

Consolidated Financial Statements

**THE CORPORATION OF THE
TOWNSHIP OF THE NORTH SHORE**

Year ended December 31, 2020

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Consolidated Financial Statements

Year ended December 31, 2020

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Management's Responsibility for the Consolidated Financial Statements

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

The Township's 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 consolidated financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Township. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.


Treasurer



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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of The Corporation of the Town of the North Shore (the "Township"), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2020, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 financial statements in Canada and we have fulfilled our other 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 financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Township'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 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.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
May 5, 2021

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets		
Cash	\$ 287,371	\$ 308,697
Portfolio investments (note 5)	624,129	670,699
Taxes receivable (note 6)	245,470	182,473
User charges receivable	12,187	5,683
Other accounts receivable (note 7)	174,845	201,349
	<u>1,344,002</u>	<u>1,368,901</u>
Financial liabilities		
Line of credit (note 8)	34,813	-
Accounts payable and accrued liabilities (note 9)	274,583	229,012
Deferred revenue- other (note 11)	82,014	-
Landfill closure and post closure liabilities (note 12)	877,495	990,673
	<u>1,268,905</u>	<u>1,219,685</u>
Net financial assets	75,097	149,216
Non-financial assets		
Tangible capital assets (note 14)	5,508,980	5,678,215
Land held for resale	25,426	25,426
Prepaid expenses	49,929	35,916
	<u>5,584,335</u>	<u>5,739,557</u>
Effects of COVID-19 (note 19)		
Accumulated surplus (note 15)	\$ 5,659,432	\$ 5,888,773

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

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2020, with comparative information for 2019

	Budget 2020 (note 17)	Actual 2020	Actual 2019
Revenues:			
Municipal taxation	\$ 1,045,153	\$ 993,135	\$ 970,972
Provincial grants	357,107	419,500	1,125,507
User charges	165,453	114,890	268,334
Other	53,340	52,971	124,767
Federal grants	-	34,724	85,408
Penalties and interest on taxes and water	5,750	3,896	22,038
Gain on sale of land held for resale	-	12,550	1,832
Investment income	-	18,938	9,405
Total revenues	1,626,803	1,650,604	2,608,263
Expenses:			
General government	407,686	558,856	345,530
Protection to persons and property	276,985	277,603	272,915
Transportation services	145,804	203,690	240,383
Environmental services	346,701	495,021	466,202
Health services	6,139	162,907	154,508
Social and family services	323,500	162,282	166,971
Recreational and cultural services	86,080	107,582	111,810
Planning and development	33,908	25,182	50,653
Total expenses	1,626,803	1,993,123	1,808,972
Excess (deficiency) of revenue over expenses before the undernoted	-	(342,519)	799,291
Recovery (provision) for landfill closure and post-closure costs	-	113,178	(782,725)
Annual surplus (deficit)	-	(229,341)	16,566
Accumulated surplus, beginning of year	5,888,773	5,888,773	5,872,207
Accumulated surplus, end of year	\$ 5,888,773	\$ 5,659,432	\$ 5,888,773

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

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

	Budget 2020 (note 17)	Actual 2020	Actual 2019
Annual surplus (deficit)	\$ -	\$ (229,341)	\$ 16,566
Acquisition of tangible capital assets	(362,281)	(137,144)	(860,727)
Amortization of tangible capital assets	-	306,379	300,510
Acquisition of prepaid expenses	-	(14,013)	(3,612)
Change in net financial assets	(362,281)	(74,119)	(547,263)
Net financial assets, beginning of year	149,216	149,216	696,479
Net financial assets, end of year	\$ (213,065)	\$ 75,097	\$ 149,216

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

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (229,341)	\$ 16,566
Items not involving cash:		
Provision (recovery) for landfill closure and post-closure costs	(113,178)	782,725
Amortization of tangible capital assets	306,379	300,510
	(36,140)	1,099,801
Change in non-cash assets and liabilities:		
Decrease (increase) in taxes receivable	(62,997)	17,073
Decrease (increase) in user charges receivable	(6,504)	840
Decrease in other accounts receivable	26,504	32,858
Increase (decrease) in accounts payable and accrued liabilities	45,571	(9,078)
Decrease (increase) in deferred revenue - obligatory	-	(22,210)
Decrease (increase) in deferred revenue - other	82,014	(184,120)
Increase in prepaid expenses	(14,013)	(3,612)
Net change in cash from operating activities	34,435	931,552
Investing activities:		
Change in portfolio investments	46,570	(209,404)
Net change in investing activities	46,570	(209,404)
Financing activities:		
Increase in line of credit	34,813	-
Net change in cash from investing activities	34,813	-
Capital activities:		
Acquisition of tangible capital assets	(137,144)	(860,727)
Net change in cash from capital activities	(137,144)	(860,727)
Net change in cash	(21,326)	(138,579)
Cash, beginning of year	308,697	447,276
Cash, end of year	\$ 287,371	\$ 308,697

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

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

The Corporation of the Township of the North Shore (the "Township") 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 other related legislation.

