

CORPORATION OF THE TOWN OF KAPUSKASING

**INDEPENDENT AUDITOR'S REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2021

CORPORATION OF THE TOWN OF KAPUSKASING

MANAGEMENT'S REPORT

DECEMBER 31, 2021

The accompanying consolidated financial statements of the Corporation of the Town of Kapuskasing are the responsibility of the 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. A summary of the significant accounting policies are described in the notes to the financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgments, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The Council meets with management to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval.

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

Melanie Fortier

Kapuskasing, Ontario
September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of Council and inhabitants
of the Corporation of the Town of Kapuskasing

Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Kapuskasing, which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows 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 municipality as at December 31, 2021, and its consolidated statement of operations and accumulated surplus, change in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the 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.

INDEPENDENT AUDITOR'S REPORT, (CONT'D)

Auditor's Responsibilities for the Audit of the 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 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 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' 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 audit opinion. Our conclusions are based on the audit evidence obtained up to the date of 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 consolidated 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.

Baker Tilly HKC

Chartered Professional Accountants
Licenced Public Accountants
September 30, 2022

CORPORATION OF THE TOWN OF KAPUSKASING
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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CORPORATION OF THE TOWN OF KAPUSKASING

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 8,231,859	\$ 11,398,177
Taxes receivable (Note 5)	200,020	316,979
Trades and other receivables (Note 6)	7,900,396	2,859,352
Inventories for resale	18,110	24,188
Due from related parties (Note 7)	14,314,514	13,718,719
Long-term receivables (Note 8)	1,122,832	406,250
	31,787,731	28,723,665
LIABILITIES		
Accounts payable and accrued liabilities	3,862,728	3,789,363
Landfill closure and post-closure liability (Note 11)	2,710,872	2,615,872
Liability for losses in government business enterprises (Note 12)	6,373,405	5,558,612
Deferred revenue - obligatory reserve funds (Note 13)	4,816,351	3,679,080
Long-term debt (Note 15)	24,410,780	26,252,888
	42,174,136	41,895,815
NET DEBT	(10,386,405)	(13,172,150)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 16)	98,324,342	95,306,269
Inventories held for consumption or use	171,800	161,135
Prepaid expenses	328,907	275,730
	98,825,049	95,743,134
ACCUMULATED SURPLUS (Note 17)	\$ 88,438,644	\$ 82,570,984

CONTINGENCIES (Notes 11, 12, 22 & 24)

CONTRACTUAL OBLIGATION (Note 20)

COMMITMENT (Note 21)

Approved on behalf of the Council

Dave Pleurde

Mark Aulger

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

CORPORATION OF THE TOWN OF KAPUSKASING

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED DECEMBER 31, 2021

	Budget (Note 25)	2021 Actual	2020 Actual
REVENUES			
Residential taxation	\$ 7,368,293	\$ 7,377,167	\$ 7,260,477
Commercial and business taxation	3,923,893	4,058,781	3,874,132
Payments in lieu of taxation	199,930	203,194	200,243
Ontario Municipal Partnership Fund	4,642,900	4,642,900	4,666,200
Provincial offences	101,055	128,867	113,584
User fees and service charges	5,952,479	6,224,227	6,140,343
Government transfers for operating -			
Provincial	419,082	537,399	692,440
Interest and penalties	584,870	597,090	559,763
Other revenues (Note 18)	1,243,551	1,455,712	1,228,950
	<u>24,436,053</u>	<u>25,225,337</u>	<u>24,736,132</u>
EXPENSES			
General government	2,281,054	2,097,329	2,018,102
Protection to persons and property	4,186,903	4,403,447	4,370,959
Transportation services	4,467,029	5,852,317	5,749,956
Environmental services	4,666,434	6,235,672	6,418,884
Health, social and family services	2,048,333	2,030,063	2,076,769
Recreation and cultural services	2,899,741	3,121,879	3,082,586
Planning and development	725,744	1,100,120	942,245
	<u>21,275,238</u>	<u>24,840,827</u>	<u>24,659,501</u>
EXCESS OF REVENUES OVER EXPENSES	<u>3,160,815</u>	<u>384,510</u>	<u>76,631</u>
OTHER REVENUES AND EXPENSES			
Government transfers for Capital - Provincial	2,935,138	2,651,702	774,820
Government transfers for Capital - Federal	3,417,050	3,567,936	1,406,445
Gain on sale of tangible capital assets	-	78,305	-
Government business enterprises - net loss (Notes 12 & 24)	-	(814,793)	(931,425)
Loss on disposition of investment	-	-	(325,000)
	<u>6,352,188</u>	<u>5,483,150</u>	<u>924,840</u>
ANNUAL SURPLUS	9,513,003	5,867,660	1,001,471
ACCUMULATED SURPLUS, BEGINNING OF THE YEAR	<u>82,570,984</u>	<u>82,570,984</u>	<u>81,569,513</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 17)	<u>\$ 92,083,987</u>	<u>\$ 88,438,644</u>	<u>\$ 82,570,984</u>

