,413	7,245,845
Loss on disposal of tangible capital assets	34,543	13,924
Increase in employee future benefits payable	580,524	342,957
Decrease in taxes receivable	2,122	166,638
Decrease (increase) in accounts receivable	56,744	(228,336)
Decrease (increase) in other current assets	180,360	(624,298)
Increase (decrease) in accounts payable and accrued liabilities	710,169	(1,236,612)
Increase (decrease) in deferred revenues - other	875,904	(15,981)
Increase (decrease) in deferred revenues - obligatory reserve funds	(1,082,177)	562,962
Increase in landfill closure and post-closure	219,984	866,169
Decrease (increase) in prepaid expenses	72,826	(79,455)
Decrease (increase) in inventories	(18,585)	8,193
Cash and cash equivalents provided by operating transactions	<u>10,607,675</u>	<u>9,299,683</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(5,741,232)	(10,213,039)
Proceeds on disposal of tangible capital assets	-	56,993
Cash and cash equivalents applied to capital transactions	<u>(5,741,232)</u>	<u>(10,156,046)</u>
<b>Financing transactions</b>		
Municipal debt issued	1,000,000	8,500,000
Municipal debt repaid	(3,407,901)	(3,334,360)
Cash and cash equivalents provided by (applied to) financing transactions	<u>(2,407,901)</u>	<u>5,165,640</u>
<b>Increase in cash and cash equivalents</b>	<b>2,458,542</b>	<b>4,309,277</b>
<b>Cash and cash equivalents, beginning of year</b>	<u><b>16,842,338</b></u>	<u><b>12,533,061</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><u><b>\$ 19,300,880</b></u></u>	<u><u><b>\$ 16,842,338</b></u></u>

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

**Corporation of the Municipality of West Nipissing**  
**Consolidated Statement of Change in Net Debt**  
**For The Year Ended December 31, 2022**

	<u>2022</u>		<u>2021</u>
	<u>Budget</u> (Unaudited)	<u>Actual</u>	<u>Actual</u>
<b>Annual surplus</b>	\$ 3,928,874	\$ 1,785,848	\$ 2,277,677
Amortization of tangible capital assets	7,189,413	7,189,413	7,245,845
Loss on disposal of tangible capital assets	-	34,543	13,924
Acquisition of tangible capital assets	(12,008,500)	(5,741,232)	(10,213,039)
Proceeds from disposal of tangible capital assets	-	-	56,993
Change in prepaid expenses	-	72,826	(79,455)
Change in inventories	-	(18,585)	8,193
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Decrease (increase) in net debt</b>	(890,213)	3,322,813	(689,862)
<b>Net debt, beginning of year</b>	<u>(25,571,512)</u>	<u>(25,571,512)</u>	<u>(24,881,650)</u>
<b>Net debt, end of year</b>	<u><u>\$ (26,461,725)</u></u>	<u><u>\$ (22,248,699)</u></u>	<u><u>\$ (25,571,512)</u></u>

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

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

December 31, 2022

### 1. Significant Accounting Policies

These consolidated financial statements of the Municipality are the representation of management prepared in accordance with accounting policies recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic consolidated financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement.

#### (a) Basis of Consolidation

- (i) These consolidated financial statements reflect the financial assets, liabilities, non-financial assets, accumulated surplus, revenues and expenses of the Municipality and include the activities of all committees of Council, the West Nipissing Public Library Board, West Nipissing Power Generation Ltd, West Nipissing Power Distribution Ltd and The West Nipissing Environmental Services.

All interfund assets and liabilities and revenues and expenses have been eliminated.

- (ii) Activities in joint local boards are accounted for using the proportionate consolidation method. Under this method, the Municipality's proportionate share of joint local board revenues, expenses, assets and liabilities are included in the accounts. The following joint local board is proportionately consolidated:

Home for the Aged of West Nipissing

The Municipality's proportionate share of Home for the Aged of West Nipissing was 77.05% for 2022 (77.16% for 2021).

- (iii) Non-Consolidated Entities

The following joint local boards are not consolidated:

District of Nipissing Social Services Administration Board  
North Bay Parry Sound District Health Unit

- (iv) Accounting for School Board Transactions

The Municipality is required to collect and remit education support levies in respect of residential and other properties on behalf of the area school boards. The Municipality has no jurisdiction or control over the school boards operations. Therefore, taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the accumulated surplus of these consolidated financial statements.

- (v) Cemetery Care and Maintenance Fund

Cemetery Care and Maintenance Fund and their related operations administered by the Municipality are not consolidated, but are reported separately on the Cemetery Care and Maintenance Fund's Statement of Continuity and Statement of Financial Position.

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

### December 31, 2022

#### 1. Significant Accounting Policies (Continued)

##### (b) Basis of Accounting

###### (i) Accrual Basis

The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

###### (ii) Cash and Cash Equivalents

The Municipality's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with maturities of three months from the date of acquisition or less or those that can be readily convertible to cash.