1. Significant accounting policies:

The consolidated financial statements of the Township are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board and the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Township are as follows:

(a) Reporting entity:

- (i) These consolidated financial statements reflect the assets, liabilities, revenues and expenses and include the activities of all committees of Council and the North Shore Cemetery Board which is under the control of Council.

All interfund and inter-organizational transactions and balances between these organizations are eliminated.

- (ii) 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 the revenue and expenses in these consolidated financial statements (note 2).

- (iii) Trust funds:

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Financial Statements (note 3).

- (iv) Joint local boards:

These consolidated financial statements reflect contributions to the following joint local boards, which are not under the direct control of council as expenses in the consolidated statements of operations and accumulated surplus:

Algoma Public Health

Algoma District Services Administration Board

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(b) Accrual basis of accounting:

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

(c) Reserve and reserve funds:

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

(d) Pension and employee benefits:

The Township accounts for its participation in the Ontario Municipal Employee Retirement Systems ("OMERS"), a multi-employer public sector pension fund, as a deferred contribution plan.

(e) Taxation and other revenues:

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

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessments. Assessments and related property taxes are subject to appeal by ratepayers. Tax adjustments as a result of supplementary assessments and appeals are estimated based on historical results.

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

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

(f) Government grants and transfers:

Government grants and transfers are recognized in the period that the events giving rise to the transfer have occurred as long as: the transfer is authorized; the eligibility criteria, if any, have been met and the amount can be reasonably estimated. Government transfers received before these criteria have been met are recorded in the accounts as deferred revenue and are recognized as revenue in the period in which all of these criteria are met.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(g) Deferred revenue - obligatory:

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

(h) Deferred revenue - other:

The Township receives certain amounts pursuant to funding agreements that may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recorded as deferred revenue and are recognized as revenue in the fiscal year the eligibility criteria have been met. Also includes user charges and other fees which have been collected but for which the services have yet to be performed. These amounts are recognized as revenues in the fiscal year the services are performed.

(i) Landfill closure and post closure liabilities:

The liability for closure of operational sites and post-closure care has been recognized based on estimated future expenses, estimated inflation and the usage of the site's capacity during the year.

(j) Investments and investment income:

Investments consist of authorized investments pursuant to provisions of the Municipal Act and are comprised of short-term instruments in various securities. Investments with original maturity dates between three months and one year are classified as investments in the consolidated statement of financial position and are carried at fair market value.

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

(k) 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.

(l) Tangible capital assets:

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

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(l) Tangible capital assets (continued):

Asset	Useful Life - Years
Buildings	10 - 50
Furniture, fixtures and equipment	5 - 50
Vehicles	10 - 20
Water and sewer infrastructure	25 - 50
Roads and bridges infrastructure	30

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.

Tangible capital assets are written down when conditions indicate they no longer contribute to the Townships ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their books value. The net-write-downs are accounted for as expenses in the statement of operations.

(i) Contributions of tangible capital assets

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

(ii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(m) Land held for resale:

Land held for resale consisting of surplus land is recorded at the lower of cost and net realizable value.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(n) Financial Instruments:

The Township initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties. The Township subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value (Note 1(j)). Unrealized changes in fair value are recognized in the consolidated statement of operations.

Financial assets measured at amortized cost include cash, taxes receivable, user charges receivable, and other accounts receivable.

Financial liabilities measured at amortized cost include line of credit, and accounts payable and accrued liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial assets, a valuation allowance is used to reflect the financial asset at the lower cost and estimated net recoverable value, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(o) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods specified. Significant items subject to such estimates and assumptions include the valuation allowances for taxes and accounts receivable, the carrying value of tangible capital assets and provisions for accrued liabilities and landfill liabilities.

Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Operations of school boards:

Taxation, other revenues and requisitions for the school boards amounting to \$169,894 (2019-\$170,937) are not reflected in these consolidated financial statements.