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

CORPORATION OF THE TOWN OF KAPUSKASING

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED DECEMBER 31, 2021

	2021	2020
	Actual	Actual
ANNUAL SURPLUS	\$ 5,867,660	\$ 1,001,472
NON-FINANCIAL ASSET ACTIVITIES		
Acquisition of tangible capital assets	(7,939,965)	(3,044,956)
Amortization of tangible capital assets	4,370,737	4,185,068
Proceeds of sale of tangible capital assets	629,459	-
Gain on sale of tangible capital assets	(78,305)	-
Inventories held for consumption or use	(10,665)	(10,945)
Prepaid expenses	(53,176)	(246,739)
CHANGE IN NET FINANCIAL ASSETS	2,785,745	1,883,900
NET DEBT, BEGINNING OF YEAR	(13,172,150)	(15,056,050)
NET DEBT, END OF YEAR	\$ (10,386,405)	\$ (13,172,150)

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

CORPORATION OF THE TOWN OF KAPUSKASING

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Annual surplus	\$ 5,867,660	\$ 1,001,472
Items not involving cash:		
Amortization of tangible capital assets	4,370,737	4,185,068
Government business enterprises - net loss	814,793	931,425
Provision for landfill closure and post-closure cost]	95,000	98,000
Gain on sale of tangible capital assets	(78,305)	-
Loss on disposition of investments	-	325,000
	<u>11,069,885</u>	<u>6,540,965</u>
Change in:		
Taxes receivable	116,959	56,931
Trades and other receivables	(5,041,044)	7,058,133
Inventories for resale	6,078	24,489
Accounts payable and accrued liabilities	73,364	133,910
Deferred revenue - obligatory reserve funds	1,137,271	4,749
Inventories held for consumption or use	(10,665)	(10,945)
Prepaid expenses	(53,176)	(149,239)
	<u>7,298,672</u>	<u>13,658,993</u>
FINANCING ACTIVITY		
Principal payments on long-term debt	<u>(1,842,108)</u>	<u>(1,918,210)</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(7,939,965)	(3,044,956)
Proceeds of sale of tangible capital assets	629,459	-
	<u>(7,310,506)</u>	<u>(3,044,956)</u>
INVESTING ACTIVITIES		
Advance for physician recruitment incentives	(215,625)	-
Physician recruitment incentives repayments received	-	18,750
Net advances from (to) related parties	(595,794)	633,527
Advance of loan receivable	(578,975)	-
Loan receivable repayments received	78,018	-
	<u>(1,312,376)</u>	<u>652,277</u>
CHANGE IN CASH POSITION	<u>(3,166,318)</u>	<u>9,348,104</u>
CASH POSITION, BEGINNING OF YEAR	<u>11,398,177</u>	<u>2,050,073</u>
CASH POSITION, END OF YEAR	<u>\$ 8,231,859</u>	<u>\$ 11,398,177</u>

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

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

The Corporation of the Town of Kapuskasing (the municipality) is a single-tier municipal corporation located in Northern Ontario.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with generally accepted accounting principles for local governments (Canadian Public Sector Accounting Standards). Significant aspects of the accounting policies adopted by the municipality are as follows:

BASIS OF CONSOLIDATION

These consolidated financial statements reflect the assets, liabilities, revenues, expenses, reserve funds and reserves of the municipality and include the activities of all committees of Council and the following boards and corporations which are under the control of Council:

Museum Board
 Planning Board
 Kapuskasing Public Library Board
 Downtown Business Improvement Area Board
 Kapuskasing Economic Development Corporation
 Kapuskasing-Moonbeam Landfill Site Management Board

All interfund assets and liabilities and sources of financing and expenses have been eliminated.

NON-CONSOLIDATED ENTITIES

The following local boards, joint local boards and municipal business enterprises are not consolidated.

Non-consolidated entities:

Kapuskasing Golden Age Centre
 Kapuskasing Municipal Non-Profit
 Housing Corporation
 North Centennial Manor Inc.
 Kapuskasing Volunteer Firefighters

Non-consolidated joint local boards:

Porcupine Health Unit
 Cochrane District Social Services
 Administration Board (CDSSAB)

Government Business Enterprises

Government business enterprises are not consolidated, but are accounted for using the modified equity method in these consolidated financial statements. Under the modified equity method of accounting, only the municipality's investment in the government business enterprise and the enterprises' net income or loss and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the municipality, except that any other comprehensive income of the business enterprise is accounted for as an adjustment to the accumulated surplus or deficit. Inter-organizational transactions and balances are not eliminated, except for any profit or loss on the sale between entities of assets that remain within the reporting entity.

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

ACCOUNTING FOR SCHOOL BOARD TRANSACTIONS

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements. Note 2 provides details of amounts raised and transferred to the school boards.

TRUST FUNDS

The Cemetery Care and Maintenance Fund trust funds administered by the municipality are not consolidated but are outlined in note 4 and in the Schedule of Trust Funds Financial Statements.

ACCRUAL BASIS OF ACCOUNTING

Revenues and expenses are reported on the accrual basis of accounting which recognizes revenues as they become earned and measurable. Revenues from taxation, grants and all other sources are recognized when the amount is fixed or reasonably determinable and collectability is reasonably assured. 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.

GOVERNMENT TRANSFERS

Government transfers are the transfer of assets from senior levels of Government that are not the result of an exchange transaction, are not expected to be repaid in the future or the result of a direct financial return. Government transfers are recognized in the financial statements in the period in which events giving rise to transfer occur, providing the transfers are authorized, eligibility criteria are met, and reasonable estimates of the amounts can be made. Government grants are recognized when approved to the extent the related expenses have been incurred and collection is reasonably assured.

The municipality also transfers assets to other level of Government and/or other organizations. These transfers are recorded as an expense when they are authorized and eligibility criteria is met, if any.

