

Consolidated Financial Statements

The Corporation of the Township of
Manitouwadge

December 31, 2022

Statement of Administrative Responsibility

The management of The Corporation of the Township of Manitouwadge have prepared the accompanying financial statements and are responsible for their accuracy and integrity. These statements consolidate all operations for which the Township has legislative and financial responsibility. The financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board [PSAB] of CPA Canada.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that Municipal assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The Municipal Council reviews and approves the financial statements before such statements are submitted to the Ministry of Municipal Affairs and Housing and published for the residents of The Corporation of the Township of Manitouwadge. The external auditors have access to, and meet with Municipal Council to discuss their audit and the results of their examination.

The 2022 Financial Statements have been reported on by The Corporation of the Township of Manitouwadge's external auditors, Doane Grant Thornton LLP, the auditors appointed by Municipal Council. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



Joleen Keough, Clerk and Deputy CAO



Aaron MacGregor, Treasurer

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of Manitouwadge

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Manitouwadge ("the Township"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets 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 financial position of The Corporation of the Township of Manitouwadge as at December 31, 2022, and its results of operations, its changes 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 Consolidated Financial Statements* section of our report. We are independent of the Township 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 Consolidated Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township'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 Township'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 Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Township and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Doane Grant Thornton LLP

Thunder Bay, Canada
July 30, 2025

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Township of Manitouwadge

Consolidated Statement of Financial Position

As at December 31

2022

2021

\$

\$

FINANCIAL ASSETS

Cash and cash equivalents	9,445,390	8,882,080
Portfolio investments <i>[note 15]</i>	3,272,094	3,409,418
Taxes receivable <i>[note 3]</i>	892,006	1,010,666
Accounts receivable <i>[note 4]</i>	536,435	413,278
Total financial assets	14,145,925	13,715,442

LIABILITIES

Accounts payable and accrued liabilities	395,920	681,190
Due to trust funds	73,301	70,399
Deferred revenue <i>[note 6]</i>	1,792,285	1,372,464
Landfill closure and post-closure liability <i>[note 8]</i>	1,132,743	1,198,157
Total liabilities	3,394,249	3,322,210

NET FINANCIAL ASSETS

10,751,676

10,393,232

NON-FINANCIAL ASSETS

Tangible capital assets-net <i>[note 9] [schedule 2]</i>	21,344,992	22,368,123
Inventories	1,018	1,018
Prepaid expenses	20,121	31,285
	21,366,131	22,400,426

Accumulated surplus *[schedule 1]*

32,117,807

32,793,658

See accompanying notes to the consolidated financial statements.

On behalf of the Township:

Mayor

Councillor

The Corporation of the Township of Manitouwadge

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31	2022	2022	2021
	Budget	Actual	Actual
	\$	\$	\$
	[note 14]		
REVENUES [schedule 3]			
Taxation			
Residential and farm taxation	2,569,233	2,582,935	2,161,237
Commercial and industrial	880,681	880,681	871,806
Taxation from other governments	96,807	96,812	92,111
	3,546,721	3,560,428	3,125,154
User charges			
User fees and service charges	1,281,000	1,371,445	1,324,264
	4,827,721	4,931,873	4,449,418
Government transfers			
Government of Canada	491,060	317,272	298,503
Province of Ontario	1,828,345	1,826,929	1,873,267
	2,319,405	2,144,201	2,171,770
Other			
Investment income	40,000	59,558	(77,073)
Other income	762,177	410,194	215,478
Penalties and interest on taxes	80,000	91,702	138,939
Rents and leases	140,270	138,675	137,743
	1,022,447	700,129	415,087
Total revenues	8,169,573	7,776,203	7,036,275

(Continued)

