
THE CORPORATION OF THE MUNICIPALITY OF CALVIN

FINANCIAL STATEMENTS

DECEMBER 31, 2021

THE CORPORATION OF THE MUNICIPALITY OF CALVIN
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Independent Auditor's Report

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

Opinion

We have audited the financial statements of The Corporation of the Municipality of Calvin ("the Municipality"), which comprise the statement of financial position as at December 31, 2021, and 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, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the Municipality of Calvin as at December 31, 2021, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our 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.

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 a 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 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 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

North Bay, Canada
June 16, 2022

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE MUNICIPALITY OF CALVIN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents (Note 4)	\$ 647,120	\$ 824,629
Investments (Note 5)	128,601	128,097
Taxes receivable (Note 6)	172,607	153,601
Accounts receivable	195,383	51,521
	1,143,711	1,157,848
LIABILITIES		
Accounts payable and accrued liabilities	108,463	110,187
Deferred revenue-general (Note 7)	20,982	40,000
Deferred revenue-obligatory reserve funds (Note 8)	251,166	234,815
Municipal debt (Note 9)	125,585	178,631
Tangible capital lease liability (Note 10)	-	1,081
Employee benefits payable (Note 11)	14,141	19,864
Landfill closure and post-closure liability (Note 12)	401,383	427,563
	921,720	1,012,141
NET FINANCIAL ASSETS	221,991	145,707
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 16)	3,705,083	3,613,554
Inventories of supplies	32,940	25,526
Prepaid expenses	115,504	20,770
	3,853,527	3,659,850
ACCUMULATED SURPLUS (Note 17)	\$ 4,075,518	\$ 3,805,557

Contingencies (see Notes 2 and 15)
 Contractual obligations (see Note 13)
 Commitments (see Note 14)

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

THE CORPORATION OF THE MUNICIPALITY OF CALVIN
STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget 2021 <i>(see Note 19)</i>	Actual 2021	Actual 2020
REVENUE			
Property taxes	\$ 1,354,633	\$ 1,361,523	\$ 1,280,661
User charges	21,627	27,837	26,389
Government transfers	514,074	477,355	245,160
Other	30,105	44,287	71,457
TOTAL REVENUE	1,920,439	1,911,002	1,623,667
EXPENSES			
General government	411,234	360,946	279,569
Protection to persons and property	291,476	264,676	273,044
Transportation services	558,296	498,980	497,434
Environmental services	92,556	76,819	153,646
Health services	26,361	25,486	24,675
Social and family services	306,884	295,308	288,618
Recreation and cultural services	122,173	106,113	89,596
Planning and development	28,045	12,713	17,041
TOTAL EXPENSES	1,837,025	1,641,041	1,623,623
ANNUAL SURPLUS <i>(Note 17)</i>	83,414	269,961	44
ACCUMULATED SURPLUS, BEGINNING OF YEAR	3,805,557	3,805,557	3,805,513
ACCUMULATED SURPLUS, END OF YEAR	\$ 3,888,971	\$ 4,075,518	\$ 3,805,557

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF CALVIN
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget 2021 <i>(see Note 19)</i>	Actual 2021	Actual 2020
Annual surplus	\$ 83,414	\$ 269,961	\$ 44
Acquisition of tangible capital assets	(290,500)	(310,648)	(148,042)
Contributed tangible capital assets	-	-	(1,305)
Amortization of tangible capital assets	195,300	195,459	272,924
Loss on disposal of tangible capital assets	-	22,833	4,608
Proceeds from disposal of tangible capital assets	-	827	-
Change in supplies inventories	-	(7,414)	(3,106)
Change in prepaid expenses	-	(94,734)	(2,972)
Increase (decrease) in net financial assets	(11,786)	76,284	122,151
Net financial assets, beginning of year	145,707	145,707	23,556
Net financial assets, end of year	\$ 133,921	\$ 221,991	\$ 145,707