TAXATION

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. The Municipal Council establishes the tax rates annually, incorporating amounts to be raised for local services and on behalf of the School Boards in respect of education taxes. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessments can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are processed by the Municipality upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose minimal collection risk.

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

USER FEES AND SERVICE CHARGES

User fees and services charges are recognized when the activity is performed or when the services are rendered.

CASH AND CASH EQUIVALENTS

Cash consists of balances held at financial institutions and all cash equivalents consist of highly liquid financial instruments with maturity of three months or less at acquisition.

INVENTORIES

Inventories for resale are recorded at the lower of cost and net realizable value. Inventories held for consumption or use are recorded at the lower of cost and replacement cost.

LONG-TERM RECEIVABLES

Long-term receivable are recorded at cost. Valuation of the receivable is assessed annually by management. Any write-downs are recorded in the period in which the change in value occurred. The interest is recorded when earned.

LANDFILL CLOSURE AND POST-CLOSURE COSTS

Landfill closure and post-closure costs are recognized annually as the landfill site's capacity is used, with usage being measured based on the estimated useful life of the landfill site (volumetric capacity or years of service remaining). The estimated cost represents the sum of the estimated cash flows associated with closure and post-closure activities, discounted at a specified rate.

DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

Grants, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain projects or the completion of specific work. In addition certain fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or the services are performed.

A requirement of the Canadian Public Sector Accounting Standards is that the obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation and other agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded.

Funds from external sources and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue - obligatory reserve funds until used for the purpose specified.

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

MULTI-EMPLOYER DEFINED BENEFIT PENSION PLAN

Substantially all of the employees of the municipality are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit, final average earnings, contributory pension plan. Defined contribution plan accounting is applied to OMERS, whereby contributions are expensed when due, as the municipality has insufficient information to apply defined benefit accounting.

NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for 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 combined with the annual surplus provides the change in net financial assets (net debt) for the year.

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 cost, less residual value, if any, of the tangible capital assets are amortized on a straight-line basis over the expected useful life of the assets as follows:

Buildings	15 to 40 years
Vehicles and equipment	5 to 25 years
Roads	5 to 70 years
Water and sewer systems	50 years
Solar panels	20 years

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

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the period in which they become known. Significant estimates are used when accounting for the allowance for uncollectible taxes and other receivables, determining the useful lives of tangible capital assets, accrued liabilities, the closure and post-closure liability and other contingencies. Actual results could differ from those estimates.

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

RESERVES AND RESERVE FUNDS

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and from reserves and reserve funds are recorded as an adjustment to the respective fund when approved.

2. OPERATIONS OF SCHOOL BOARDS

Tax collected and transferred to school boards are comprised of the following:

	Public	Separate	Total 2021	Total 2020
Residential and commercial tax	\$ 758,670	\$ 787,313	\$ 1,545,983	\$ 1,654,224
Supplementary tax	19,221	17,552	36,773	13,622
Write-offs and adjustments	(14,219)	(12,820)	(27,039)	(49,654)
Transferred to school boards	\$ 763,672	\$ 792,045	\$ 1,555,717	\$ 1,618,192

3. CONTRIBUTIONS TO NON-CONSOLIDATED ENTITIES

The following contributions were made by the municipality to these local boards and joint boards and are included in expenses on the consolidated statement of operations.

	Budget (Note 25)	2021 Actual	2020 Actual
Kapuskasing Golden Age Centre	\$ 42,700	\$ 54,014	\$ 4,328
Cochrane District Social Services Administration Board	1,159,175	1,159,175	1,248,240
Porcupine Health Unit	279,350	279,350	279,350
North Centennial Manor Inc	345,488	320,361	314,080
Kapuskasing Volunteer Firefighters	125,000	143,371	104,646
	\$ 1,951,713	\$ 1,956,271	\$ 1,950,644

4. TRUST FUNDS

The Cemetery Care and Maintenance Fund trust funds financial statements are presented in the Schedule of Trust Funds Financial Statements. The year-end balances of the trust funds are as follows:

	2021	2020
Cemetery Care and Maintenance Fund (page 25)	\$ 552,269	\$ 526,636

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

5. TAXES RECEIVABLE

	2021	2020
Taxes receivable	\$ 189,967	\$ 306,060
Penalties and interest	10,053	10,977
Due on property under registration	64,433	22,942
	264,453	339,979
Allowance for doubtful taxes receivable	(64,433)	(23,000)
	\$ 200,020	\$ 316,979

6. TRADES AND OTHER RECEIVABLES

	2021	2020
Government of Canada	\$ 5,040,494	\$ 1,265,128
Province of Ontario	1,580,816	379,096
Other receivables	522,094	534,971
Water accounts receivable	756,992	680,157
	\$ 7,900,396	\$ 2,859,352

7. DUE FROM RELATED PARTIES

	2021	2020
Énergie Kapuskasing Energy Inc.	\$ 6,798,673	\$ 6,437,373
Solaire Kapuskasing Solar Inc.	7,515,841	7,281,346
	\$ 14,314,514	\$ 13,718,719

The above notes receivable bear interest of 4%, are unsecured with no set terms of repayment. A total of \$440,052 (2020 - \$440,052) of interest was charged to these government business enterprises. Details of these government business enterprises are provided in note 12 and 24.