**The Corporation of the Township of Manitouwadge
Consolidated Statement of Operations and
Accumulated Surplus**

Year ended December 31	2022	2022	2021
	Budget	Actual	Actual
	\$	\$	\$
	[note 14]		
EXPENSES [schedule 3]			
General government	1,616,300	1,971,125	1,192,169
Protection to persons and property	916,150	951,893	869,344
Transportation services	2,152,149	2,061,728	1,863,923
Environmental services	1,949,946	1,828,001	1,901,382
Health services	106,375	96,373	97,233
Manitouwadge Public Library Board	157,121	152,800	148,735
Social and family services	60,033	60,033	59,339
Recreation and cultural services	1,312,616	1,260,369	1,123,366
Planning and development	204,277	69,732	74,077
	8,474,967	8,452,054	7,329,568
Annual deficit	(305,394)	(675,851)	(293,293)
Accumulated surplus, beginning of year	32,793,658	32,793,658	33,086,951
Accumulated surplus, end of year			
[schedule 1]	32,488,264	32,117,807	32,793,658

See accompanying notes to the consolidated financial statements.

The Corporation of the Township of Manitouwadge

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31	2022	2022	2021
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 14]</i>		
Annual deficit	(305,394)	(675,851)	(293,293)
Acquisition of tangible capital assets	(601,477)	(565,072)	(1,105,633)
Amortization of tangible capital assets	1,588,203	1,588,203	1,537,921
Acquisition of prepaid expenses	-	(20,121)	(31,285)
Use of prepaid expenses	-	31,285	17,754
Increase in net financial assets	681,332	358,444	125,464
Net financial assets, beginning of year	10,393,232	10,393,232	10,267,768
Net financial assets, end of year	11,074,564	10,751,676	10,393,232

See accompanying notes to the consolidated financial statements.

The Corporation of the Township of Manitouwadge

Consolidated Statement of Cash Flows

Year ended December 31	2022	2021
	\$	\$
OPERATIONS		
Annual deficit	(675,851)	(293,293)
Non-cash charges		
Amortization of tangible capital assets	1,588,203	1,537,921
Landfill closure and post-closure costs	(65,414)	615,152
Impairment of portfolio investments	195,278	109,536
	1,042,216	1,969,316
Net change in non-cash working capital balances		
Decrease (increase) in taxes receivable	118,660	(39,423)
Decrease (increase) in accounts receivable	(123,157)	3,500,967
Decrease in accounts payable and accrued liabilities	(285,270)	(269,285)
Increase (decrease) in due to trust funds	2,902	(729)
Increase in deferred revenue	419,821	214,011
Decrease (increase) in prepaid expenses	11,164	(13,531)
Cash provided by operating transactions	1,186,336	5,361,326
INVESTING		
Acquisition of investments, net	(57,954)	(59,659)
Cash used in investing transactions	(57,954)	(59,659)
CAPITAL		
Acquisition of tangible capital assets	(565,072)	(1,105,633)
Cash used in capital transactions	(565,072)	(1,105,633)
Increase in cash and cash equivalents	563,310	4,196,034
Cash and cash equivalents, beginning of year	8,882,080	4,686,046
Cash and cash equivalents, end of year	9,445,390	8,882,080

See accompanying notes to the consolidated financial statements.

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

GENERAL

The Corporation of the Township of Manitouwadge is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of The Corporation of the Township of Manitouwadge (the "Township") are prepared by management in accordance with accounting principles generally accepted for local government, as prescribed by the Public Sector Accounting Board ("PSAB") of CPA Canada. The more significant of these accounting policies are as follows:

[a] Basis of consolidation

Reporting entity

These consolidated financial statements reflect the financial assets, liabilities, revenues and expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, local boards, and committees accountable for the administration of their financial affairs and resources, to the Township, and which are owned or controlled by the Township. Accordingly, the following are consolidated in these financial statements.

Manitouwadge Public Library Board

All interfund balances and transactions have been eliminated.

Local boards

The financial activities of certain entities associated with the Township are not consolidated. The Township's contribution to these entities are recorded in the Consolidated Statement of Operations and Accumulated Surplus. The entities that are accounted for in this manner are:

Thunder Bay District Health Unit

The District of Thunder Bay Social Services Administration Board

Trust funds

Certain assets have been conveyed or assigned to the Township to be administered as directed by agreement or statute. The Township holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries, as a result, the trust funds and assets are excluded from these consolidated financial statements.