###### (iii) Deferred Revenues

Deferred revenues represent user charges and fees that have been collected for which the related services have yet to be performed. Revenue is recognized in the period when the services are performed.

###### (iv) Deferred Revenues - Obligatory Reserve Funds

The Municipality receives certain government grants, transfers and other revenues under the authority of legislation. These funds, by their nature, are restricted in their use and, until applied to specific expenses, are recorded as deferred revenues. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

###### (v) Employee Future Benefits

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer contributory defined benefit program with contributions expensed as incurred. The costs of other retirement benefits are determined using the projected benefit method prorated on services and management's best estimate of retirement ages of employees and health benefits costs. The liabilities are discounted using current interest rates on long-term bonds.

###### (vi) Landfill Closure and Post-Closure

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are charged to operations as the landfill site's capacity is used.

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

### December 31, 2022

#### 1. Significant Accounting Policies (Continued)

##### (b) Basis of Accounting (Continued)

###### (vii) Segmented Information

The Municipality reports its segmented information on functional areas and programs in its consolidated financial statements similar to reporting reflected as part of the Ontario Financial Information Return. These functional areas represent segments for the Municipality:

###### *General Government*

General government is comprised of Council, administration, and Ontario Property Assessment.

###### *Protection Services*

Protection is comprised of police, fire and other protective services.

###### *Transportation Services*

Transportation services are responsible for road maintenance, culverts, bridges, winter control, traffic, signs signals and streetlights.

###### *Environmental Services*

Environmental services include water supply and distribution, wastewater treatment, waste and recycling services and power generation.

###### *Health Services*

Health services include public health services and cemetery services.

###### *Social and Family Services*

Social and family services include social assistance, long-term care, paramedic services, social housing and child care services.

###### *Recreation and Cultural Services*

Recreation and cultural services include parks and recreation, recreation facilities, culture and libraries.

###### *Planning and Development*

Planning and development manages development for residential and business interests as well as services related to the Municipality's economic development programs.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's expenses in proportion to total municipal expenses.

**Corporation of the Municipality of West Nipissing**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2022**

**1. Significant Accounting Policies (Continued)**

(b) Basis of Accounting (Continued)

(viii) 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. The change in non-financial assets during the year, together with the annual surplus, provides the Consolidated Change in Net Debt for the year.

*i) Tangible Capital Assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	10 to 20 years
Roads and bridges	20 to 60 years
Buildings	50 years
Machinery and equipment	5 to 25 years
Vehicles	3 to 15 years
Water and sewer system	30 to 100 years
Furniture and fixtures	5 to 20 years
Computer hardware and software	3 to 10 years

Amortization commences the first full month the tangible capital asset is commissioned and ready for service.

Assets under construction are not amortized until the asset is available for productive use.

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

*ii) Inventories*

Inventories held for consumption are recorded at the lower of cost and replacement cost.

*iii) Prepaid expenses*

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

### December 31, 2022

#### 1. Significant Accounting Policies (Continued)

##### (b) Basis of Accounting (Continued)

###### (ix) Taxation and Other Revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC") and in accordance with the provisions of the Municipal Act, 2001. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes.

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessment and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known or based on management's best estimates.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

User charges are recognized in the period in which the revenue relates.

Other income is recognized as revenue when earned. Fines and fees are recognized as revenue when collected.

###### (x) Government Grants and Transfers

Government grants and transfers are recognized in the financial statements in the period in which events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations associated with the transfer give rise to a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. The transfer revenue is recognized in the statement of operations and accumulated surplus as the stipulations giving rise to the liabilities are settled.

###### (xi) Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions. These estimates and assumptions are based on management's best information and judgment and may differ significantly from actual results.

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

### December 31, 2022

#### 2. Measurement Uncertainty

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Municipality's best information and judgment.

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs.
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.
- The amounts for pension and other retirement benefits are based on estimates of retirement ages of employees and health benefit costs.

By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

#### 3. Future Accounting Pronouncements

These standards and amendments were not effective in the year ended December 31, 2022, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

Section PS 3450 - Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments for public sector entities. The standard requires fair value measurement of derivatives and portfolio investments that are equity instruments quoted in an active market. All other non-derivative financial instruments will be measured at cost or amortized cost. A government can elect to record other financial assets or liabilities on a fair value basis, if they manage and evaluate the asset and liability groups on that basis. Unrealized gains and losses are represented in the new statement of re-measurement gains and losses. New requirements clarify when financial liabilities can be de-recognized. Disclosure of the nature and extent of risks arising from holding financial instruments is also required. This section is effective for fiscal years beginning on or after April 1, 2022. Early adoption is permitted.

Section PS 1201 - Financial Statement Presentation, was issued in June 2011. This standard requires entities to present a new statement of re-measurement gains and losses separate from the statement of operations. This new statement includes unrealized gains and losses arising from re-measurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This section is effective for fiscal years beginning on or after April 1, 2022 and applies when PS 2601 and PS 3450 are adopted.



# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

December 31, 2022

### 3. Future Accounting Pronouncements (Continued)

Section PS 2601 - Foreign Currency Translation, was issued in June 2011 and replaces the existing Section PS 2600. This standard has been revised to ensure consistency with the financial instruments standard. The standard requires that non-monetary items denominated in foreign currency that are included in the fair value category are adjusted to reflect the exchange rate at the financial statement date. Unrealized exchange gains and losses are presented in the new statement of re-measurement gains and losses. This section is effective for fiscal years beginning on or after April 1, 2022. Early adoption is permitted.

Section PS 3041 - Portfolio Investments, was issued in March 2012 and replaces the existing section PS 3040. This standard has been revised to ensure consistency with the financial instruments standards. This standard provides revised guidance on accounting for, presentation and disclosure of portfolio investments. The distinction between temporary and portfolio investments has been removed in this new standard, and upon adoption, PS 3030 Temporary Investments will no longer apply. This section is effective for fiscal years beginning on or after April 1, 2022 and applies when PS 2601 and PS 3450 are adopted.

Section PS 3280 - Asset Retirement Obligations, was issued in August 2018. This standard establishes standards on how to account for and report a liability for asset retirement obligations. It defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for an asset retirement obligation and provides the related financial statement presentation and disclosure requirements. This section is effective for fiscal years beginning on or after April 1, 2022. Early adoption is permitted.

Section PS 3400 - Revenue, establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. This section applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

Guideline PSG-8 - Purchased Intangibles, provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act. This guideline applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

Section PS 3160 - Public Private Partnerships (P3s), provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. This section applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

### 4. Cash and Cash Equivalents

The Municipality has an authorized line of credit of \$5,000,000, which is secured by a general security agreement. As at December 31, 2022, the Municipality has utilized \$- (2021 - \$-). The interest is calculated at the bank's prime lending rate plus 0.75%.

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

December 31, 2022

### 5. Accounts Receivable

	<u>2022</u>	<u>2021</u>
Federal government	\$ 623,218	\$ 659,278
Province of Ontario	253,374	253,432
User charges	891,319	1,145,046
Other	<u>1,576,622</u>	<u>1,343,521</u>
	<u>\$ 3,344,533</u>	<u>\$ 3,401,277</u>

### 6. Accounts Payable and Accrued Liabilities

	<u>2022</u>	<u>2021</u>
Federal government	\$ 245,303	\$ 134,360
Province of Ontario	2,166,946	1,215,511
School Boards	831,267	790,037
Trade payables	2,693,671	2,786,159
Other	1,751,209	2,020,466
Vacation payable	<u>507,354</u>	<u>539,048</u>
	<u>\$ 8,195,750</u>	<u>\$ 7,485,581</u>

### 7. Deferred Revenues - Other

Deferred revenue set aside for specific purposes, are comprised of the following:

	Balance as at December 31, 2021	Amounts received during the year	Recognized as revenues during the year	Balance as at December 31, 2022
Ontario Community Infrastructure Fund	\$ 148,154	\$ 1,287,878	\$ 800,700	\$ 635,332
Ontario Efficiency and Modernization Grant	695,961	-	265,665	430,296
Northern Ontario Resource Development Support Fund	-	684,134	96,851	587,283
Other	<u>198,263</u>	<u>89,206</u>	<u>22,098</u>	<u>265,371</u>
<b>Total Deferred Revenues - Other</b>	<u>\$ 1,042,378</u>	<u>\$ 2,061,218</u>	<u>\$ 1,185,314</u>	<u>\$ 1,918,282</u>

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

December 31, 2022

### 8. Deferred Revenues - Obligatory Reserve Funds

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balance in the obligatory reserve funds of the Municipality are summarized below:

	Balance as at December 31, 2021	Amounts received during the year	Recognized as revenues during the year	Balance as at December 31, 2022
Canada Community - Building Fund	\$ 1,542,993	\$ 929,283	\$ 1,833,601	\$ 638,675
Safe restart	<u>177,859</u>	<u>-</u>	<u>177,859</u>	<u>-</u>
<b>Total Deferred Revenues - Obligatory Reserve Funds</b>	<u>\$ 1,720,852</u>	<u>\$ 929,283</u>	<u>\$ 2,011,460</u>	<u>\$ 638,675</u>

### 9. Municipal Debt

	<u>2022</u>	<u>2021</u>
Conditional loan, repayable with instalments in amounts equal to 6% of gross revenues from the Sturgeon River House Museum admission fees	\$ 204,818	\$ 204,900
Term loan, repayable in monthly instalments of \$10,768, including interest at the fixed rate of 3.39%, matured January 25, 2022	-	10,716
Term loan, repayable in monthly instalments of \$12,682, including interest at the fixed rate of 4.70%, maturing March 11, 2024	823,160	933,819
Term loan, repayable in monthly instalments of \$7,472, including interest at the fixed rate of 3.45%, maturing February 6, 2025	703,583	768,088
Term loan, repayable in monthly instalments of \$39,815, including interest at fixed rate of 4.51%, maturing April 28, 2025, secured by a letter of guarantee	4,459,277	4,896,255
Term loan, repayable in monthly instalments of \$16,851, including interest at the fixed rate of 3.89%, maturing May 26, 2025	461,269	636,327
Debenture, repayable in semi-annual instalments of \$56,752, including interest at the fixed rate of 2.15%, maturing July 4, 2026	432,815	535,357

