

**The Corporation of the
Municipality of Calvin
Financial Statements
For the year ended December 31, 2023**

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Financial Statements
For the year ended December 31, 2023**

Independent Auditor's Report	2 - 4
Financial Statements	
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Changes in Net Financial Assets	7
Statement of Cash Flows	8
Summary of Significant Accounting Policies	9 - 13
Notes to the Financial Statements	14 - 30

Independent Auditor's Report

To the Members of Council, Inhabitants and
Ratepayers of The Corporation of the Municipality of Calvin

Qualified Opinion

We have audited the financial statements of The Corporation of the Municipality of Calvin (the Municipality), which comprise of the statement of financial position as at December 31, 2023, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Effective January 1, 2023, the Municipality was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of January 1, 2023. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not been able to complete its assessment of the tangible capital assets for potential retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, tangible capital assets and the asset retirement obligation as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31 for both the 2023 and 2022 years.

As a result of PS 3280 not being adopted, the Municipality accounts for its landfill closure and post-closure liability in accordance with the withdrawn PS Section 3270, Solid Waste Landfill Closure and Post-Closure Liability. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, landfill closure and post-closure liability as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31, for both the 2023 and 2022 years.

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.

Emphasis of Matter

We draw attention to Note 2 to the financial statements, which explains that certain comparative information for the year ended December 31, 2022 has been restated. Our opinion is not modified with respect of this matter.

Responsibilities 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 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.
 - 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
February 18, 2025

The Corporation of the Municipality of Calvin

Statement of Financial Position

December 31 2023 2022
(Restated - See Note 2)

Financial assets			
Cash and cash equivalents (Note 1)	\$ 1,196,628	\$ 921,791	
Investments (Note 3)	129,568	128,499	
Accounts receivable (Note 4)	135,027	191,427	
Taxes receivable (Note 6)	279,249	230,525	
	1,740,472	1,472,242	
Liabilities			
Accounts payable (Note 7)	179,559	190,461	
Deferred revenue - general	20,982	20,979	
Deferred revenue - obligatory reserve funds (Note 10)	590,964	495,068	
Long-term debt (Note 8)	1,119,781	1,115,766	
Landfill closure and post closure accrual (Note 9)	657,958	419,738	
	2,569,244	2,242,012	
Net financial assets			
	(828,772)	(769,770)	
Non-financial assets			
Tangible capital assets (Note 5)	3,390,226	3,591,315	
Inventories	24,272	31,239	
Prepaid expenses	8,767	7,496	
	3,423,265	3,630,050	
Accumulated surplus (Note 11)		\$ 2,594,493	\$ 2,860,280

Commitments (Note 12)
Contingent Liabilities (Note 15)

On behalf of Council:

Designated by:

Diana Mathias

Signature: 558009951BCA405...

, CAO/Clerk-Treasurer

Richard Gould

Signature: 05E8314246C14EA...

, Mayor

The Corporation of the Municipality of Calvin Statement of Operations and Accumulated Surplus

	2022	2023	2023	For the year ended December 31	
	Actual	Actual	Budget	(Note 13)	(Restated - See Note 2)
Revenues					
Taxation	\$ 1,449,717	\$ 1,553,450	\$ 1,546,482		
User charges and other	117,470	153,604	89,100		
Government transfers	221,740	254,388	318,277		
	<u>1,788,927</u>	<u>1,961,442</u>	<u>1,953,859</u>		
Expenses					
Transportation	505,250	668,262	505,250		
General government	502,405	532,355	502,405		
Protection to persons and property	244,380	251,523	244,380		
Social and family services	310,620	310,587	310,620		
Environmental services	66,500	301,320	66,500		
Health services	28,350	18,572	28,350		
Recreation and culture	54,687	68,283	54,687		
Planning and development	27,730	31,199	27,730		
	<u>1,739,922</u>	<u>2,182,101</u>	<u>1,739,922</u>		
Annual surplus (deficit) before undernoted item	213,937	(220,659)	213,937		
Cassellholme redevelopment commitment (Note 8)	-	(45,128)	-		
Annual surplus (deficit)	213,937	(265,787)	213,937		
Accumulated surplus, beginning of year	2,860,280	2,860,280	2,860,280		
Accumulated surplus, end of year	\$ 3,074,217	\$ 2,594,493	\$ 3,074,217		