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

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.

[b] Basis of accounting

Accrual accounting

The Township uses the accrual basis of accounting which recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent. It recognizes a liability until the obligation or conditions underlying the liability is partly or wholly satisfied and recognizes an asset until the future economic benefit underlying the asset is partly or wholly used or lost.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances in banks.

Pension and employee benefits

The Township accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer defined benefit plan, as a defined contribution plan. Obligations for sick leave under employee benefits payable are accrued as the employees render services necessary to earn the benefits. Vacation pay and other post-employment benefits are charged to operations in the year earned.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the deficiency of revenues over expenses, provides the change in net financial assets for the year.

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

[a] Tangible capital assets

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

Buildings	15 to 40 years
Infrastructure	15 to 50 years
Land improvements	10 years
Library collections	10 years
Machinery and equipment	5 to 20 years
Office equipment	5 to 20 years
Vehicles	10 to 25 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

[b] Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

[c] Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant of such assets are the Township's road allowances.

[d] Capitalization of interest

The Township has a policy of capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset, for those interest costs incurred up to the date the asset goes into use.

[e] Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of the property to the Township are accounted for as the acquisition of a capital asset and the incurrence of an obligation at the present value of minimum future lease payments. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

[f] Inventories

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

Reserves and reserve funds

Council segregates its accumulated surplus into various categories including reserves which are specifically for future operating and capital purposes.

Taxation 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.

At each financial statement date, management evaluates the extent to which its tax receivables are ultimately collectible and valuation allowances are used to reflect tax receivables at their net recoverable amount.

At each financial statement date, management evaluates the likelihood of having to repay taxes collected under tax measures that have been deemed authorized using the concept of legislative convention and recognizes a liability when required. Related refunds are accounted for in the period in which the change in estimate occurs.

Government transfers

Government transfers are transfers of monetary assets or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction, expected to be repaid in the future or expected to produce a direct financial return. Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers made to a recipient by the Township are recorded as an expense when they are authorized and the recipient meets all eligibility criteria.

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

The Township receives Gas Tax proceeds from the Federal Government through the Association of Municipalities of Ontario. These funds, by their nature, are restricted in their use and, until applied to specific expenses, are recorded as deferred revenue. Amounts applied to qualifying projects are recorded as revenue in the fiscal period they are expended.

Revenue recognition

User charges and fees are recognized as revenue in the period in which the related services are performed. Amounts collected for which the related services have yet to be performed are recognized as a liability and recognized as revenue when the related services are performed.

Investment income earned on surplus funds is recognized in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue balance.

Funds received, other than government transfers and tax revenue, for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus in the year in which it is used for the specified purpose.

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 revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Township may undertake in the future. Significant accounting estimates include valuation allowance for accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable and solid waste landfill closure and post-closure liabilities. Actual results could differ from these estimates.

There is a measurement uncertainty surrounding the estimation of the landfill closure and post closure liability of \$1,132,743. This estimate is subject to uncertainty because of several factors including, but not limited to estimated remaining capacity, estimated costs and change in the discount rate. This estimate is reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

Landfill closure and post-closure liability

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

Portfolio investments

Portfolio investments are recorded at amortized cost less amounts written off to reflect a permanent decline in value.

2. TRUST FUNDS

Trust funds administered by the Township amounting to \$72,939 [2021 - \$75,440] have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

3. TAXES RECEIVABLE

	2022 \$	2021 \$
Property and business taxes receivable	1,054,977	1,034,954
Allowance for property and business tax arrears	(162,971)	(24,288)
	892,006	1,010,666

4. ACCOUNTS RECEIVABLE

	2022 \$	2021 \$
Receivables	295,162	203,779
Water receivables	248,684	216,910
Allowance for doubtful water receivables	(7,411)	(7,411)
	536,435	413,278

5. TEMPORARY LOANS

The Township has available a line of credit of \$1,000,000 [2021 - \$1,000,000] for which the Township has provided a borrowing by-law and signed advisory letter of which \$nil [2021 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at bank prime [6.45 % at year-end].