8. LONG-TERM RECEIVABLES

	2021	2020
Physician recruitment incentives, interest free, unsecured, due between 2022 and 2028	\$ 621,875	\$ 406,250
Loan receivable in blended monthly instalments of \$12,000, bearing interest at 5%, ending in 2025	500,957	-
	\$ 1,122,832	\$ 406,250

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

9. INVESTMENTS

The municipality is a majority shareholder in 7 corporations and owns a limited partnership interest in two partnerships that are all operating solar generation projects (these investments are separate from those presented in note 12 and 24 as Government Business Enterprises). The municipality is expected to generate investment income such as dividends and partnership allocations from these investments. In addition, the municipality has agreements in place that indemnifies them for all costs, losses and liabilities related to these investments and projects. The fair market value of these investments are currently not determinable. During the year, the municipality received dividends of \$278,971 (2020 - \$2,925) from these investments.

10. LINE OF CREDIT

The municipality has an authorized line of credit of \$17,662,687 from January 1st to September 30th and reducing to \$8,831,344 from October 1st to December 31st, bearing interest at prime, secured by a Borrowing By-Law approved by Council.

11. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The municipality along with the Township of Moonbeam manages and operates the Kapuskasing-Moonbeam Landfill Site Management Board (the Board).

Canadian Public Sector accounting Standards and guidelines provided by the Ministry of Municipal Affairs requires that landfill operators accrue for the future costs of landfill closure and post-closure on an annual basis. The municipality is liable for the closing of this landfill site and post-closure costs for monitoring, reporting and maintenance on an annual basis for an estimated period of 25 years following the closure of the site. Closure and post-closure costs include final covering and landscaping, testing of ground water, environmental monitoring, site inspections and site maintenance. The annual charge should be calculated by dividing the estimated closure costs by the estimated life of the landfill (volumetric capacity or years of service remaining) and charging that amount to operations.

The expected remaining life of the landfill is 15 years and the total estimated capacity of the landfill site is approximately 960,000 metric tons. Cumulative metric tons to date amount to approximately 568,000. The estimated total liability is based on the sum of discounted cash flows for closure and post-closure activities for 25 years after closure using a discount rate of 3.5% (2020 - 3.4%) which is the municipality's average borrowing rate.

	2021	2020
Landfill closure and post-closure liability, beginning of year	\$ 2,615,872	\$ 2,517,872
Provision for landfill closure and post-closure	95,000	98,000
Landfill closure and post-closure liability, end of year	\$ 2,710,872	\$ 2,615,872

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

12. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

Capital deficiency in government business enterprises is as follows:

	Énergie Kapuskasing Energy Inc.	Solaire Kapuskasing Solar Inc.	2021 Total	2020 Total
Capital deficiency, beginning of year	\$ 1,830,927	\$ 3,727,685	\$ 5,558,612	\$ 4,627,187
Net loss	317,582	497,211	814,793	931,425
Capital deficiency, end of year	<u>\$ 2,148,509</u>	<u>\$ 4,224,896</u>	<u>\$ 6,373,405</u>	<u>\$ 5,558,612</u>

The corporations are in a deficit position as of December 31, 2021. The municipality, as the sole owner of the corporations, is responsible for this excess of liabilities over assets (capital deficiency). Additional information is presented in note 24.

13. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

The deferred revenues and obligatory reserve funds balances are as follows:

	2021	2020
DEFERRED REVENUES		
Tenant deposits	\$ 1,210,238	\$ 1,331,971
Other deferred revenues	116,644	93,591
	<u>1,326,882</u>	<u>1,425,562</u>
OBLIGATORY RESERVE FUNDS		
Canada Community-Building Fund	2,892,804	2,076,453
Ministry of Municipal Affairs and Housing	195,472	177,065
Ontario Community Infrastructure Fund	401,193	-
	<u>3,489,469</u>	<u>2,253,518</u>
	<u>\$ 4,816,351</u>	<u>\$ 3,679,080</u>

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

14. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS, (CONT'D)

The continuity of deferred revenues and obligatory reserve funds is as follows:

	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 3,679,080	\$ 3,576,831
FUNDS RECEIVED DURING THE YEAR		
Canada Community-Building Fund	1,031,588	503,096
Interest earned on Canada Community-Building Fund	11,374	21,470
Ministry of Municipal Affairs and Housing	164,027	490,500
Ontario Community Infrastructure Fund	401,193	-
Tenant deposits	-	638,476
Other	26,382	14,718
	<u>1,634,564</u>	<u>1,668,260</u>
FUNDS RECOGNIZED AS REVENUE DURING THE YEAR		
Canada Community-Building Fund	(226,610)	(1,159,718)
Ministry of Municipal Affairs and Housing	(145,620)	(313,435)
Tenant deposits	(121,733)	(66,924)
Other	(3,330)	(25,934)
	<u>(497,293)</u>	<u>(1,566,011)</u>
BALANCE, END OF YEAR	<u>\$ 4,816,351</u>	<u>\$ 3,679,080</u>

15. LONG-TERM DEBT

	2021	2020
3.35% loan payable in blended monthly instalments of \$42,670, due in 2022	\$ 6,190,676	\$ 6,489,865
4.26% loan payable in blended monthly instalments of \$23,693, due in 2022 (paid in full in March 2022)	2,885,838	3,043,550
2.69% debenture payable in blended monthly instalments of \$6,989, due in 2022	71,412	140,930
2.92% debenture payable in blended semi-annual instalments of \$46,993, due in 2024	225,015	310,553
3.59% debenture payable in blended annual instalments of \$174,618, due in 2025	640,017	786,403
4.28% debenture payable in blended semi-annual instalments of \$6,895, due in 2026	55,907	66,950
2.13% debenture payable in blended monthly instalments of \$6,991, due in 2026	366,026	441,252