The Corporation of the Municipality of Calvin **Statement of Changes in Net Financial Liabilities**

For the year ended December 31			
2023	Budget	Actual	2023
2022	Actual	(Restated - See Note 2)	
Annual surplus (deficit)	\$ 213,937	\$ (265,787)	\$ (1,215,238)
Acquisition of tangible capital assets	-	-	(86,496)
Amortization of tangible capital assets	-	201,089	200,264
	213,937	(64,698)	(1,101,470)
Change in supplies inventories	-	6,967	1,701
Change in prepaid expenses	-	(1,271)	108,008
	-	5,696	109,709
Increase in net financial liabilities	213,937	(59,002)	(991,761)
Net financial (liabilities) assets, beginning of year	(769,770)	(769,770)	221,991
Net financial liabilities, end of year	\$ (555,833)	\$ (828,772)	\$ (769,770)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Municipality of Calvin Statement of Cash Flows

For the year ended December 31	2023	2022
Cash provided by (used in)		
Operating transactions		
Annual deficit		
Items not involving cash		
Amortization of tangible capital assets	201,089	200,264
Recognition of Casselholm redevelopment commitment	45,128	1,044,653
Change in employee benefits payable	-	659
Change in landfill closure and post-closure liability	238,220	18,355
Changes in non-cash operating balances	218,650	48,693
Taxes receivable	(48,724)	(57,918)
Accounts receivable	56,400	5,268
Accounts payable	(10,902)	65,985
Deferred revenue - general	3	-
Deferred revenue - obligatory reserve funds	95,896	243,902
Inventories	6,967	1,701
Prepaid expenses	(1,271)	108,008
Investing transactions		
Purchase of investments	(1,069)	-
Capital transactions		
Acquisition of tangible capital assets	-	(86,496)
Financing transactions		
Repayment of long-term debt	(41,113)	(54,472)
Increase in cash and cash equivalents during the year	274,837	274,671
Cash and cash equivalents, beginning of year	921,791	647,120
Cash and cash equivalents, end of year	\$ 1,196,628	\$ 921,791

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Municipality of Calvin Summary of Significant Accounting Policies

December 31, 2023

Management Responsibility

The financial statements of The Corporation of the Municipality of Calvin (the "Municipality") are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards ("PSAB"). The Municipality provides municipal services such as general government, fire, building, protection to persons, transportation, environmental, health, social, family, recreation, culture, planning and development services.

Non-consolidating Boards

The Municipality makes contributions to joint local boards that are not consolidated:

- District of Nipissing Social Services Administration Board
- North Bay Parry Sound District Health Unit
- The Board of Management for the District of Nipissing East

Cash and Cash Equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Inventories

Inventory of supplies are stated at the lower of cost and replacement cost.

The Corporation of the Municipality of Calvin Summary of Significant Accounting Policies

December 31, 2023

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Roads	10 to 45 years
Bridges and culverts	25 to 75 years
Buildings	10 to 50 years
Vehicles	10 to 15 years
Machinery and equipment	5 to 25 years
Land improvements	10 to 25 years

One half of the annual amortization is charged 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.

Landfill Closure and Post-closure Accrual

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

Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Statement of Financial Position.

Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Statement of Financial Position. The revenue is reported on the Statement of Operations in the year in which it is used for a specified purpose.

**The Corporation of the Municipality of Calvin
Summary of Significant Accounting Policies**

December 31, 2023

Pensions and Employee Benefit Plans
The Municipality accounts for its employee pension contributions as a defined contribution plan. Sick leave benefits are accrued as the employees render the services necessary to earn the benefits.

Collection of Taxes on Behalf of School Boards
The Municipality collects taxation revenue on behalf of the school boards. The taxation revenues, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

Trust Funds
Funds held in trust by the Municipality, and their related operations, are not included in these financial statements.

Revenue Recognition
a. Taxation
Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.

b. User fees and other
User fees and other revenue are recognized on an accrual basis.

c. Government transfers
Government transfers are recognized in the financial statements as revenue in the period in which the transfer occurs and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Deferred Government transfers are recognized in revenue when the liability stipulation is settled.