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

6. DEFERRED REVENUE

	2022 \$	2021 \$
Obligatory reserve funds		
Gas Tax revenue	445,374	584,744
Other deferred revenue		
Restricted deposits	15,394	6,700
Grants	1,331,517	781,020
	1,792,285	1,372,464

The continuity of deferred revenue is as follows:

	Government Transfer \$	Other \$	Total 2022 \$	Total 2021 \$
Balance, beginning of year	584,744	787,720	1,372,464	1,158,453
Investment income	5,570	17,486	23,056	(5,726)
Gas Tax proceeds	122,865	-	122,865	240,978
Gas Tax revenue earned	(267,805)	-	(267,805)	(254,681)
Other income received				
in year	-	653,455	653,455	416,830
Other amounts earned during the year	-	(111,750)	(111,750)	(183,390)
Balance, end of year	445,374	1,346,911	1,792,285	1,372,464

7. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all the pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$130,306 million with respect to benefits accrued for services with actuarial assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the Plan surplus or deficit.

Effective January 1, 2015, contribution rates ranged from 9.0% to 15.9% depending on the proposed retirement age and the level of earnings. As a result, \$181,244 [2021 - \$165,421] was contributed to OMERS in the current year.

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

8. LANDFILL CLOSURE AND POST-CLOSURE

The Township operates a landfill site. The obligation to close and maintain solid waste landfill sites is based on the estimated future expenses in current dollars, adjusted for estimated inflation and is charged to expenses as the landfill site's capacity is used. The Township completed an updated engineering study in 2021 to assist in the computation of the required closure and post-closure liability. The remaining useful life of the site has been determined to be 21 years, with an anticipated closure date of 2043 and an estimated remaining capacity of 99,200 cubic metres. Post-closure care is estimated to continue for a period of approximately 30 years. The estimated liability is the present value for future cash flows associated with the closure and post-closure care discounted using a rate of 3.9% [2021 - 3.9%] for closure costs and 3.9% [2021 - 3.9%] for post-closure cost discounting. The change in the recorded liability is (\$65,414) [2021 - \$615,152] based on a total estimated undiscounted outflow in the future of \$3,621,624 [2021 - \$4,062,314], determined using an estimated inflation rate of 3% [2021 - 3.4%], leaving an amount to be recognized in the future of \$2,488,882 [2021 - \$2,864,158] over the closure and post-closure period. Management's estimated accrued liability for these costs of \$1,132,743 [2021 - \$1,198,157] is included as a liability on the Consolidated Statement of Financial Position. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

An amount of \$417,881 [2021 - \$415,882] has been provided in the landfill closure and post-closure care reserve to fund this liability and future landfill expansion [Schedule 1].

9. TANGIBLE CAPITAL ASSETS

Schedule 2 provides information on the tangible capital assets of the Township by major asset class, as well as accumulated amortization of the assets controlled.

There were no write-downs of assets in 2022 [2021 - \$nil].

Interest capitalized during 2022 was \$nil [2021 - \$nil].

There were no contributed tangible capital assets in 2022 [2021 - \$nil].

Certain assets have been recorded at a nominal value on adoption of tangible capital assets due to the difficulty in determining an appropriate value. Municipal lands along with numerous furnishings are assigned nominal values. The total of assets so valued in 2022 was \$18 [2021 - \$18].

10. SEGMENTED INFORMATION

The Township is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, health care, ambulance, public transit and water. For management reporting purposes the Government's operations and activities are organized and reported by department. The annual budget is distributed based on department activity and size. The Township has two main reserve funds, operating and capital for their respective purposes.