**Corporation of the Municipality of West Nipissing**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2022**

**9. Municipal Debt (Continued)**

	<u>2022</u>	<u>2021</u>
Term loan, repayable in monthly instalments of \$4,252, including interest at the fixed rate of 3.48%, maturing February 6, 2027	197,562	241,008
Term loan, repayable in monthly instalments of \$69,158, including interest at the fixed rate of 5.21%, maturing August 17, 2027	3,343,978	3,939,319
Debenture, repayable in semi-annual instalments of \$53,846 including interest at the fixed rate of 3.01% maturing November 1, 2027	496,442	587,138
Term loan, repayable in monthly instalments of \$130,006, including interest at fixed rate of 4.13%, maturing December 3, 2029, secured by a letter of guarantee	10,920,525	12,480,600
Debenture, repayable in semi-annual instalments of \$195,098, including interest at the fixed rate of 3.15%, maturing March 15, 2033	4,513,919	3,636,000
Debenture, repayable in semi-annual instalments of \$36,704, including interest at the fixed rate of 3.55%, maturing April 4, 2033	638,763	688,175
Debenture, repayable in semi-annual instalments of \$131,916, including interest at the fixed rate of 3.52%, maturing March 15, 2052	<u>4,817,690</u>	<u>4,864,000</u>
	<u><b>\$ 32,013,801</b></u>	<u><b>\$ 34,421,702</b></u>

Principal instalments required to be paid over the next five years are as follows:

2023	\$ 3,679,508
2024	4,341,394
2025	7,119,189
2026	3,029,480
2027	2,665,895
Thereafter	<u>11,178,335</u>
Total	<u><b>\$ 32,013,801</b></u>

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

December 31, 2022

### 10. Employee Future Benefits Payable

The Municipality provides certain employee benefits which will require funding in future periods. Under the sick-leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment.

The Municipality also provides pension and drug benefits to certain employees after retirement. The registered pension plan is a defined benefit pension plan. The pension and drug benefits are impacted by factors including interest rates, adjustments arising from plan amendments, changes in assumptions and experience gains and losses.

	<u>2022</u>	<u>2021</u>
Accumulated sick leave entitlements	\$ 512,678	\$ 530,571
Pension and other post-employment benefits	<u>2,054,785</u>	<u>1,456,368</u>
	<u>\$ 2,567,463</u>	<u>\$ 1,986,939</u>

The Municipality has established reserves to mitigate the future impact of these obligations. The balance of the sick leave reserve is \$169,530 (2021 - \$168,491).

The continuity for pension and other post-employment benefits is as follows:

	<u>Pension</u>	<u>Other Post Employment Benefits</u>	<u>2022 Total</u>	<u>2021 Total</u>
Accrued benefit obligation, beginning of year	\$ 6,270,890	\$ 274,877	\$ 6,545,767	\$ 6,509,321
Current service costs	124,330	-	124,330	120,115
Actuarial (gain)/losses	(20,349)	-	(20,349)	170,814
Interest on accrued benefits	123,872	-	123,872	158,186
Benefit payments	<u>(401,515)</u>	<u>4,292</u>	<u>(397,223)</u>	<u>(412,669)</u>
Accrued benefit obligation, end of year	6,097,228	279,169	6,376,397	6,545,767
Fair value of plan assets	<u>4,321,612</u>	<u>-</u>	<u>4,321,612</u>	<u>5,089,399</u>
	<u>\$ 1,775,616</u>	<u>\$ 279,169</u>	<u>\$ 2,054,785</u>	<u>\$ 1,456,368</u>

Expenses for pension and other post-employment benefits in the amount of \$877,031 (2021 - \$637,405) are recorded on the consolidated statement of operations and accumulated surplus.

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

December 31, 2022

### 10. Employee Future Benefits Payable (Continued)

The following represents the more significant assumptions:

	<u>Pension</u>	<u>Other Post-Employment Benefits</u>
Expected inflation rate	N/A	4.05%
Wage and salary escalation	3.00%	N/A
Discount rate	2.03%	3.25%

### 11. Landfill Closure and Post-Closure

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 remaining life of the landfill site based on usage. The reported liability is based on estimates and assumptions with respect to events extending over an extended period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The main components of the landfill closure plan are final capping and implementation of a drainage management plan. The post-closure care requirements will involve cap maintenance, installation of monitoring wells, groundwater monitoring, inspections and annual reports. Post-closure care activities for these sites are expected to occur for approximately 25 years.

The estimated liability for this care is the present value of future cash flows associated with closure and post-closure costs discounted using the Municipality's estimated average borrowing rate of 2.19 %, minus an inflation rate of 3.21 % (10 year average of CPI from 2012-2022). The change in liability is recorded based on the capacity of the landfill used to date. The liability is currently unfunded and is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill. The most recent waste capacity studies were performed in reports dated in 2018.