The Corporation of the Municipality of Calvin Summary of Significant Accounting Policies

December 31, 2023

Use of Estimates

The preparation of 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 revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant items subject to such estimates and assumptions include allowances for doubtful accounts, useful life of TCA assets, other accrued liabilities and/or obligations and landfill closure and post-closure liabilities.

In particular, management's estimate for the landfill closure and post-closure liability is subject to measurement uncertainty. The estimate is based on assumptions and calculations contained in an engineer's report completed in 2024, prorated as necessary for the passage of time and actual use of the landfill site. Actual results could differ significantly from those estimates because of the uncertainty related to future cost estimates and future use of the landfill site.

**The Corporation of the Municipality of Calvin
Summary of Significant Accounting Policies**

December 31, 2023

Financial Instruments

Cash and portfolio instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable and accrued liabilities, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Corporation of the Municipality of Calvin
Notes to Financial Statements

December 31, 2023

1. Financial Instruments (continued)

Financial Instrument Fair Value Measurement

The following table provides an analysis of financial instruments that are measured at fair value, using a fair value hierarchy of levels 1 to 3. The levels reflect the significance of the inputs used in making the fair value measurements, as described below:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3** - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

2023					Cash and cash equivalents
Level 1	Level 2	Level 3	Total		
\$ 1,196,628	\$ -	\$ -	\$ 1,196,628		
2022					Cash and cash equivalents
Level 1	Level 2	Level 3	Total		
\$ 921,791	\$ -	\$ -	\$ 921,791		

There were no transfers between Level 1 and Level 2 for the year ended December 31, 2023. There were also no transfers in or out of Level 3.

Financial Instrument Risk Management

The Municipality is exposed to credit risk, liquidity risk, interest rate risk and other price risk from its financial instruments. This note describes the Municipality's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

The Corporation of the Municipality of Calvin
Notes to Financial Statements

December 31, 2023

1. Financial Instruments (continued)

Credit Risk

Credit risk is the risk of financial loss to the Municipality if a debtor fails to make payments of interest and principal when due. It is management's opinion that the Municipality is not exposed to significant credit risk.

0-30 days	31-90 days	91-365 days	1 to 2 years	3 to 10 years
-----------	------------	-------------	--------------	---------------

Cash and cash equivalents	1,196,628	\$ -	\$ -	\$ -	-
Taxes receivable	5,938	-	147,807	77,764	47,739
Accounts receivable	89,095	-	-	45,932	-
Total	1,291,661	-	147,807	123,696	47,739

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and equity risk.

Currency Risk

Current risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Municipality is not exposed to currency risk.

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Municipality is not exposed to this risk.

The Corporation of the Municipality of Calvin Notes to Financial Statements

December 31, 2023

1. Financial Instruments (continued)

Liquidity Risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Municipality will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Municipality is exposed to this risk mainly in respect of accounts payable and accrued liabilities and long-term debt. The Municipality's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. There have not been any changes to these risks from the prior year. Unless otherwise noted, the expected cash outflows are within one year. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

		2023			
		Within 6 months	6 months to 1 year	1 to 5 years	over 5 years
Accounts payable	\$	179,559	\$ 7,617	\$ -	\$ -
Long-term debt		10,000	10,000	10,000	1,089,781
Total financial liabilities		189,559	17,617	10,000	1,089,781

		2022			
		Within 6 months	6 months to 1 year	1 to 5 years	over 5 years
Accounts payable	\$	142,696	\$ 47,765	\$ -	\$ -
Long-term debt		10,557	10,557	50,000	1,044,653
Total financial liabilities		153,253	58,322	50,000	1,044,653

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Municipality is exposed to this risk through its long term debt.

The Municipality structures its finances so as to stagger the maturities of debt, thereby minimizing exposure to interest rate fluctuations.