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

Township services are provided by departments and their activities are reported in the consolidated financial statements. Certain departments that have been separately disclosed in the segmented information schedule, along with the services they provide, as follows:

General government

General government segment is comprised of three categories; governance, corporate management and program support. These categories encompass the Clerk / Manager's office, Mayor and Council, Elections, Treasury, budgets and bill collection.

Protection to persons and property

Township policing is provided under contract by the Ontario Provincial Police. The fire department is responsible for providing fire suppression service; fire prevention programs; training and education related to prevention, and detection or extinguishment of fires. The Protection to persons and property segment also includes activities related to municipal by-law enforcement.

Transportation services

The Transportation department is responsible for providing local public transportation service. Public works is involved with the planning, development and maintenance of municipal roads and streets, street lighting and the municipal airport.

Environmental services

The Water and Waste department consists of three distinct utilities - water, wastewater and solid waste disposal. The department provides drinking water to citizens of Manitouwadge, collecting and treating wastewater, and providing collection disposal and waste minimization programs and facilities for solid waste.

Health services

Health services include ambulance and other public health services as well as management of the Township cemetery. The Township contracts its ambulance services out but maintains the cemetery internally as part of this segment.

Manitouwadge Public Library Board

The Manitouwadge Public Library Board is responsible for providing community access to local and global information resources that support lifelong learning, research, leisure activities, and other library services.

Social and family services

This segment includes transfers for funding related to welfare, child care and social assistance. The Township provides assistance to those in need of counseling or in need of funding to help maintain a healthy living standard.

Recreation and cultural services

The Community Services department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness programs, a municipal pool and arena, golf course and ski hill.

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

Planning and development

The Planning department provides a diverse bundle of services. It manages urban development for business interests, environmental concerns and heritage matters through Township planning and community development. It ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws for the protection of occupants. It facilitates economic development by providing services for the approval of all land development plans and the processing of building permits applications.

For additional information see the Consolidated Schedule of Segment Disclosure [Schedule 3].

11. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, Council has designated \$8,781,871 [2021 - \$8,690,099] to support reserve funds.

12. CONTRACTUAL OBLIGATIONS

Ontario Clean Water Agency

In accordance with a service agreement, expiring December 31, 2024, entered into by the Township with the Ontario Clean Water Agency ("Agency"), the operation of the Township's water and wastewater treatment system is operated by the Agency. Included in the Statement of Operations and Accumulated Surplus are the 2022 charges from the Agency of \$324,031 [2021 - \$304,901]. The estimated operating cost for this water services for 2023 is approximately \$361,602.

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

13. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds which make up a part of accumulated surplus in Schedule 1 is as follows:

	2022 \$	2021 \$
Reserves		
Balance, beginning of year	1,961,859	2,402,614
Increases		
Transfer to reserves	243,000	-
Decreases		
Transfer from reserves	85,535	440,755
Balance, end of year	2,119,324	1,961,859
Reserve funds		
Balance, beginning of year	8,690,099	8,466,931
Increases		
Transfer to reserves	50,000	1,071,769
Interest earned	57,954	59,659
Interfund allocation of interest	179,096	(72,127)
	287,050	1,059,301
Decreases		
Transfers from reserves	-	726,597
Impairment	195,278	109,536
Balance, end of year	8,781,871	8,690,099

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

14. BUDGET FIGURES

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the Consolidated Statement of Operations and Accumulated Surplus has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements.