3. Trust funds:

Trust Funds administered by the Township amounting to \$28,129 (2019 - \$27,606) have not been included on the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated surplus.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

4. Contributions to unconsolidated jointed boards:

Further to note 1(a)(iv), the following contributions were made by the Township to these Boards:

	2020	2019
Algoma Public Health	\$ 18,083	\$ 16,800
Algoma District Social Services Administration Board	298,313	297,631
	<u>\$ 316,396</u>	<u>\$ 314,431</u>

5. Portfolio investments:

Total portfolio investments reported on the consolidated statement of financial position have a cost of \$624,129 (2019 - \$667,531) and market value of \$624,129 (2019 - \$670,699). Interest rates range from 0.81% to 2.20% (2019 - 2.10% to 3.25%) with maturity dates ranging from April 2021 to July 2021 (2019 - April 2020 to July 2020).

6. Taxes receivable:

	2020	2019
Current	\$ 120,297	\$ 93,235
Past year	41,589	25,604
Previous years	51,518	45,454
Penalties and interest	32,066	18,180
	<u>\$ 245,470</u>	<u>\$ 182,473</u>

7. Other accounts receivable:

Accounts receivable consist of the following:

	2020	2019
HST recoverable	\$ 65,269	\$ 28,672
Other receivables	136,070	174,417
Allowance for doubtful accounts	(26,494)	(1,740)
	<u>\$ 174,845</u>	<u>\$ 201,349</u>

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

8. Line of credit:

A line of credit has been authorized by the Bank of Nova Scotia and bears interest at the bank's prime lending rate plus 0.5% per annum and is secured by a general security agreement and an assignment of insurance. The Township has \$34,813 (2019 - \$Nil) borrowed at year-end of a maximum limit of \$500,000.

9. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$Nil (2019 - \$25,050) which includes amounts payable for payroll related taxes and remittances.

10. Deferred revenue - obligatory:

The continuity of transactions within the obligatory reserve funds are as described below:

	Balance at December 31, 2019	Contributions received	Revenue recognized in the period	Balance at December 31, 2020
Federal Gas Tax	\$ —	\$ 30,154	\$ (30,154)	\$ —
Total deferred revenue – obligatory	\$ —	\$ 30,154	\$ (30,154)	\$ —

11. Deferred revenue – other:

	2020	2019
OCIF – Core Infrastructure	\$ 50,000	\$ —
Safe Restart Phase 1	18,529	—
2021 Property taxes	12,662	—
2021 Sewer and Water user charges	823	—
	\$ 82,014	\$ —

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

12. Landfill closure and post closure liabilities:

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated life of the landfill sites based on usage.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over terms using the best information available to management. Future events may result in significant changes to the estimated total expenditures; capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable. The estimated remaining capacity of the landfill sites is 1,500 cubic meters (2019 - 2,760 cubic meters).

Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at a rate of 2.46% (2019 – 2.46%). At December 31, 2020, an amount of \$877,495 (2019 - \$990,673) with respect to landfill closure and post-closure liabilities has been accrued.

The Township has established reserve funds to mitigate the future impact of this obligation. The balance of the Landfill closure and post closure reserve fund is (\$55,767) (2019 - \$101,986), which is included in the reserves for capital purposes in note 13.

13. Pension agreement:

OMERS provides pension services to more than 525,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2020. The results of this valuation disclosed total going concern actuarial liabilities of \$113,055 million (2019 - \$107,687 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$109,844 (2019 – \$104,290 million) indicating a going concern actuarial deficit of \$3,211 million (2019 - \$3,397 million). As OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees and the Township's share is not determinable. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

During the year ended December 31, 2020, the Township contributed \$18,334 (2019 - \$21,738) to OMERS for current service.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

14. Tangible capital assets:

Cost	Balance at December 31, 2019	Additions	Disposals	Balance at December 31, 2020
Land	\$ 297,561	-	-	\$ 297,561
Buildings	1,283,165	-	-	1,283,165
Furniture, fixtures and equipment	910,883	32,451	-	943,334
Vehicles	403,008	4,015	-	407,023
Water and sewer infrastructure	4,668,491	9,923	-	4,678,414
Roads and bridges infrastructure	3,813,913	-	-	3,813,913
Landfill	554,973	90,755	-	645,728
Total	\$ 11,931,994	137,144	-	\$ 12,069,138

Accumulated Amortization	Balance at December 31, 2019	Disposals	Amortization	Balance at December 31, 2020
Land	\$ -	-	-	\$ -
Buildings	657,883	-	28,920	686,803
Furniture, fixtures and equipment	527,946	-	41,559	569,505
Vehicles	224,766	-	21,920	246,686
Water and sewer infrastructure	2,132,515	-	150,649	2,283,164
Roads and bridges infrastructure	2,710,669	-	63,331	2,774,000
Landfill	-	-	-	-
Total	\$ 6,253,779	-	306,379	\$ 6,560,158