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

15. LONG-TERM DEBT, (CONT'D)

	2021	2020
5.24% loan payable in blended monthly instalments of \$7,413, due in 2029	535,602	594,797
4.80% loan payable in blended monthly instalments of \$5,769, due in 2029	455,221	501,392
2.00% debenture payable in blended semi-annual instalments of \$70,585, due in 2031	1,273,760	1,387,743
2.59% debenture payable in blended monthly instalments of \$1,099, due in 2031	111,796	121,943
4.00% loan payable in blended monthly instalments of \$15,755, due in 2032	1,608,417	1,730,492
3.41% debenture payable in blended monthly instalments of \$5,733, due in 2032	630,283	676,722
3.71% debenture payable in semi-annual instalments of \$22,092, due in 2034	438,749	465,898
2.77% debenture payable in blended monthly instalments of \$21,267, due in 2040	3,639,875	3,791,968
2.64% debenture payable in blended semi-annual instalments of \$20,559, due in 2046	738,366	759,571
2.91% debenture payable in blended monthly instalments of \$28,515, due in 2036	4,062,335	4,282,799
2.69% debenture payable in blended monthly instalments of \$951, due in 2022	11,252	22,205
2.91% debenture payable in blended monthly instalments of \$3,300, due in 2036	470,233	495,753
Loans repaid during the year	-	142,102
	<u>\$ 24,410,780</u>	<u>\$ 26,252,888</u>

Principal and interest payments required during the next five fiscal years are as follows:

	Principal	Interest	Total
2022	\$ 10,359,361	\$ 636,965	\$ 10,996,326
2023	1,239,033	419,952	1,658,985
2024	1,232,234	379,082	1,611,316
2025	1,224,762	340,236	1,564,998
2026	1,048,380	300,148	1,348,528
2027 and subsequent years	9,307,010	1,449,809	10,756,819
	<u>\$ 24,410,780</u>	<u>\$ 3,526,192</u>	<u>\$ 27,936,972</u>

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE REFERENCE, (CONT'D)

Interest paid during the year on long-term debt amounted to \$821,012 (2020 - \$906,480).

The loans and debentures are secured by Capital Expenditure Borrowing By-Laws.

The annual principal and interest payments required to service these long-term liabilities are within the annual debt repayment limit as prescribed by the Ministry of Municipal Affairs and Housing.

16. TANGIBLE CAPITAL ASSETS

Tangible capital assets distributed by type are as follows:

	Cost	Accumulated Amortization	2021 Net	2020 Net
Land	\$ 449,873	\$ -	\$ 449,873	\$ 639,873
Buildings	37,853,734	14,540,205	23,313,529	24,334,590
Vehicles and equipment	32,705,338	18,956,942	13,748,396	14,918,403
Roads	48,376,177	13,500,704	34,875,473	29,082,542
Water system	16,634,327	5,821,314	10,813,013	10,737,040
Sewer system	20,856,654	7,072,470	13,784,184	14,128,434
Solar panels	2,510,261	1,170,387	1,339,874	1,465,387
	\$ 159,386,364	\$ 61,062,022	\$ 98,324,342	\$ 95,306,269

Tangible capital assets distributed by segment are as follows:

	Cost	Accumulated Amortization	2021 Net	2020 Net
General government	\$ 2,747,092	\$ 1,200,933	\$ 1,546,159	\$ 1,377,211
Protection	3,424,588	1,437,992	1,986,596	2,063,282
Transportation	57,267,889	18,206,848	39,061,041	33,543,650
Environmental	71,313,232	30,151,147	41,162,085	43,044,487
Health, social and family	468,727	273,982	194,745	169,870
Recreation and cultural	12,090,990	6,133,511	5,957,479	6,338,140
Planning and development	12,003,846	3,587,609	8,416,237	8,769,629
	\$ 159,316,364	\$ 60,992,022	\$ 98,324,342	\$ 95,306,269

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

17. ACCUMULATED SURPLUS

The accumulated surplus consists of the following:

	2021	2020
RESERVES SET ASIDE BY COUNCIL		
Working capital	\$ 9,140,776	\$ 6,487,004
Capital projects	3,012,926	2,820,067
PUC reserve	3,004,653	3,004,653
Sewage system	1,540,651	1,013,426
Water system	3,290,538	2,895,584
Other reserves	1,713,687	1,612,301
	<u>21,703,231</u>	<u>17,833,035</u>
INVESTED IN TANGIBLE CAPITAL ASSETS		
Tangible capital assets	98,324,342	95,306,269
Long term debt	(24,410,780)	(26,252,888)
Unfinanced tangible capital assets	(2,580,163)	-
	<u>71,333,399</u>	<u>69,053,381</u>
GENERAL OPERATING SURPLUS (DEFICIT)		
The Corporation of the Town of Kapuskasing and its consolidated entities	1,775,419	1,243,180
Government business enterprises	(6,373,405)	(5,558,612)
	<u>(4,597,986)</u>	<u>(4,315,432)</u>
ACCUMULATED SURPLUS	\$ 88,438,644	\$ 82,570,984