The Corporation of the Municipality of Calvin
Notes to Financial Statements

December 31, 2023

2. Prior Period Adjustment

The comparative figures included in these financial statements have been restated to reflect an understatement of long-term debt and understatement of expenses in fiscal year 2022. The adjustment was as a result of a commitment related to the Cassellholme redevelopment approved by Council in 2022. The result of the restatement on the December 31, 2022 balances is as follows:

Increase in long-term debt	\$ 1,044,653
Increase in expenses recognized in the year	\$ 1,044,653
	<u>December 31, 2022</u>

3. Investments

The Municipality has invested \$128,794 in guaranteed investment certificates, maturing November 21, 2024, bearing interest at 5.35%. Interest is recognized as it accrues in the Municipality's financial statements.

4. Accounts Receivable

Government grants
HST and other

	\$ 45,932	\$ 109,065
	89,095	82,362
	<u>2023</u>	<u>2022</u>
	\$ 135,027	\$ 191,427

The Corporation of the Municipality of Calvin
Notes to Financial Statements

December 31, 2023

5. Tangible Capital Assets

	Cost, beginning of year	Additions	Disposals	Cost, end of year	Accumulated amortization, beginning of year	Amortization	Disposals	Accumulated amortization, end of year	Net carrying amount, end of year
Land and Land Improvements	\$ 572,655	\$ -	-	572,655	454,115	317,573	4,357	458,472	\$ 114,183
Buildings	\$ 614,575	-	-	614,575	371,237	252,520	22,149	274,669	\$ 273,669
Machinery and Equipment	\$ 371,237	-	-	371,237	1,239,310	519,885	64,523	584,408	\$ 96,568
Vehicles	\$ 1,239,310	-	-	1,239,310	4,936,509	2,598,878	86,727	2,685,605	\$ 654,902
Roads and Bridges	\$ 4,936,509	-	-	4,936,509	7,734,286	4,142,971	201,089	4,344,060	\$ 2,250,904
Total	\$ 7,734,286	\$ -	-	7,734,286	572,655	614,575	371,237	1,239,310	\$ 96,568
									\$ 273,669
									\$ 114,183
									\$ 274,669
									\$ 96,568
									\$ 654,902
									\$ 2,250,904
									\$ 3,390,226

The Corporation of the Municipality of Calvin
Notes to Financial Statements

December 31, 2023

5. Tangible Capital Assets (continued)

	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Total
Cost, beginning of year	\$ 572,655	\$ 614,575	\$ 371,237	\$ 1,152,814	\$ 4,940,298	\$ 7,651,579
Additions	-	-	-	86,496	-	86,496
Disposals	-	-	-	-	(3,789)	(3,789)
Cost, end of year	572,655	614,575	371,237	1,239,310	4,936,509	7,734,286
Accumulated amortization, beginning of year	449,758	294,240	228,458	458,245	2,515,795	3,946,496
Amortization	4,357	23,333	24,062	61,640	86,872	200,264
Disposals	-	-	-	-	(3,789)	(3,789)
Accumulated amortization, end of year	454,115	317,573	252,520	519,885	2,598,878	4,142,971
Net carrying amount, end of year	\$ 118,540	\$ 297,002	\$ 118,717	\$ 719,425	\$ 2,337,631	\$ 3,591,315

Notes to Financial Statements

December 31, 2023

6. Taxes Receivable

Current taxes	\$	147,807	\$	147,220
Taxes in Arrears		97,398		61,980
Penalties & Interest		36,044		23,325
Valuation Allowance		(2,000)		(2,000)
	\$	279,249	\$	230,525
		2023		2022

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established annually by Council, incorporating amounts to be raised for local services, the requisition made by the various local boards in respect of Regional 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 issuance 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.

7. Accounts Payable

Trade payables
Accrued payroll liabilities

2023	\$	163,792	\$	15,767	123,183	67,277
2022	\$	179,559	\$	190,460		

The Corporation of the Municipality of Calvin Notes to Financial Statements

December 31, 2023

8. Long-term Debt

	2023	2022
(Restated -		
See Note 2)		

Caterpillar Financial Services Limited equipment loan, paid off in August 2023, repayable in monthly payments of \$3,014 including interest at 4.40%. Secured by the related equipment (i)

Ontario Infrastructure and Lands Corporation serial debenture due June 2025, repayable in semi-annual payments of \$10,000 principal and interest at 2.40%, secured by pledged future Provincial funding (i)

Cassellholme redevelopment commitment (ii)

1,089,781	1,044,653
\$ 1,119,781	\$ 1,115,766

(i) Interest expense paid relating to the long-term debt on capital asset loans above is \$1,080 (2022 - \$1,540) and has been included in transportation services expense on the Statement of Operations.