The accompanying 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, 2021

	2021	2020
Operating transactions		
Annual surplus	\$ 269,961	\$ 44
Non-cash charges to operations:		
Contributed tangible capital assets	-	(1,305)
Amortization	195,459	272,924
Loss on disposal of tangible capital assets	22,833	4,608
Change in employee benefits payable	(5,723)	1,994
Change in landfill closure and post-closure liability	(26,180)	76,776
	456,350	355,041
Changes in non-cash items:		
Taxes receivable	(19,006)	(56,067)
Accounts receivable	(143,862)	151,073
Accounts payable and accrued liabilities	(1,724)	7,337
Deferred revenue-general	(19,018)	25,000
Deferred revenue-obligatory reserve funds	16,351	85,949
Inventories of supplies	(7,414)	(3,106)
Prepaid expenses	(94,734)	(2,972)
	(269,407)	207,214
Cash provided by operating transactions	186,943	562,255
Capital transactions		
Acquisition of tangible capital assets	(310,648)	(148,042)
Proceeds from disposal of tangible capital assets	827	-
Cash applied to capital transactions	(309,821)	(148,042)
Investing transactions		
Purchase of investments	(504)	(128,097)
Cash applied to investing transactions	(504)	(128,097)
Financing transactions		
Tangible capital lease repayments	(1,081)	(1,264)
Debt principal repayments	(53,046)	(91,004)
Cash applied to financing transactions	(54,127)	(92,268)
Net change in cash and cash equivalents	(177,509)	193,848
Cash and cash equivalents, beginning of year	824,629	630,781
Cash and cash equivalents, end of year	\$ 647,120	\$ 824,629
Cash flow supplementary information:		
Cash paid for interest	\$ 5,172	\$ 7,471

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2021

MANAGEMENT RESPONSIBILITY

The financial statements of the Corporation of the Municipality of Calvin (the "Municipality") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting Entity

These statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

(i) Consolidated entities

There are no consolidated entities.

(ii) Non-consolidated entities

The following joint boards are not consolidated:

North Bay Parry Sound District Health Unit
District of Nipissing Social Services Administration Board
East Nipissing District Home for the Aged

(iii) Accounting for school board transactions

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

(iv) Trust funds

Trust funds administered by the Municipality are not included in these financial statements, but are reported separately on the trust funds financial statements.

(b) Basis of Accounting

(i) Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with financial institutions and demand deposits.

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2021

- (iii) Investments
Investments are recorded at cost plus accrued interest.
- (iv) Non-financial assets
Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.
- (a) 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. Tangible capital assets received as donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. The cost, 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 25 years
Buildings - 10 to 50 years
Machinery, equipment and furniture - 5 to 25 years
Vehicles - 10 to 25 years
Roads - 10 to 45 years
Bridges - 25 to 75 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.
- Estimated closure and post-closure expenses for active landfill sites as well as the land occupied by the sites are amortized annually on the basis of capacity used during the year as a percentage of the estimated total capacity of the landfill site.
- Interest related to the acquisition of capital assets is not capitalized, but is expensed in the year incurred.
- (b) Inventories of supplies
Inventories held for consumption are recorded at the lower of cost and replacement cost.
- (v) 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.
- (vi) 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 the specified purpose.

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2021

- (vii) Government transfers
Government transfers are recognized in the financial statements as revenue when the transfer is authorized 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. Transfer revenue is recognized in the Statement of Operations as the stipulation liabilities are settled.
- (viii) Taxation and related revenue
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. Property tax billings are prepared by the Municipality based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenue is initially recorded at the time assessment information is received from MPAC and is subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Municipality is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.
- (ix) Pensions and employee benefits
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.
- (x) Use of estimates
The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include valuation allowances for taxes and accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable, solid waste landfill closure and post-closure liabilities and supplementary taxes. Actual results could differ from these estimates.

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2021

2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2021	2020
District of Nipissing Social Services Administration Board	\$ 242,451	\$ 237,890
North Bay Parry Sound District Health Unit	17,133	17,133
East Nipissing District Home for the Aged	50,357	48,228
	\$ 309,941	\$ 303,251

The Municipality is contingently liable for its share, if any, of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses (or deficits) of these boards has not been determined at this time.