18. OTHER REVENUES

	Budget (Note 25)	2021 Actual	2020 Actual
Licenses and permits	\$ 116,500	\$ 150,313	\$ 207,280
Facility rentals	340,576	305,694	424,626
Sale of properties and equipment	65,500	132,210	17,492
Other revenues and recoveries	85,368	85,811	214,077
Community development events	235,500	146,368	10,177
Solar energy revenues	290,355	273,824	288,365
Dividends from solar flow through shares	-	278,971	2,925
Landfill expense recoveries	109,752	82,521	64,008
	<u>\$ 1,243,551</u>	<u>\$ 1,455,712</u>	<u>\$ 1,228,950</u>

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

19. EXPENSES BY OBJECT

	Budget (Note 25)	2021 Actual	2020 Actual
Salaries, wages and benefits	\$ 8,773,306	\$ 8,201,915	\$ 8,122,179
Materials and supplies	2,648,682	2,593,784	2,300,421
Contracted services	6,637,930	6,414,866	6,749,665
Rents and financial expenses	434,000	482,242	445,044
External transfers	1,951,713	1,956,271	1,950,644
Debt interest charges	829,607	821,012	906,480
Amortization of tangible capital assets	-	4,370,737	4,185,068
	\$ 21,275,238	\$ 24,840,827	\$ 24,659,501

20. CONTRACTUAL OBLIGATION

During the year, the municipality negotiated a three-year renewal of a joint policing contract with the Minister of Community Safety and Correctional Services of Ontario (MCSCS) for the provision of police services by the Ontario Provincial Police (OPP). The term of this contract runs from January 1, 2022 until December 31, 2023 with the cost determined annually through a budget process. Either party to the agreement may terminate the contract upon one year's written notice. The annual statements are provided on or before October 1st each year for the municipality to review and approve. During the year, the municipality's cost for police services was \$2,059,653 (2020 - \$2,052,013). The cost for 2022 is estimated at \$2,036,593.

21. COMMITMENT

The municipality has committed to donate \$18,750 for 4 years to support the Sensenbrenner Hospital CT Scan campaign. As at December 31, 2021, only one payment is remaining for 2022.

22. CONTINGENCIES

The municipality is involved in a number of claims and possible claims which are the result of normal on-going operations. Management feels that these claims are either without merit or will be covered by insurance. No provision has been made in these financial statements to reflect any of these claims. Any settlements which may arise will be reflected in the financial statements in the year the amount is determined.

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

23. RETIREMENT BENEFITS

Substantially all of the Town of Kapuskasing employees are members of the Ontario Municipal Employee's Retirement System Plan (OMERS), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Municipalities and their employees.

Contributions to the plan made during the year by the municipality on behalf of its employees amounted to \$571,266 (2020 - \$562,996) and are included in the statement of operations. As this is a multi-employer pension plan, these contributions are the municipality's pension benefit expenses. Any pension plan surpluses or deficits are a joint responsibility of member organizations and their employees. As a result, the organization does not recognize any share of the Plan's surplus or deficit. No contributing employer or employee has any liability, directly or indirectly, to provide the benefits established by this plan beyond the obligation to make contributions pursuant to the Plan policies.

24. GOVERNMENT BUSINESS ENTERPRISES

The municipality is the sole shareholder of the corporation Énergie Kapuskasing Energy Inc. (EKE) which is the sole shareholder of Solaire Kapuskasing Solar Inc. (SKS) and Hydro Kapuskasing Hydro Inc. (HKH). The financial activities are not consolidated with the municipality but are accounted for using the modified equity method. The municipality is contingently liable for the share of the accumulated operating deficits of the government business enterprises. As at December 31, 2021, the accumulated deficit amounted to \$6,373,405 (2020 - \$5,558,612). The following is a summary of the activities of these corporations:

Énergie Kapuskasing Energy Inc.

Other than being a shareholder in SKS and HKH, EKE is a shareholder in 5 other corporations owned in part by municipalities across Northern Ontario. Each of these corporations have been established to own and operate solar panel electricity generation projects. EKE is responsible for the construction, administration and management of these solar projects.

Solaire Kapuskasing Solar Inc.

SKS is a participant in two solar projects: Owens and Williamson projects and ASI SPE projects, all of which are solar panel electricity generation projects.

Hydro Kapuskasing Hydro Inc.

HKH was created to hold investments in hydro electricity generation projects. HKH is currently inactive and is expected to be dissolved.

Summaries of the consolidated statement of financial position and the consolidated statement of operations of these government business enterprises are presented below:

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

24. GOVERNMENT BUSINESS ENTERPRISES, (CONT'D)

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2021	2020
ASSETS		
Current assets	\$ 990,192	\$ 1,362,571
Due from municipal solar corporations	12,239,620	12,111,464
	<u>13,229,812</u>	<u>13,474,035</u>
LONG-TERM ASSETS	624,926	551,696
PROPERTY AND EQUIPMENT	11,239,122	11,651,514
	<u>\$ 25,093,860</u>	<u>\$ 25,677,245</u>
LIABILITIES		
Current liabilities	\$ 74,434	\$ 61,297
Due to the Corporation of the Town of Kapuskasing	14,314,514	13,718,719
	<u>14,388,948</u>	<u>13,780,016</u>
LONG-TERM DEBT (details provided on below)	15,057,850	15,867,726
LOSSES IN MUNICIPAL SOLAR CORPORATIONS	2,020,467	1,588,115
	<u>31,467,265</u>	<u>31,235,857</u>
CAPITAL DEFICIENCY		
CAPITAL STOCK	100	100
ACCUMULATED DEFICIT	(6,373,505)	(5,558,712)
	<u>(6,373,405)</u>	<u>(5,558,612)</u>
	<u>\$ 25,093,860</u>	<u>\$ 25,677,245</u>