(ii) The Corporation of the Municipality of Calvin is a participating municipality of a northern joint municipal home, The Board of Management for the District of Nipissing East ("Cassellholme"), and is responsible for its share of funding in accordance with the Fixing Long-Term Care Act 2021, S.O. 2021, c. 39, Sched. 1 (the "FLTCA"). During 2022, construction for the redevelopment and expansion of the existing 240-bed long-term care facility commenced and Cassellholme entered into a Financing Agreement with Ontario Infrastructure and Lands Corporation ("OLC") for the redevelopment project. In accordance with the FLTCA, the Municipality will be responsible for its share of annual principal and interest payments incurred by Cassellholme upon completion of the project, and interest-only payments on the construction loan up to completion. Based on a municipal borrowing rate of 4.53% for a 30-year period plus anticipated construction completion in 2028, the present value of these expected payments commencing in 2026 is \$1,089,781.

During 2022, the Municipality entered into a Guarantee and Postponement of Claims agreement with the Ontario Infrastructure and Lands Corporation ("OLC") for the redevelopment project. Under the terms of the agreement, the Municipality is named as a joint guarantor in regards to a Financing Agreement between Cassellholme and OLC. The obligations will be proportional from each Guarantor, and the Municipality's maximum liability is \$830,816 being the maximum amount of principal owing plus any accrued interest.

December 31, 2023

8. Long-term Debt (continued)

Principal repayments for the next five years and thereafter are as follows:

	2024	2025	2026	2027	2028	Thereafter
	20,000	10,000	22,934	24,009	25,136	1,017,702
	\$					\$ 1,119,781

9. Landfill Closure and Post-Closure Accrual

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the Municipality's estimated future liability for this expense is recognized as the landfill site's capacity to total capacity of the landfill site and the discounted cash flows associated with closure and post-closure activities. The reported liability as at year end was \$657,958 (2022 - \$419,738) and reflects a discount rate of 2.85% (2022 - 2.85%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. Future events could impact the established total expenses, capacity used or total capacity. If such events occur it would be treated as a change in estimate and dealt with prospectively.

The landfill is expected to reach its capacity in 26 years and the estimated current capacity is at 27,830 cubic metres which is 72.51% (2022 - 71.00%) of the site's total capacity based on an updated survey completed in December 2024. The total discounted estimated future expenditures for closure and post-closure care are \$990,901 (2022 - \$591,180) leaving an amount to be recognized of \$332,943 (2022 - \$171,442). The estimated length of time needed for post-closure care is 25 years.

Municipal reserves for the landfill site total \$165,557 (2022 - \$145,557).

The Corporation of the Municipality of Calvin
Notes to Financial Statements

December 31, 2023

10. Deferred Revenue - Obligatory Reserves

	2023	2022
Deferred revenue, beginning of year:		
Recreational land (the Planning Act)	\$ 27,781	\$ 18,210
Canada Community-Building Fund contributions	246,585	232,956
Ontario Community Infrastructure Fund contributions	100,000	-
Northern Ontario Resource Development Support	120,702	-
495,068	251,166	
Received during the year:		
Recreational land (the Planning Act)	-	9,571
Canada Community-Building Fund	34,153	34,891
Ontario Community Infrastructure Fund	100,000	100,000
Northern Ontario Resource Development Support	60,351	120,702
Interest earned	21,215	3,738
(36,823)	(25,000)	
Recognized during the year:		
Canada Community-Building Fund	(36,823)	(25,000)
Ontario Community Infrastructure Fund	(83,000)	-
\$ 590,964	\$ 495,068	
Deferred revenue, end of year		
Comprised as follows:		
Recreational land (the Planning Act)	\$ 27,781	\$ 27,781
Canada Community-Building Fund	265,130	246,585
Ontario Community Infrastructure Fund	117,000	100,000
Northern Ontario Resource Development Support	181,053	120,702
\$ 590,964	\$ 495,068	

Canada Community-Building Fund (formerly "Gas Tax") revenue is provided by the Government of Canada. The use of the funding is established by the funding agreement signed between the Municipality and the Association of Municipalities of Ontario. Canada Community-Building Fund funding must be used towards designated projects as specified in the funding agreements.