The Municipality is also contingently liable for its share, if any, of the long-term liabilities issued by other municipalities for these boards. The Municipality's share of these long-term liabilities has not been determined at this time.

3. TRANSACTIONS ON BEHALF OF OTHERS

(a) During the year, \$350,486 of taxation was levied on behalf of school boards (2020 \$359,567).

(b) The Municipality administers care and maintenance trust funds totalling \$30,072 (2020 \$28,508) which are funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom are used to perform maintenance at the Municipality's cemetery. The trust funds are not included in these financial statements, as they are being held in trust for the benefit of others.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents is comprised of:

	2021	2020
Unrestricted cash	\$ 395,954	\$ 589,814
Restricted cash	251,166	234,815
	\$ 647,120	\$ 824,629

Federal, Provincial and Municipal legislation restricts how restricted cash related to obligatory reserve funds, reported in Note 8, may be used.

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2021

5. INVESTMENTS

Investments are comprised of guaranteed investment certificates, bearing interest at .43% and maturing April 25, 2022.

6. TAXES RECEIVABLE

Taxes receivable are comprised of the following:

	2021	2020
Taxes receivable	\$ 174,607	\$ 155,601
Valuation allowance	(2,000)	(2,000)
	\$ 172,607	\$ 153,601

7. DEFERRED REVENUE -GENERAL

Details of the deferred revenue reported on the Statement of Financial Position are as follows:

	2021	2020
Balance, beginning of year -		
Ontario Cannabis Legalization Implementation Fund	\$ 15,000	\$ 15,000
Safe Restart Funding	20,000	-
Dedicated Donations	5,000	-
	40,000	15,000
Received during the year -		
Ontario Cannabis Legalization Implementation Fund	5,000	-
Safe Restart Funding	-	20,000
Dedicated Donations	2,000	5,000
	7,000	25,000
Recognized in revenue during the year	(26,018)	-
Balance, end of year	\$ 20,982	\$ 40,000
Ontario Cannabis Legalization Implementation Fund	\$ 20,000	\$ 15,000
Safe Restart Funding	-	20,000
Dedicated Donations	982	5,000
Balance, end of year	\$ 20,982	\$ 40,000

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2021

8. DEFERRED REVENUE-OBLIGATORY RESERVE FUNDS

The Municipality receives payments in lieu of parkland under the Planning Act, Canada Community-Building funding (previously gas tax) under an agreement with the Association of Municipalities of Ontario, and Ontario Community Infrastructure Fund funding under an agreement with the Ministry of Infrastructure. Legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

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.

Details of the deferred revenue-obligatory reserve funds reported on the Statement of Financial Position are as follows:

	2021	2020
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 16,003	\$ 14,589
Canada Community-Building Fund	168,256	134,277
Ontario Community Infrastructure Fund	50,556	-
	<u>234,815</u>	<u>148,866</u>
Received during the year:		
Recreational land (the Planning Act)	2,160	1,201
Canada Community-Building Fund	64,194	31,307
Ontario Community Infrastructure Fund	50,000	50,000
Interest earned	806	3,441
	<u>117,160</u>	<u>85,949</u>
Recognized in revenue during the year	<u>(100,809)</u>	-
Balance, end of year	\$ 251,166	\$ 234,815
Recreational land (the Planning Act)	\$ 18,210	\$ 16,003
Canada Community-Building Fund	232,956	168,256
Ontario Community Infrastructure Fund	-	50,556
Balance, end of year	\$ 251,166	\$ 234,815

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2021

9. MUNICIPAL DEBT

(a) The balance of the municipal debt reported on the Statement of Financial Position is made up of the following:

	2021	2020
Caterpillar Financial Services Limited equipment loan, due November 2024, repayable in monthly payments of \$3,014, including interest calculated at 4.4%. Secured by the related equipment.	\$ 55,585	\$ 88,631
Ontario Infrastructure and Lands Corporation serial debenture, due June 2025, repayable in semi-annual payments of \$10,000 plus interest calculated at 2.4%. As security the Municipality has pledged future Provincial funding.	70,000	90,000
	\$ 125,585	\$ 178,631