SUMMARY CONSOLIDATED STATEMENT OF OPERATIONS

	2021	2020
SALE OF ENERGY	\$ 1,530,468	\$ 1,541,305
OPERATING EXPENSES	<u>2,538,985</u>	<u>2,496,838</u>
LOSS FROM OPERATIONS	(1,008,517)	(955,533)
OTHER INCOME	<u>193,724</u>	<u>24,108</u>
NET LOSS AND COMPREHENSIVE LOSS	<u>\$ (814,793)</u>	<u>\$ (931,425)</u>

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

24. GOVERNMENT BUSINESS ENTERPRISES, (CONT'D)

The above summary consolidated statement of financial position and summary consolidated statement of operations have been extracted from the consolidated financial statements of Énergie Kapuskasing Energy Inc. The consolidated financial statements of Énergie Kapuskasing Energy Inc. has been prepared in accordance with International Financial Reporting Standards and include the accounts of its wholly owned subsidiaries Solaire Kapuskasing Solar Inc. and Hydro Kapuskasing Hydro Inc. It also includes the investments in municipal solar corporations recorded under the equity method. This statement does not contain all the disclosures required by the International Financial Reporting Standards. Users have been advised. The complete set of financial statements can be obtained from management of the municipality.

Additionally, the municipality has guaranteed the following loans held by its government business enterprises:

	2021	2020
Énergie Kapuskasing Energy Inc. - Loan payable to la Caisse populaire Alliance Ltée., payable in blended monthly instalments of \$10,601, bearing interest at 5.2%, maturing in November 2023	\$ 1,121,718	\$ 1,188,701
Solaire Kapuskasing Solar Inc. - Loan payable to Concentra Bank, payable in blended monthly instalments of \$57,824, bearing interest at 4.89%, due in April 2027	6,787,126	7,139,713
Solaire Kapuskasing Solar Inc. - Loan payable to TD Equipment Finance Canada, payable in blended monthly instalments of \$63,742, bearing interest at 5.09%, due in April 2027	7,149,006	7,539,312
	\$ 15,057,850	\$ 15,867,726

25. BUDGET FIGURES (UNAUDITED)

The 2021 approved by Council 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 treated all tangible capital purchases as expenses and did not include amortization expense on tangible capital assets. The budget also includes loan proceeds as revenues and principal payments on long term debt as expenses. Transfers to and from reserves are also budgeted as revenues and expenses while they should be reported as appropriations to and from the accumulated surplus. The budget figures presented on the statement of operations and accumulated surplus have been adjusted to exclude these amounts.

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

26. COVID-19 PANDEMIC AND IMPACT ON OPERATIONS

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the municipality's environment and in the global markets, possible disruption in supply chains, and measures being introduced by the government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the municipality's operations. The extent of the impact of this ongoing outbreak and related containment measures on the municipality's operations cannot be reliably estimated at this time.

27. SUBSEQUENT EVENTS

Subsequent to year end, the municipality awarded construction contracts for \$5,231,586 for the reconstruction of the Connecting Link highway and \$593,000 for repairs to the Civic Centre.

28. SEGMENTED INFORMATION

The municipality is a municipal government institution that provides a range of services to its residents. The nature of the segments and the activities they encompass are as follows:

General Government

General government consists of the activities of Council and general financial and administrative management of the municipality and its programs and services.

Protection to Persons and Property

Protection to persons and property include fire, police services and other protection services.

Transportation Services

The activities of the transportation function include construction and maintenance of the municipality's roads and bridges, winter control, street lighting, air transportation and transit services.

Environmental

This function is responsible for providing water and sewer services within the municipality. It is also responsible for providing waste collection, waste disposal and recycling services.

CORPORATION OF THE TOWN OF KAPUSKASING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

28. SEGMENTED INFORMATION, (CONT'D)

Health, Social and Family Services

The health, social and family services function consists of the activities of the cemetery, medical services and general assistance for social and family services.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the municipality.

The accounting policies used in these segments are the same as those described in note 1.

29. FUTURE CHANGES IN ACCOUNTING STANDARDS

Section PS 1201, Financial Statement Presentation, PS 3041, Portfolio Investments, PS 3280, Asset Retirement Obligations, PS 3450, Financial Instruments, are effective for fiscal years beginning on or after April 1, 2022. While early adoption is permitted, all four of the standards must be adopted in the same year except for PS 3280. PS 1201 Financial Statement Presentation includes the addition of a new statement outlining re-measurement gains and losses. PS 3041, Portfolio Investments provides guidance on how to account for and report portfolio investments. PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the eventual retirement of capital assets. PS 3450, Financial Instruments provides guidance on the recognition, measurement, presentation and disclosure of financial instruments. Management is currently in the process of assessing the impact of adopting these new standards.