The Municipality operates the following landfill sites:

	<b>Estimated Remaining Capacity</b>	<b>Estimated Remaining Life</b>	<b>Recorded Liability</b>	<b>Total Estimated Undiscounted Outflow in the Future</b>	<b>Amounts to be Recognized in the Future</b>
<b>2022</b>					
Clear Lake	26% (10,597 m3)	11 years	\$ 101,255	\$ 169,754	\$ 68,499
Caldwell	4% (4,200 m3)	2 years	591,104	641,912	50,808
Kipling	83% (16,560 m3)	272 years	260,013	542,072,756	541,812,743
Badgerow	70% (14,047 m3)	119 years	102,424	4,401,800	4,299,376
River Valley	32% (6,416 m3)	11 years	86,052	158,539	72,487
Lavigne	42% (16,962 m3)	13 years	80,351	177,076	96,725
Sturgeon Falls	-% (- m3)	- years	<u>1,002,263</u>	<u>1,002,263</u>	-
			<u>\$ 2,223,462</u>	<u>\$ 548,624,100</u>	<u>\$ 546,400,638</u>
2021			<u>\$ 2,003,478</u>	<u>\$ 30,794,328</u>	<u>\$ 28,790,850</u>

**Corporation of the Municipality of West Nipissing**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2022**

**12. Tangible Capital Assets**

	Cost				Accumulated amortization				Net Book Value		
	Balance, beginning of year	Additions	Disposals	Transfers	Balance, end of year	Balance, beginning of year	Amortization	Disposals	Balance, end of year	2022	2021
Land	\$ 9,039,064	\$ -	\$ (181)	\$ -	\$ 9,038,883	\$ -	\$ -	\$ -	\$ -	\$ 9,038,883	\$ 9,039,064
Land improvements	7,098,901	-	(86)	177,258	7,276,073	5,235,976	493,288	-	5,729,264	1,546,809	1,862,925
Roads and bridges	84,044,386	2,164,095	-	198,301	86,406,782	56,660,107	1,741,910	-	58,402,017	28,004,765	27,384,279
Buildings	58,491,927	682,978	(32,700)	291,188	59,433,393	20,270,582	1,289,252	(19,464)	21,540,370	37,893,023	38,221,345
Machinery and equipment	32,432,007	1,084,153	-	123,199	33,639,359	13,182,374	1,694,835	-	14,877,209	18,762,150	19,249,633
Vehicles	14,993,057	660,391	(119)	-	15,653,329	9,487,587	790,025	-	10,277,612	5,375,717	5,505,470
Water and sewer system	74,796,825	304,808	(39,462)	239,642	75,301,813	29,409,814	977,375	(21,014)	30,366,175	44,935,638	45,387,011
Furniture and fixtures	2,316,028	16,643	(2,121)	-	2,330,550	1,203,094	107,558	-	1,310,652	1,019,898	1,112,934
Computer hardware and software	1,440,527	103,271	(46,064)	-	1,497,734	1,217,914	95,170	(45,712)	1,267,372	230,362	222,613
Assets under construction	2,594,865	724,893	-	(1,029,588)	2,290,170	-	-	-	-	2,290,170	2,594,865
	<u>\$ 287,247,587</u>	<u>\$ 5,741,232</u>	<u>\$ (120,733)</u>	<u>\$ -</u>	<u>\$ 292,868,086</u>	<u>\$ 136,667,448</u>	<u>\$ 7,189,413</u>	<u>\$ (86,190)</u>	<u>\$ 143,770,671</u>	<u>\$ 149,097,415</u>	<u>\$ 150,580,139</u>

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

December 31, 2022

### 13. Accumulated Surplus

	<u>2022</u>	<u>2021</u>
<b>Surplus</b>		
Invested in tangible capital assets	\$ 149,097,415	\$ 150,580,139
General surplus	4,857,513	2,821,234
Home for the Aged of West Nipissing	1,183,087	785,788
The West Nipissing Environmental Services	147,993	393,110
West Nipissing Power Distribution Ltd.	10	10
West Nipissing Power Generation Ltd.	(2,900,222)	(2,048,997)
Unfunded		
Employee future benefits payable	(2,567,463)	(1,986,939)
Landfill closure and post-closure	(2,223,462)	(2,003,478)
Municipal debt	(32,013,801)	(34,421,702)
Total surplus	<u>115,581,070</u>	<u>114,119,165</u>
<b>Reserves</b>		
Special purpose reserves		
Acquisition of tangible capital assets	2,704,678	2,643,595
Environmental services	2,031,174	1,616,146
Health services	847,773	342,373
Library services	352,544	349,698
Protection services	484,369	538,080
Recreation services	546,000	34,229
Sick leave benefits	169,530	168,491
Working capital	4,598,523	5,718,036
Total reserves	<u>11,734,591</u>	<u>11,410,648</u>
<b>Accumulated Surplus</b>	<u><u>\$ 127,315,661</u></u>	<u><u>\$ 125,529,813</u></u>

### 14. Commitments

The Municipality entered into various contracts in the year including Champlain Bridge design, ventilation improvements at town hall and other facilities, the purchase of a backhoe and an excavator, and improvements to existing infrastructure for a total of approximately \$2,280,858. At December 31, 2022, there was approximately \$1,847,323 of work remaining to be completed and costs to be incurred on these contracts.