(b) Future estimated principal and interest payments on the municipal debt are as follows:

	Principal	Interest
2022	\$ 54,472	\$ 3,234
2023	41,113	1,367
2024	20,000	582
2025	10,000	110
	\$ 125,585	\$ 5,293

(c) Total charges for the year for municipal debt which are reported in the financial statements are as follows:

	2021	2020
Principal payments	\$ 53,046	\$ 91,004
Interest	5,140	7,402
	\$ 58,186	\$ 98,406

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2021

10. TANGIBLE CAPITAL LEASE LIABILITY

The Municipality leases equipment which is accounted for on the Statement of Financial Position at the present value of future minimum lease payments. Future minimum lease payments are as follows:

	2021	2020
2021	\$ -	\$ 1,094
Total minimum lease payments	-	1,094
Less amount representing interest (implicit rate of interest from 0.00% to 2.79% per contract terms)	-	(13)
Present value of future minimum capital lease payments	\$ -	\$ 1,081

Interest of \$13 (2020 \$49) relating to capital lease obligations has been reported on the Statement of Operations.

11. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and employees may become entitled to a cash payment when they leave the Municipality's employment. The sick leave benefit liability estimates use of accumulated sick leave prior to retirement as well as lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum. The liability for these accumulated days amounted to \$14,141 (2020 \$19,864) at the end of the year.

12. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final cover and landscaping of the landfill site, management of groundwater and leachates, and ongoing environmental monitoring and site inspection and maintenance. Estimated expenditures related to the closure and subsequent maintenance of this site are recognized in the financial statements over the operating life of the site, in proportion to its utilized capacity.

The liability for the landfill site is recorded at \$401,383 (2020 \$427,563) and represents the present value of closure and post-closure costs for 70% (2020 69%) of the total site area, using an estimated long-term borrowing rate of 2.85% (2020 2.15%) and inflation rate of 1.82% (2020 1.57%). The total estimated future expenditures - representing the sum of the discounted future cash flows for closure and post-closure care - are \$574,799 (2020 \$621,778), leaving an amount to be recognized of \$173,416 (2020 \$194,215). The estimated remaining capacity of the site is approximately 30,547 cubic metres, estimated to be filled in 28 years (2020 29 years). Post-closure care is estimated to be required for a period of 10 years.

The Municipality has reserves of \$122,657 (2020 \$104,857) related to its landfill site that could be used to fund this liability.

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2021

13. CONTRACTUAL OBLIGATIONS

In 2021, the Municipality entered into an agreement with PSD Citywide Inc. for the update of its asset management plan and data enhancements at a cost of \$64,100. \$19,230 was paid in 2021. The balance is expected to be paid in 2022.

14. 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.

15. CONTINGENCY

Subsequent to year end, the Municipality entered into a Guarantee and Postponement of Claims agreement with Ontario Infrastructure and Lands Corporation ("OILA") as it relates to OILA's financing for The Board of Management for Cassellholme's long-term care facility redevelopment project. All nine participating municipalities must agree to entering in to this agreement in order for the redevelopment project to proceed. The Municipality's share of the co-guarantee on the project is a maximum of \$803,817.

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2021

16. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the Municipality by major asset class are outlined below.