CORPORATION OF THE TOWN OF KAPUSKASING

SCHEDULE OF TANGIBLE CAPITAL ASSETS

DECEMBER 31, 2021

	Land	Buildings	Vehicles and equipment	Roads	Water system	Sewer system	Solar panels	Total 2021	Total 2020
COST									
Beginning of year	\$ 639,873	\$ 37,940,681	\$ 32,698,271	\$ 41,668,468	\$ 16,253,546	\$ 20,856,654	\$ 2,510,261	\$ 152,567,754	\$ 149,378,619
Additions	70,000	253,053	528,422	6,707,709	380,781	-	-	7,939,965	3,044,956
Disposals	(260,000)	(340,000)	(521,355)	-	-	-	-	(1,121,355)	(150,290)
End of year	449,873	37,853,734	32,705,338	48,376,177	16,634,327	20,856,654	2,510,261	159,386,364	152,273,285
ACCUMULATED AMORTIZATION									
Beginning of year	-	13,606,092	17,779,867	12,585,926	5,516,506	6,728,220	1,044,874	57,261,485	52,932,238
Amortization	-	1,015,713	1,665,675	914,778	304,808	344,250	125,513	4,370,737	4,185,068
Disposals	-	(81,600)	(488,600)	-	-	-	-	(570,200)	(150,290)
End of year	-	14,540,205	18,956,942	13,500,704	5,821,314	7,072,470	1,170,387	61,062,022	56,967,016
NET BOOK VALUE	\$ 449,873	\$ 23,313,529	\$ 13,748,396	\$ 34,875,473	\$ 10,813,013	\$ 13,784,184	\$ 1,339,874	\$ 98,324,342	\$ 95,306,269

CORPORATION OF THE TOWN OF KAPUSKASING

SCHEDULE OF SEGMENTED OPERATIONS

YEAR ENDED DECEMBER 31, 2021

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2021	Total 2020
REVENUES									
Taxation	\$ 11,435,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,435,948	\$ 11,134,609
P.I.L.	203,194	-	-	-	-	-	-	203,194	200,243
O.M.P.F.	4,642,900	-	-	-	-	-	-	4,642,900	4,666,200
Prov. offences	-	128,867	-	-	-	-	-	128,867	113,584
User fees	221,922	64,373	421,021	5,237,838	91,187	170,745	17,141	6,224,227	6,140,343
Gov. Op.-Prov.	26,677	146,016	87,606	158,856	54,014	60,769	3,461	537,399	692,440
Interest	536,941	-	-	35,346	-	-	24,803	597,090	559,763
Other	85,810	150,313	-	82,522	-	146,368	990,699	1,455,712	1,228,950
	17,153,392	489,569	508,627	5,514,562	145,201	377,882	1,036,104	25,225,337	24,736,132
EXPENSES									
Sal. & ben.	1,126,533	1,762,852	1,908,582	1,837,415	85,338	1,345,068	136,127	8,201,915	8,122,179
Mat. & supp.	224,083	148,315	796,599	807,911	23,206	570,442	23,228	2,593,784	2,300,421
Contracted serv.	604,968	2,170,403	1,258,699	1,212,680	90,892	651,660	425,564	6,414,866	6,749,665
Rents & financial	58,168	-	219,701	167,694	-	23,104	13,575	482,242	445,044
Ext. transfers	-	143,371	-	-	1,812,900	-	-	1,956,271	1,950,644
Debt interest	32,827	47,796	258,412	279,317	-	121,923	80,737	821,012	906,480
Amortization	50,750	130,710	1,410,324	1,930,655	17,727	409,682	420,889	4,370,737	4,185,068
	2,097,329	4,403,447	5,852,317	6,235,672	2,030,063	3,121,879	1,100,120	24,840,827	24,659,501
EXCESS	15,056,063	(3,913,878)	(5,343,690)	(721,110)	(1,884,862)	(2,743,997)	(64,016)	384,510	76,631
OTHER									
Gov. Cap.-Prov.	-	54,024	2,552,181	-	-	45,497	-	2,651,702	774,820
Gov. Cap.-Fed.	-	-	3,479,588	-	-	-	88,348	3,567,936	1,406,445
Gain on sale	-	-	-	-	-	-	78,305	78,305	-
GBE - net loss	-	-	-	-	-	-	(814,793)	(814,793)	(931,425)
Loss on disp.	-	-	-	-	-	-	-	-	(325,000)
	-	54,024	6,031,769	-	-	45,497	(648,140)	5,483,150	924,840
SURPLUS	\$ 15,056,063	\$ (3,859,854)	\$ 688,079	\$ (721,110)	\$ (1,884,862)	\$ (2,698,500)	\$ (712,156)	\$ 5,867,660	\$ 1,001,471

CORPORATION OF THE TOWN OF KAPUSKASING

SCHEDULE OF TRUST FUNDS FINANCIAL STATEMENTS

DECEMBER 31, 2021

	2021	2020
STATEMENT OF FINANCIAL POSITION		
FINANCIAL ASSETS		
Investments with ONE Investment (Note 1)	\$ 542,667	\$ 521,967
Interfund receivable	9,602	4,669
ACCUMULATED SURPLUS, END OF YEAR	\$ 552,269	\$ 526,636

STATEMENT OF CONTINUITY

ACCUMULATED SURPLUS, BEGINNING OF YEAR	\$ 526,636	\$ 498,487
REVENUES		
Sale of plots	13,514	8,381
Marker installation	1,650	1,850
Investment income	10,469	17,918
	<u>25,633</u>	<u>28,149</u>
ACCUMULATED SURPLUS, END OF YEAR	\$ 552,269	\$ 526,636

NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

1. INVESTMENTS

The fair market value of the investments on December 31, 2021 is \$542,362 (2020 - \$544,982).