In the case of payments in lieu of parkland, revenue recognition occurs when the Municipality has approved eligible expenditures for park and other public recreation purposes. Canada Community-Building and Ontario Community Infrastructure Fund revenue recognition occurs when the Municipality has approved the expenditures for eligible capital works. Historically, the Municipality has applied its Canada Community-Building and Infrastructure funding to local road and bridge improvements and landfill capacity building.

The Corporation of the Municipality of Calvin
Notes to Financial Statements

December 31, 2023

11. Accumulated Surplus

The Municipality segregates its accumulated surplus in the following categories:

	2023	2022
Investment in tangible capital assets	\$ 3,390,226	\$ 3,591,315
General surplus	106,916	43,016
Amounts to be recovered (i)	(1,777,739)	(1,535,504)
Reserves and reserve funds (ii)	875,090	761,453
	<u>\$ 2,594,493</u>	<u>\$ 2,860,280</u>

(Restated -
See Note 2)

(i) Amounts to be recovered

Long-term debt
Landfill closure and post-closure accrual

\$ (1,119,781)	\$ (1,115,766)
(657,958)	(419,738)
<u>\$ (1,777,739)</u>	<u>\$ (1,535,504)</u>

2023
(Restated -
See Note 2)

(ii) Reserves and reserve funds

Working funds
Sick leave
Building department
Fire department
Roads
Landfill
Algonquin Nursing Home
Emergency
Recreation

\$ 163,883	\$ 148,883
3,000	3,000
9,000	9,000
181,767	156,767
167,752	142,251
165,557	145,557
160,616	137,480
3,007	3,007
20,508	15,508
<u>\$ 875,090</u>	<u>\$ 761,453</u>

The Corporation of the Municipality of Calvin Notes to Financial Statements

December 31, 2023

12. Commitments

In 2016 the Municipality, in conjunction with the Town of Mattawa and the Townships of Papineau-Cameron and Mattawan, agreed in principle to jointly contribute \$3,809,500 over the next 25 years towards the capital redevelopment of the Algonquin Nursing Home. The payment terms including the distribution of the cost among the municipalities, have not yet been determined.

13. Budget

The Budget By-law adopted by Council on August 22, 2023 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenses in excess of current year revenues to \$Nil. In addition, the budget expensed all tangible capital expenses rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on August 22, 2023 with adjustments as follows:

2023	
	Budget By-law surplus for the year
\$ -	Add:
9,789	Debt repayment
593,636	Transfers to reserve funds
439,999	Less:
	Transfers from reserve funds
\$ 163,426	Budget (deficit) surplus per Statement of Operations

14. Pension Agreements

The Municipality makes contributions to a group pension plan, on behalf of certain members of its staff. Each member is required to contribute a specified percentage of earnings based on completed years of continuous employment, ranging from 1.5% to 4.5%. The Municipality is required to contribute an amount equal to each member's contributions.

The amount contributed to this plan for employers in 2023 was \$6,345 (2022 \$10,541) for current services and is included as an expense on the Statement of Operations.

December 31, 2023

15. Contingent Liabilities

The Municipality is subject to various litigation and claims arising in the normal course of its operations. Management assesses such claims and where considered likely to have material exposure and, where the amount of the claim is quantifiable, provisions for loss are made on management's assessment of the likely outcome. The Municipality does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of loss cannot be reasonably estimated. Any amendments to amounts accrued will be recorded once new information becomes available.

16. Segment Disclosures

The Municipality provides a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which included the following activities:

General Government

This segment includes Council, Clerk's Department, and Treasury. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

Protection to Persons and Property

This segment includes fire, police, building inspection, conservation authority, emergency measures and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

Transportation Services

Transportation services include roadway systems and winter control.

Environmental Services

This segment includes solid waste management.