# **Corporation of the Municipality of West Nipissing**

## **Notes to the Consolidated Financial Statements**

### **December 31, 2022**

#### **14. Commitments (Continued)**

The Municipality entered into a three-year agreement with the Ontario Provincial Police from January 1, 2023 to December 31, 2025 to provide police services. The minimum commitment for police services is \$3,403,850 per year.

The Municipality entered into a five-year agreement with the North Bay and District Humane Society from January 1, 2023 to December 31, 2027 to provide animal control services. The minimum commitment for animal control services is \$96,146 per year.

The Municipality entered into a seven-year agreement with Fowler Construction Company from October 1, 2022 to April 30, 2029 to provide winter maintenance services. The minimum commitment for winter maintenance services is \$147,563 per year.

#### **15. Contingencies**

##### **Northern Ontario Heritage Fund Corporation**

Under the terms of an agreement between the Municipality and the Northern Ontario Heritage Fund Corporation, the Municipality obtained a loan in the amount of \$811,950 and was committed to increase annual museum visits to 20,000 and annual museum revenues to at least \$230,000 by December 31, 2001. The Northern Ontario Heritage Fund Corporation was to determine whether the Municipality had made every reasonable effort to increase museum annual visits and revenues to the required levels. If such determination is positive, then the outstanding balance of the loan shall be forgiven. If such determination is negative, then the Municipality shall commence paying interest at the prime rate quoted by the Royal Bank of Canada plus 2%, and the loan shall be due upon demand. At December 31, 2022, the Northern Ontario Heritage Fund Corporation had not made its determination.

##### **Legal Actions**

The Municipality is involved in certain legal matters and litigations, the outcomes of which are not presently determinable. The loss, if any, from these legal matters and litigations will be accounted for in the periods in which they are resolved.

Council is of the opinion that it is unlikely that any liability, to the extent not provided by insurance or otherwise, would be material in relation to the Municipality's consolidated financial position.

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

December 31, 2022

### 16. Operations of School Boards

Further to note 1(a)(iv), the taxation, other revenues and expenses of the school boards are comprised of the following:

	<u>2022</u>	<u>2021</u>
Taxation	<u>\$ 3,187,169</u>	<u>\$ 3,123,801</u>
Total amounts received or receivable	<u>3,187,169</u>	<u>3,123,801</u>
Requisitions	<u>3,187,169</u>	<u>3,123,801</u>
	<u>\$ -</u>	<u>\$ -</u>

### 17. Contributions to Unconsolidated Joint Local Boards

Further to note 1(a)(iii), the following contributions were made by the Municipality to these boards:

	<u>2022</u>	<u>2021</u>
District of Nipissing Social Services Administration Board	<u>\$ 3,333,779</u>	<u>\$ 3,196,723</u>
North Bay Parry Sound District Health Unit	<u>396,823</u>	<u>452,752</u>
	<u>\$ 3,730,602</u>	<u>\$ 3,649,475</u>

### 18. Cemetery Care and Maintenance Fund

Cemetery Care and Maintenance Fund administered by the Municipality amounting to \$172,686 (2021 - \$161,371) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

### 19. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of all permanent, full-time and qualifying part-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The OMERS Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to approximately 559,000 active and retired members and approximately 1,000 employers.

# Corporation of the Municipality of West Nipissing

## Notes to the Consolidated Financial Statements

December 31, 2022

### 19. Pension Agreements (Continued)

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan ('the Plan') by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. On December 31, 2022, the estimated accrued pension obligation for all members of the Plan was \$128,789 million (2021 - \$119,342 million). The Plan had an actuarial value of net assets at that date of \$122,111 million (2021 - \$116,211 million) indicating an actuarial deficit of \$6,678 million (2021 - \$3,131 million). The Plan is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed by the Municipality to OMERS for 2022 was \$1,411,779 (2021 - \$1,313,349) for current services and is included as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

On January 1, 2022, the yearly maximum pension earnings increased to \$64,900 from \$61,600 in 2021. The contributions are calculated at a rate of 9.0% (2021 - 9.0%) for amounts up to the yearly maximum pension earnings stated above and at a rate of 14.6% (2021 - 14.6%) for amounts above the yearly maximum pension earnings.

### 20. Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by Council. The budget approved by Council is based on a model used to manage departmental spending within the guidelines of the model. Given the differences between the model and generally accepted accounting principles established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with the basis of accounting that is used to prepare the consolidated financial statements. The budget figures are unaudited.