	Approved Fiscal Plan \$	PSAS Adjustments \$	Fiscal Plan per Financial Statements \$
Revenues			
Taxation	3,685,404	(138,682)	3,546,722
User charges	1,281,000	-	1,281,000
Government transfers	2,319,405	-	2,319,405
Other	1,022,447	-	1,022,447
	8,308,256	(138,682)	8,169,574
Expenses			
General government	2,179,460	(563,159)	1,616,301
Protection to persons and property	1,058,981	(142,831)	916,150
Transportation services	1,574,252	577,897	2,152,149
Environmental services	1,506,062	443,884	1,949,946
Health services	106,375	-	106,375
Manitouwadge Public Library Board	177,075	(19,954)	157,121
Social and family services	60,033	-	60,033
Recreation and cultural services	1,231,374	81,242	1,312,616
Planning and development	327,468	(123,191)	204,277
	8,221,080	253,888	8,474,968
Annual surplus	87,176	(392,570)	(305,394)
Interfund transfers	-	594,156	
Purchase of tangible capital assets	-	601,477	
Amortization	-	(1,588,203)	
	-	(392,570)	

15. PORTFOLIO INVESTMENTS

Investments consist of investments in money market and bond funds and are recorded at their carrying value. At year-end cost was \$3,775,828 less impairment of \$503,734.

The Corporation of the Township of Manitouwadge

Notes to the Consolidated Financial Statements

December 31, 2022

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm to the current year's presentation.

The Corporation of the Township of Manitouwadge

Schedule 1

Consolidated Schedule of Accumulated Surplus

Year ended December 31	2022	2021
	\$	\$
General fund	1,004,363	971,734
Investment in tangible capital assets	21,344,992	22,368,123
Unfunded		
Landfill closure and post-closure liabilities	(1,132,743)	(1,198,157)
Total surpluses	21,216,612	22,141,700
Reserves set aside for specific purposes by Council		
For working capital	134,194	134,194
For replacement of equipment and capital projects	943,033	705,568
For other projects	1,042,097	1,122,097
Total reserves	2,119,324	1,961,859
Reserve funds set aside for specific purposes by Council		
For assessment appeals	502,403	500,000
For recreation programs and facilities	693,013	689,698
For replacement of equipment and capital projects	1,297,512	1,241,544
For landfill closure and post-closure care	417,881	415,882
For contingencies	5,475,771	5,449,575
For service modernization	395,291	393,400
Total reserve funds	8,781,871	8,690,099
Accumulated surplus	32,117,807	32,793,658

The Corporation of the Township of Manitouwadge

Consolidated Schedule of Tangible Capital Assets

Schedule 2

Year ended December 31, 2022

	General					Assets Under Construction	Infrastructure			Totals	
	Land	Land Improvements	Buildings	Vehicles	Library Collections		Machinery Equipment	Underground and Other Networks	Office Equipment	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST											
Balance, beginning of year	218,741	1,134,474	12,453,363	2,435,052	80,710	-	6,704,290	36,595,269	150,205	59,772,104	58,825,044
Add											
Additions during the year	-	-	-	58,246	-	-	150,277	356,549	-	565,072	1,105,633
Less											
Disposals in the year	-	-	-	-	-	-	-	-	-	-	158,573
Balance, end of year	218,741	1,134,474	12,453,363	2,493,298	80,710	-	6,854,567	36,951,818	150,205	60,337,176	59,772,104
ACCUMULATED AMORTIZATION											
Balance, beginning of year	-	911,589	8,478,880	1,314,749	63,700	-	4,115,410	22,380,875	138,778	37,403,981	36,024,633
Add											
Amortization during the year	-	29,234	292,803	98,850	5,046	-	284,102	876,837	1,331	1,588,203	1,537,921
Less											
Disposals in the year	-	-	-	-	-	-	-	-	-	-	158,573
Balance, end of year	-	940,823	8,771,683	1,413,599	68,746	-	4,399,512	23,257,712	140,109	38,992,184	37,403,981
Net book value, beginning of year	218,741	222,885	3,974,483	1,120,303	17,010	-	2,588,880	14,214,394	11,427	22,368,123	22,800,411
Net book value, end of year	218,741	193,651	3,681,680	1,079,699	11,964	-	2,455,055	13,694,106	10,096	21,344,992	22,368,123