2021							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
COST							
Balance, beginning of year	\$ 598,835	\$ 535,164	\$ 419,592	\$ 1,152,814	\$ 4,809,083	\$ -	\$ 7,515,488
Additions and betterments	-	97,665	30,588	-	182,395	-	310,648
Disposals and writedowns	(26,180)	(18,254)	(78,943)	-	(51,180)	-	(174,557)
BALANCE, END OF YEAR	572,655	614,575	371,237	1,152,814	4,940,298	-	7,651,579
ACCUMULATED AMORTIZATION							
Balance, beginning of year	471,581	288,495	281,264	399,488	2,461,106	-	3,901,934
Annual amortization	4,357	22,539	25,529	58,757	84,277	-	195,459
Amortization disposals	(26,180)	(16,794)	(78,335)	-	(29,588)	-	(150,897)
BALANCE, END OF YEAR	449,758	294,240	228,458	458,245	2,515,795	-	3,946,496
TANGIBLE CAPITAL ASSETS-NET	\$ 122,897	\$ 320,335	\$ 142,779	\$ 694,569	\$ 2,424,503	\$ -	\$ 3,705,083
2020							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
COST							
Balance, beginning of year	\$ 513,041	\$ 526,326	\$ 410,012	\$ 1,152,814	\$ 4,770,596	\$ 8,566	\$ 7,381,355
Additions and betterments	82,489	11,242	8,275	-	46,036	-	148,042
Contributed assets	-	-	1,305	-	-	-	1,305
Disposals and writedowns	-	(7,665)	-	-	(7,549)	-	(15,214)
Transfer between classes	3,305	5,261	-	-	-	(8,566)	-
BALANCE, END OF YEAR	598,835	535,164	419,592	1,152,814	4,809,083	-	7,515,488
ACCUMULATED AMORTIZATION							
Balance, beginning of year	390,628	270,084	254,515	334,981	2,389,408	-	3,639,616
Annual amortization	80,953	21,656	26,749	64,507	79,059	-	272,924
Amortization disposals	-	(3,245)	-	-	(7,361)	-	(10,606)
BALANCE, END OF YEAR	471,581	288,495	281,264	399,488	2,461,106	-	3,901,934
TANGIBLE CAPITAL ASSETS-NET	\$ 127,254	\$ 246,669	\$ 138,328	\$ 753,326	\$ 2,347,977	\$ -	\$ 3,613,554

Included in tangible capital assets are leased tangible capital assets with a cost of NIL (2020 \$6,691) and accumulated amortization of NIL (2020 \$5,474).

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2021

17. ACCUMULATED SURPLUS

The 2021 continuity of accumulated surplus reported on the Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
RESERVES AND RESERVE FUNDS			
Working funds	\$ 233,838	\$ (10,964)	\$ 222,874
Sick leave	3,000	-	3,000
Building department	9,000	-	9,000
Fire department	106,737	25,030	131,767
Roads	116,751	25,500	142,251
Landfill	104,857	17,800	122,657
Algonquin Nursing Home	91,208	23,136	114,344
Emergency	3,007	-	3,007
Recreation	5,508	5,000	10,508
	673,906	85,502	759,408
OTHER			
Tangible capital assets	3,613,554	91,529	3,705,083
General operating surplus	145,236	6,900	152,136
Unfunded amounts -			
Municipal debt	(178,631)	53,046	(125,585)
Tangible capital lease	(1,081)	1,081	-
Employee benefits	(19,864)	5,723	(14,141)
Landfill closure and post-closure liability	(427,563)	26,180	(401,383)
	\$ 3,805,557	\$ 269,961	\$ 4,075,518

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2021

18. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

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 include 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.

Health Services

This segment includes cemeteries as well as payments to the district health unit.

Social and Family Services

This segment consists primarily of payments made to the district 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.

In the preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of machinery use to specific segments.

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2021

18. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2021

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Total
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,361,523	\$ 1,361,523
User charges	2,177	7,919	240	14,730	2,771	-	-	-	-	27,837
Government transfers -										
Federal	14,999	-	75,253	-	-	-	-	-	-	90,252
Ontario	-	16,562	119,622	11,806	-	-	1,177	5,680	232,256	387,103
Writedown of landfill closure and post-closure liability	-	-	-	26,180	-	-	-	-	-	26,180
Loss on disposal of capital assets	(281)	-	(22,552)	-	-	-	-	-	-	(22,833)
Other	1,623	5,000	2,339	7,605	-	-	1,199	-	23,174	40,940
TOTAL REVENUE	18,518	29,481	174,902	60,321	2,771	-	2,376	5,680	1,616,953	1,911,002
EXPENSES										
Salaries, wages and benefits	170,298	54,581	155,070	40,239	7,542	-	66,751	-	-	494,481
Long-term debt charges (interest)	13	2,020	3,120	-	-	-	-	-	-	5,153
Materials	32,932	48,258	167,744	7,551	673	-	25,527	-	-	282,685
Contracted services	149,328	134,575	24,751	24,719	-	-	1,599	12,713	-	347,685
Rents and financial expenses	3,137	-	-	-	-	-	-	-	-	3,137
External transfers	-	-	-	-	17,133	295,308	-	-	-	312,441
Interfunctional adjustments	-	-	(2,250)	1,980	-	-	270	-	-	-
Amortization	5,238	25,242	150,545	2,330	138	-	11,966	-	-	195,459
TOTAL EXPENSES	360,946	264,676	498,980	76,819	25,486	295,308	106,113	12,713	-	1,641,041
ANNUAL SURPLUS (DEFICIT)	\$ (342,428)	\$ (235,195)	\$ (324,078)	\$ (16,498)	\$ (22,715)	\$ (295,308)	\$ (103,737)	\$ (7,033)	\$ 1,616,953	\$ 269,961