	<u>2022</u>	<u>2021</u>
Budget By-law surplus for the year	\$ -	\$ -
Add: Acquisition of tangible capital assets	<b>12,008,500</b>	9,995,203
Municipal debt repaid	<b>3,289,417</b>	3,137,906
Less: Amortization of tangible capital assets	<b>(7,189,413)</b>	(7,245,845)
Municipal debt issued	-	(5,614,402)
Contributions from reserves	<b>(4,179,630)</b>	<b>(2,388,884)</b>
Budget surplus (deficit) per consolidated statement of operations and accumulated surplus	<b><u>\$ 3,928,874</u></b>	<b><u>\$ (2,116,022)</u></b>

### 21. Comparative Figures

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

**Corporation of the Municipality of West Nipissing**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2022**

**22. Segmented Information**

	<u>General Government</u>	<u>Protection Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Health Services</u>	<u>Social and Family Services</u>	<u>Recreation and Cultural Services</u>	<u>Planning and Development</u>	<u>2022 Total</u>
<b>Revenues</b>									
Net taxation	\$ 2,609,993	\$ 5,275,625	\$ 5,862,202	\$ 8,405	\$ 315,847	\$ 2,309,944	\$ 3,757,044	\$ 690,928	<b>\$ 20,829,988</b>
User charges	18,736	57,837	108,971	12,583,815	47,525	2,877,369	335,561	120,050	<b>16,149,864</b>
Government grants and transfers - Provincial	1,148,083	1,668,775	1,854,320	2,659	99,908	9,201,398	1,249,806	494,168	<b>15,719,117</b>
Government grants and transfers - Federal	-	-	2,100	-	-	25,814	28,140	-	<b>56,054</b>
Other	<u>473,644</u>	<u>416,604</u>	<u>87,566</u>	<u>31,670</u>	<u>7,900</u>	<u>296,652</u>	<u>1,433,880</u>	<u>328,460</u>	<b><u>3,076,376</u></b>
Total revenues	<u>4,250,456</u>	<u>7,418,841</u>	<u>7,915,159</u>	<u>12,626,549</u>	<u>471,180</u>	<u>14,711,177</u>	<u>6,804,431</u>	<u>1,633,606</u>	<b><u>55,831,399</u></b>
<b>Expenses</b>									
Salaries, wages and employee benefits	2,013,868	1,526,933	2,144,880	4,396,889	13,514	10,029,756	2,510,449	563,259	<b>23,199,548</b>
Materials, contracted services, rents, and financial expenses	1,540,005	5,451,400	4,079,664	4,764,087	45,212	2,761,036	2,355,155	424,274	<b>21,420,833</b>
Transfers to other governments and the public	-	-	-	176,961	396,823	3,333,779	-	-	<b>3,907,563</b>
Amortization	212,778	481,204	2,260,272	2,989,824	1,601	281,054	950,180	12,500	<b>7,189,413</b>
Interest on municipal debt	10,993	176,280	-	1,008,107	-	-	73,387	-	<b>1,268,767</b>
Total expenses	<u>3,777,644</u>	<u>7,635,817</u>	<u>8,484,816</u>	<u>13,335,868</u>	<u>457,150</u>	<u>16,405,625</u>	<u>5,889,171</u>	<u>1,000,033</u>	<b><u>56,986,124</u></b>
<b>Annual surplus (deficit) before other</b>	472,812	(216,976)	(569,657)	(709,319)	14,030	(1,694,448)	915,260	633,573	<b>(1,154,725)</b>
<b>Other</b>									
Government grants and transfers related to capital - Provincial	-	-	1,106,972	-	-	-	-	-	<b>1,106,972</b>
Government grants and transfers related to capital - Federal	<u>-</u>	<u>-</u>	<u>1,833,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b><u>1,833,601</u></b>
<b>Annual surplus (deficit)</b>	<u><u>\$ 472,812</u></u>	<u><u>\$ (216,976)</u></u>	<u><u>\$ 2,370,916</u></u>	<u><u>\$ (709,319)</u></u>	<u><u>\$ 14,030</u></u>	<u><u>\$ (1,694,448)</u></u>	<u><u>\$ 915,260</u></u>	<u><u>\$ 633,573</u></u>	<b><u><u>\$ 1,785,848</u></u></b>