	Net book value, December 31, 2019	Net book value, December 31, 2020
Land	\$ 297,561	\$ 297,561
Buildings	625,282	596,362
Furniture, fixtures and equipment	382,937	373,829
Vehicles	178,242	160,337
Water and sewer infrastructure	2,535,976	2,395,250
Roads and bridges infrastructure	1,103,244	1,039,913
Landfill	554,973	645,728
Total	\$ 5,678,215	\$ 5,508,980

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

14. Tangible capital assets (continued):

Cost	Balance at December 31, 2018	Additions	Disposals	Balance at December 31, 2019
Land	\$ 297,561	-	-	\$ 297,561
Buildings	1,270,286	12,879	-	1,283,165
Furniture, fixtures and equipment	786,432	124,451	-	910,883
Vehicles	332,704	70,304	-	403,008
Water and sewer infrastructure	4,297,138	371,353	-	4,668,491
Roads and bridges infrastructure	3,812,765	1,148	-	3,813,913
Landfill	274,381	280,592	-	554,973
Total	\$ 11,071,267	860,727	-	\$ 11,931,994

Accumulated Amortization	Balance at December 31, 2018	Disposals	Amortization	Balance at December 31, 2019
Land	\$ -	-	-	\$ -
Buildings	629,193	-	28,690	657,883
Furniture, fixtures and equipment	491,093	-	36,853	527,946
Vehicles	202,807	-	21,959	224,766
Water and sewer infrastructure	2,000,978	-	131,537	2,132,515
Roads and bridges infrastructure	2,629,198	-	81,471	2,710,669
Landfill	-	-	-	-
Total	\$ 5,953,269	-	300,510	\$ 6,253,779

	Net book value, December 31, 2018	Net book value, December 31, 2019
Land	\$ 297,561	\$ 297,561
Buildings	641,093	625,282
Furniture, fixtures and equipment	295,339	382,937
Vehicles	129,897	178,242
Water and sewer infrastructure	2,296,160	2,535,976
Roads and bridges infrastructure	1,183,567	1,103,244
Landfill	274,381	554,973
Total	\$ 5,117,998	\$ 5,678,215

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

14. Tangible capital assets (continued):

a) Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$Nil (2019 - \$Nil).

b) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$Nil (2019 - \$Nil).

15. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2020	2019
Surplus:		
Invested in tangible capital assets	\$ 5,508,980	\$ 5,678,215
General surplus	522,876	528,673
Amounts to be recovered:		
Landfill closure and post closure liabilities	(877,495)	(990,673)
	5,154,361	5,216,215
Reserves set aside by Council for:		
Cash flow reserves	87,001	87,001
Reserves for capital purposes	418,070	585,557
	505,071	672,558
	\$ 5,659,432	\$ 5,888,773

16. Public sector salary disclosure:

During 2020, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Township.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

17. Budget information:

The budget adopted by Council was not prepared on a basis consistent with that used to report actual results according to Canadian public sector accounting standards. As a result, the budget figures presented in the consolidated statement of operations and accumulated surplus represent the financial plan adopted by Council with adjustment as follows:

Annual surplus per budget approved by Council	\$	—
Less:		
Transfers from reserves		(204,141)
Add:		
Investment in tangible capital assets		204,141
Annual deficit per revised budget	\$	—

18. Comparative amounts:

Certain of the 2019 comparative amounts have been reclassified, where applicable, to conform to the current year presentation. The changes do not affect prior year earnings.

19. Effects of COVID-19:

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") a global pandemic. This resulted in the Province mandating various social distancing protocols, resulting in the temporary shutdown of various programs and services.

During the year, the Township received funding from the Province of Ontario to offset the financial impacts of COVID-19, which has been recognized as revenue in the current year. Unexpended funding at December 31, 2020 has been placed into obligatory reserves to help offset future financial impacts of COVID-19.

As at December 31, 2020, the Township did not have significant adjustments to reflect the possible future impact of COVID-19. Management assessed the impact on the Township and believes there are no significant financial issues as the Township has strong working capital available and access to sufficient liquid resources to sustain operations in the coming year.

The outcome and timeframe to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its financial effect on future operations at this time.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

20. Segmented information:

The Township is a diversified municipal government institution that provides a wide range of services to its citizens, including General Government Services, Protection Services, Transportation Services, Environmental Services, Health Services, Social and Family Services, Recreational and Cultural Services and Planning and Development Services. Service areas were created for the purposes of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations (see Schedule to note).