December 31, 2023

16. Segment Disclosures (continued)

Health Services

This segment includes cemeteries as well as payments to the Nipissing Parry Sound District Health Unit.

Social and Family Services

This segment consists primarily of payments made to the District of Nipissing Social Services Administration Board and Home for the Aged for the provision of social services such as childcare, social housing, general assistance and assistance to the elderly.

Recreation and Culture

This segment includes parks, recreation programs, recreation facilities and library services.

Planning and Development

This segment includes activities related to planning, zoning and economic development.

Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and unconditional grants such as the Municipality's annual Ontario Municipal Partnership Fund grant.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter segment transfers are measured on the basis of the percentage of budgeted expenses.

The Corporation of the Municipality of Calvin
Notes to Financial Statements

December 31, 2023

16. Segment Disclosures (continued)

	Revenues	User Charges and Other	Government Transfer	Expenses	Salaries wages and benefits	Long-term debt charges (interest)	Materials	Contracted services	External transfers	Other (Note 8)	Amortization	Annual (deficit) surplus
Government	\$ -	\$ 33,648	\$ 191,697	225,345	261,031	58,995	1,080	51,771	215,127	-	4,426	532,355
Protection to Persons and Property	\$ -	\$ 4,511	-	4,511	172,108	307	309,051	37,363	124,358	-	29,727	251,523
Transportation Services	\$ -	\$ 4,704	60,351	65,055	23,087	246,794	29,109	32,904	29,109	-	153,892	668,262
Environmental Services	\$ -	\$ 35,611	1,163	36,774	-	-	-	2,330	-	-	-	301,320
Health Services	\$ -	\$ 9,044	-	9,044	-	531	-	-	18,041	-	-	18,572
Social & Family Services	\$ -	-	-	-	-	-	-	310,587	45,128	-	-	355,715
Recreation and Culture Services	\$ -	\$ 2,062	1,177	3,239	18,274	38,935	360	-	-	-	10,714	68,283
Planning & Development	\$ -	-	-	-	-	-	-	31,199	-	-	-	31,199
Unallocated Amounts	\$ 1,553,450	\$ 64,024	-	1,617,474	-	-	-	-	-	-	-	-
2023 Total	\$ 1,553,450	\$ 153,604	\$ 254,388	\$ 1,961,442	\$ 533,495	\$ 1,387	\$ 684,445	\$ 433,057	\$ 328,628	\$ 45,128	\$ 201,089	\$ 2,227,229
												\$ (307,010)
												\$ (247,012)
												\$ (603,207)
												\$ (264,546)
												\$ (9,528)
												\$ (355,715)
												\$ (65,044)
												\$ (31,199)
												\$ 1,617,474
												\$ (265,787)

The Corporation of the Municipality of Calvin
Notes to Financial Statements

December 31, 2023

16. Segment Disclosures (continued)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Culture	Planning & Development	Unallocated Amounts	Total 2022
Revenues										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,449,717	\$ 1,449,717
User charges and other	25,865	5,214	14,662	20,026	1,495	-	570	-	49,638	117,470
Government Transfers	214,500	5,093	-	970	-	-	1,177	-	-	221,740
Expenses										
Salaries and benefits	209,105	46,342	178,191	39,390	4,428	-	66,288	-	-	543,744
Long-term debt charges (Interest)	-	1,540	1,694	-	-	-	-	-	-	3,234
Materials	39,084	40,669	287,780	27,239	423	-	17,872	-	-	413,067
Contracted services	271,864	99,742	36,449	36,966	-	-	1,174	32,216	-	478,411
External transfers	-	-	-	-	17,549	303,244	-	-	-	320,793
Other (Note 8)	-	-	-	-	-	1,044,653	-	-	-	1,044,653
Amortization	4,426	27,409	154,037	2,330	-	-	12,061	-	-	200,263
Total Expenses	524,479	215,702	658,151	105,925	22,400	1,347,897	97,395	32,216	-	3,004,165
Annual (deficit) surplus	\$ (284,114)	\$ (205,395)	\$ (643,489)	\$ (84,929)	\$ (20,905)	\$ (1,347,897)	\$ (95,648)	\$ (32,216)	\$ 1,499,355	\$ (1,215,238)