**Corporation of the Municipality of West Nipissing**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2022**

**22. Segmented Information (Continued)**

	<u>General Government</u>	<u>Protection Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Health Services</u>	<u>Social and Family Services</u>	<u>Recreation and Cultural Services</u>	<u>Planning and Development</u>	<u>2021 Total</u>
<b>Revenues</b>									
Net taxation	\$ 2,474,131	\$ 5,091,702	\$ 5,951,747	\$ -	\$ 434,989	\$ 2,410,543	\$ 3,401,906	\$ 521,239	\$ 20,286,257
User charges	17,058	42,282	107,737	12,780,084	45,382	2,773,776	205,786	265,739	16,237,844
Government grants and transfers - Provincial	1,269,714	1,658,785	1,938,973	-	141,712	8,703,044	1,247,774	237,786	15,197,788
Government grants and transfers - Federal	-	-	-	-	-	34,838	2,887	17,687	55,412
Other	<u>221,438</u>	<u>455,714</u>	<u>532,689</u>	<u>-</u>	<u>38,932</u>	<u>215,747</u>	<u>304,475</u>	<u>46,652</u>	<u>1,815,647</u>
Total revenues	3,982,341	7,248,483	8,531,146	12,780,084	661,015	14,137,948	5,162,828	1,089,103	53,592,948
<b>Expenses</b>									
Salaries, wages and employee benefits	1,880,968	1,382,080	2,016,300	3,996,454	7,803	9,591,777	1,905,055	407,211	21,187,648
Materials, contracted services, rents, and financial expenses	1,231,187	5,100,841	3,557,242	4,960,756	53,725	2,442,451	1,928,912	156,441	19,431,555
Transfers to other governments and the public	-	-	-	216,879	452,752	3,196,723	-	-	3,866,354
Amortization	175,927	269,266	2,309,926	2,989,010	64,288	262,477	1,045,316	129,635	7,245,845
Interest on long-term debt	<u>2,696</u>	<u>20,154</u>	<u>32,797</u>	<u>1,074,560</u>	<u>-</u>	<u>-</u>	<u>58,687</u>	<u>-</u>	<u>1,188,894</u>
Total expenses	<u>3,290,778</u>	<u>6,772,341</u>	<u>7,916,265</u>	<u>13,237,659</u>	<u>578,568</u>	<u>15,493,428</u>	<u>4,937,970</u>	<u>693,287</u>	<u>52,920,296</u>
<b>Annual surplus (deficit) before other</b>	<u>691,563</u>	<u>476,142</u>	<u>614,881</u>	<u>(457,575)</u>	<u>82,447</u>	<u>(1,355,480)</u>	<u>224,858</u>	<u>395,816</u>	<u>672,652</u>
<b>Other</b>									
Government grants and transfers related to capital - Provincial	-	-	518,247	-	-	-	-	-	518,247
Government grants and transfers related to capital - Federal	<u>-</u>	<u>-</u>	<u>1,086,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,086,778</u>
<b>Annual surplus (deficit)</b>	<u><u>\$ 691,563</u></u>	<u><u>\$ 476,142</u></u>	<u><u>\$ 2,219,906</u></u>	<u><u>\$ (457,575)</u></u>	<u><u>\$ 82,447</u></u>	<u><u>\$ (1,355,480)</u></u>	<u><u>\$ 224,858</u></u>	<u><u>\$ 395,816</u></u>	<u><u>\$ 2,277,677</u></u>

## **Independent Auditor's Report**

### **To the Members of Council, Inhabitants and Ratepayers of Corporation of the Municipality of West Nipissing**

#### **Opinion**

We have audited the financial statements of the Cemetery Care and Maintenance Fund of the Corporation of the Municipality of West Nipissing, which comprise the statement of financial position as at December 31, 2022, and the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Cemetery Care and Maintenance Fund of the Corporation of the Municipality of West Nipissing as at December 31, 2022, and the continuity of the Cemetery Care and Maintenance Fund 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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical 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.

ACCOUNTING • TAX • ADVISORY

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## **Independent Auditor's Report (Continued)**

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

## Independent Auditor's Report (Continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 events or conditions that may cast significant doubt on the Municipality'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 Municipality 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.

We 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.

Sturgeon Falls, Ontario  
June 20, 2023

*Baker Tilly SNT LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS,  
LICENSED PUBLIC ACCOUNTANTS



**Corporation of the Municipality of West Nipissing**  
**Cemetery Care and Maintenance Fund - Statement of Continuity**  
**For The Year Ended December 31, 2022**

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 161,371	\$ 153,222
Sale of plots and marker installations	<u>11,315</u>	<u>8,149</u>
	<b>172,686</b>	161,371
Expenses	<u>-</u>	<u>-</u>
Balance, end of year	<u><b>\$ 172,686</b></u>	<u><b>\$ 161,371</b></u>

The accompanying note is an integral part of these financial statements.

**Corporation of the Municipality of West Nipissing**  
**Cemetery Care and Maintenance Fund - Statement of Financial Position**  
**December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>Financial Assets</b>		
Cash and term deposits	\$ 494,889	\$ 429,386
<b>Liabilities</b>		
Due to the Corporation of the Municipality of West Nipissing	<u>(322,203)</u>	<u>(268,016)</u>
<b>Net Financial Assets</b>	<b>172,686</b>	161,371
<b>Non-Financial Assets</b>	<u>-</u>	<u>-</u>
<b>Accumulated Surplus</b>	<u><u>\$ 172,686</u></u>	<u><u>\$ 161,371</u></u>

The accompanying note is an integral part of these financial statements.

**Corporation of the Municipality of West Nipissing**  
**Cemetery Care and Maintenance Fund - Note to the Financial Statements**  
**December 31, 2022**

**1. Accounting Policies**

Basis of Accounting

Capital receipts and income are reported on the cash basis of accounting.

Expenses are reported on the cash basis of accounting with the exception of administrative expenses and capital expenses which are reported on the accrual basis of accounting, which recognizes expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.