Municipal Services are provided by departments and their activities are reported in these Service Areas. Departments disclosed in the Segmented Information, along with the services they provide, are as follows:

General Government Services

The departments within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing Municipal assets; ensuring effective financial management; monitoring performance and ensuring that high quality Municipal Service standards are met.

Protection Services

Protection is comprised of police, fire / emergency, by-law enforcement and building inspections departments. The mandate of the police department is to ensure the safety of the lives and property of citizens, preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

Transportation Services

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control and street lighting.

Environmental Services

The environmental department consists of three distinct utilities: water, wastewater and solid waste disposal. The department provides drinking water to ratepayers, collecting and treating wastewater and providing waste minimization programs and facilities for solid waste disposal and diversion.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

20. Segmented information (continued):

Health Services

Through the Algoma Health Unit, the Township contributes to public health services and education and through the Algoma District Social Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of municipal cemeteries.

Social and Family Services / Social Housing

Through the Algoma District Social Services Administration Board, the Township contributes to social assistance payments, child care services and social housing. In addition, the Township provides alternative residential services for seniors.

Recreation and Cultural Services

The Department is responsible for providing, facilitating the development of, and maintaining high quality parks, recreational facilities, and cultural services.

Planning and Development

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighborhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Note 20 - Segmented Information (continued)

Year ended December 31, 2020

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2020
Revenues:									
Municipal taxation	\$ 993,135	-	-	-	-	-	-	-	\$ 993,135
Government transfers	351,571	6,539	30,154	57,376	-	-	8,584	-	454,224
User charges	12,200	13,587	-	78,603	-	-	-	10,500	114,890
Other	51,709	973	-	20,558	-	-	-	2,565	75,805
Gain on sale of land held for resale	12,550	-	-	-	-	-	-	-	12,550
	1,421,165	21,099	30,154	156,537	-	-	8,584	13,065	1,650,604
Expenses:									
Salaries, wages and benefits	205,246	34,983	28,020	64,789	1,791	-	50,758	9,755	395,342
Materials	285,252	65,485	103,653	197,802	6,931	-	26,996	6,374	692,493
Contracted services	29,691	137,919	2,636	83,338	71	-	1,014	6,238	260,907
Rents and financial	17,983	75	-	1,541	-	-	-	-	19,599
External transfers	-	-	-	-	154,114	162,282	2,007	-	318,403
Amortization of tangible capital assets	20,684	39,141	69,381	147,551	-	-	26,807	2,815	306,379
	558,856	277,603	203,690	495,021	162,907	162,282	107,582	25,182	1,993,123
Recovery for landfill closure and post-closure costs	-	-	-	113,178	-	-	-	-	113,178
Annual surplus (deficit)	\$ 862,309	(256,504)	(173,536)	(225,306)	(162,907)	(162,282)	(98,998)	(12,117)	\$ (229,341)

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Note 20 - Segmented Information (continued)

Year ended December 31, 2020

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2019
Revenues:									
Municipal taxation	\$ 970,972	-	-	-	-	-	-	-	\$ 970,972
Government transfers	863,262	6,361	85,408	234,138	-	-	21,746	-	1,210,915
User charges	13,297	147,781	-	78,853	-	-	17,196	11,207	268,334
Other	53,001	20,483	-	16,919	-	-	6,189	59,618	156,210
Gain on sale of land held for resale	1,832	-	-	-	-	-	-	-	1,832
	1,902,364	174,625	85,408	329,910	-	-	45,131	70,825	2,608,263
Expenses:									
Salaries, wages and benefits	180,671	43,717	26,212	62,417	2,218	-	53,097	11,911	380,243
Materials	110,650	86,186	129,162	178,380	1,416	-	25,252	8,923	539,969
Contracted services	24,682	120,867	2,557	77,684	62	-	970	27,074	253,896
Rents and financial	13,235	75	-	1,254	-	-	-	-	14,564
External transfers	-	-	-	-	150,812	166,971	2,007	-	319,790
Amortization of tangible capital assets	16,292	22,070	82,452	146,467	-	-	30,484	2,745	300,510
	345,530	272,915	240,383	466,202	154,508	166,971	111,810	50,653	1,808,972
Provision for landfill closure and post-closure costs	-	-	-	(782,725)	-	-	-	-	(782,725)
Annual surplus (deficit)	\$ 1,556,834	(98,290)	(154,975)	(919,017)	(154,508)	(166,971)	(66,679)	20,172	\$ 16,566