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2021

18. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2020

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Total
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,280,661	\$ 1,280,661
User charges	1,006	4,638	2,904	14,201	3,640	-	-	-	-	26,389
Ontario	-	12,317	-	9,815	-	-	1,177	(4,560)	227,200	245,949
Other municipalities	-	(789)	-	-	-	-	-	-	-	(789)
Loss on disposal of capital assets	-	-	(188)	-	-	-	(4,420)	-	-	(4,608)
Other	605	7,229	2,019	-	399	-	3,526	-	62,287	76,065
TOTAL REVENUE	1,611	23,395	4,735	24,016	4,039	-	283	(4,560)	1,570,148	1,623,667
EXPENSES										
Salaries, wages and benefits	175,127	53,360	147,438	41,579	6,530	-	66,825	-	-	490,859
Long-term debt charges (interest)	49	2,507	4,895	-	-	-	-	-	-	7,451
Materials	37,051	53,562	180,554	10,154	735	-	8,918	-	-	290,974
Contracted services	58,689	138,818	18,180	18,442	-	-	2,322	17,041	-	253,492
Rents and financial expenses	2,172	-	-	-	-	-	-	-	-	2,172
External transfers	-	-	-	-	17,133	288,618	-	-	-	305,751
Interfunctional adjustments	-	-	(4,500)	4,365	-	-	135	-	-	-
Amortization	6,481	24,797	150,867	79,106	277	-	11,396	-	-	272,924
TOTAL EXPENSES	279,569	273,044	497,434	153,646	24,675	288,618	89,596	17,041	-	1,623,623
ANNUAL SURPLUS (DEFICIT)	\$ (277,958)	\$ (249,649)	\$ (492,699)	\$ (129,630)	\$ (20,636)	\$ (288,618)	\$ (89,313)	\$ (21,601)	\$ 1,570,148	\$ 44

THE CORPORATION OF THE MUNICIPALITY OF CALVIN

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2021

19. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Decrease in general municipal operating surplus	\$ (145,236)
Increase in municipal reserves and reserve funds	76,203
ADJUSTMENTS:	
Acquisition of tangible capital assets	290,500
Amortization of tangible capital assets	(195,300)
Decrease in municipal debt	57,247
ANNUAL SURPLUS	\$ 83,414

20. 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 required contributions.

The amount contributed to the plan for 2021 was \$8,514 (2020 \$7,905) for current service and is included as an expense on the Statement of Operations.

21. IMPACTS OF COVID-19

Since December 31, 2019, the spread of COVID-19 has severely impacted local economies around the globe. In many countries, including Canada, businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In 2021 the Municipality received COVID-related operating funding in the amount of \$41,256 and has identified \$24,958 in costs for the year. The costs include \$18,872 for staff wages, with the balance related to the purchase of COVID-19 supplies, increased contractor costs and lost rental revenue. In addition, the Municipality received \$94,066 under the Investing in Canada Infrastructure Program - COVID-19 Resilience Infrastructure Stream which it has expended on renovations to the public works building.

While governments and central banks have reacted with monetary and fiscal interventions designed to stabilize economic conditions, the duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Municipality for future periods.