The Corporation of the Township of Manitouwadge

Consolidated Schedule of Segment Disclosure

Schedule 3

Year ended December 31, 2022

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	3,560,428	3,125,154	-	-	-	-	-	-	-	-
Government transfers	49,468	39,221	-	-	267,804	254,681	-	-	-	4,601
Provincial grants	1,817,401	1,854,218	-	-	-	-	-	10,500	-	-
User fees and service charges	11,553	8,862	6,679	-	120,116	161,294	1,026,239	1,007,418	-	-
Investment income	59,558	(77,073)	-	-	-	-	-	-	-	-
Other income	385,197	199,435	6,902	610	-	-	-	-	2,496	1,670
Penalties and interest on taxes	91,702	138,939	-	-	-	-	-	-	-	-
Rents and leases	90,062	83,279	-	-	-	-	814	576	-	-
	6,065,369	5,372,035	13,581	610	387,920	415,975	1,027,053	1,018,494	2,496	6,271
Expenses										
Salaries, wages and employee benefits	747,225	711,481	321,487	301,775	837,362	777,665	242,012	203,891	8,729	4,582
Long-term debt charges	-	-	-	-	-	-	-	(81,956)	-	-
Materials	920,878	217,055	131,193	63,000	510,785	398,240	781,253	1,244,746	2,153	131
Contracted services	124,780	140,939	418,044	435,636	100	16,150	274,852	-	33,615	42,155
Rent and financials	40,869	12,462	-	-	5,084	2,527	-	5,088	-	-
External transfers to others	26,790	-	-	-	-	-	-	-	51,876	50,365
Amortization	110,583	110,232	81,169	68,933	708,397	669,341	529,884	529,613	-	-
	1,971,125	1,192,169	951,893	869,344	2,061,728	1,863,923	1,828,001	1,901,382	96,373	97,233
Annual surplus (deficit)	4,094,244	4,179,866	(938,312)	(868,734)	(1,673,808)	(1,447,948)	(800,948)	(882,888)	(93,877)	(90,962)

The Corporation of the Township of Manitouwadge
Consolidated Schedule of Segment Disclosure

Schedule 3 (continued)

Year ended December 31, 2022

	Manitouwadge Public Library Board		Social and Family Services		Recreation and Cultural Services		Planning and Development		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	-	-	-	-	-	-	-	-	3,560,428	3,125,154
Government transfers	-	-	-	-	-	-	-	-	317,272	298,503
Provincial grants	9,528	8,549	-	-	-	-	-	-	1,826,929	1,873,267
User fees and service charges	2,219	1,173	-	-	168,698	135,791	35,941	9,726	1,371,445	1,324,264
Investment income	-	-	-	-	-	-	-	-	59,558	(77,073)
Other income	6,862	10,763	-	-	8,737	3,000	-	-	410,194	215,478
Penalties and interest on taxes	-	-	-	-	-	-	-	-	91,702	138,939
Rents and leases	-	-	-	-	47,799	53,888	-	-	138,675	137,743
	18,609	20,485	-	-	225,234	192,679	35,941	9,726	7,776,203	7,036,275
Expenses										
Salaries, wages and employee benefits	123,707	115,663	-	-	614,713	501,907	15,180	36,975	2,910,415	2,653,939
Long-term debt charges	-	-	-	-	-	-	-	-	-	(81,956)
Materials	24,047	26,557	-	-	476,706	404,636	52,743	35,293	2,899,758	2,389,658
Contracted services	-	-	-	-	17,634	65,345	-	-	869,025	700,225
Rent and financials	-	-	-	-	-	-	-	-	45,953	20,077
External transfers to others	-	-	60,033	59,339	-	-	-	-	138,699	109,704
Amortization	5,046	6,515	-	-	151,316	151,478	1,809	1,809	1,588,204	1,537,921
	152,800	148,735	60,033	59,339	1,260,369	1,123,366	69,732	74,077	8,452,054	7,329,568
Annual surplus (deficit)	(134,191)	(128,250)	(60,033)	(59,339)	(1,035,135)	(930,687)	(33,791)	(64,351)	(675,851)	(293,293)