

Consolidated Financial Statements

**THE CORPORATION OF THE  
CITY OF NORTH BAY**

Year ended December 31, 2022

# THE CORPORATION OF THE CITY OF NORTH BAY

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Year ended December 31, 2022

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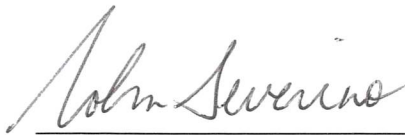
## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of The Corporation of the City of North Bay (the "City") are the responsibility of the City'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 The Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City'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 financial statements. These systems are monitored and evaluated by Management.

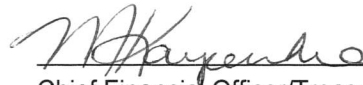
Council meets with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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



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Chief Administrative Officer  
John Severino  
August 29, 2023



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Chief Financial Officer/Treasurer  
Margaret Karpenko  
August 29, 2023



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Canada  
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## INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the City of North Bay

### ***Opinion***

We have audited the accompanying consolidated financial statements of The Corporation of the City of North Bay (the Corporation), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- 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 and schedules 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 Corporation of the City of North Bay as at December 31, 2022, and its consolidated results of operations, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our report.

We are independent of the Corporation 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditor's 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 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 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada  
August 29, 2023

# THE CORPORATION OF THE CITY OF NORTH BAY

## Consolidated Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>FINANCIAL ASSETS:</b>		
Cash and cash equivalents	\$ 94,268,745	\$ 74,639,165
Investments (note 3)	32,502,867	29,021,917
Taxes receivable	4,230,054	6,465,181
Accounts receivable (note 4)	14,133,708	10,815,493
Other assets	1,783,325	529,141
Investment in government business enterprises (note 5(b))	56,581,970	47,470,461
	<u>203,500,669</u>	<u>168,941,358</u>
<b>FINANCIAL LIABILITIES:</b>		
Accounts payable and accrued liabilities (note 6)	23,693,469	22,659,005
Deferred revenue - general	1,275,607	835,901
Deferred revenue - obligatory reserve funds (note 7)	24,173,725	20,517,277
Post-employment benefits and compensated absences payable (note 8)	23,755,400	22,707,600
Solid waste landfill closure and post-closure care liability (note 9)	3,010,129	2,838,821
Net long-term liabilities (note 10)	104,846,990	45,139,816
	<u>180,755,320</u>	<u>114,698,420</u>
<b>NET FINANCIAL ASSETS</b>	<u>22,745,349</u>	<u>54,242,938</u>
<b>NON-FINANCIAL ASSETS:</b>		
Tangible capital assets (note 20)	551,745,805	547,650,345
Other non-financial assets	2,850,157	2,768,352
Commitments (note 14)		
Contingent liabilities (note 15)		
Liability for contaminated sites (note 16)		
<b>Accumulated surplus (note 12)</b>	<u>\$ 577,341,311</u>	<u>\$ 604,661,635</u>

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

On behalf of Council:

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Chief Financial Officer/Treasurer

# THE CORPORATION OF THE CITY OF NORTH BAY

## Consolidated Statement of Operations and Accumulated Surplus

December 31, 2022, with comparative information for 2021

	2022 Budget	2022 Total	2021 Total
	(note 19)		
<b>Revenues:</b>			
Property taxation	\$ 96,603,643	\$ 97,373,884	\$ 91,854,187
Taxation from other governments	3,991,623	3,981,766	3,835,133
User charges	34,459,335	33,442,827	32,401,421
Government transfers and grants	27,623,052	30,361,802	21,759,839
Licenses, permit fees and rents	2,151,745	2,106,322	1,807,204
Investment income	730,000	2,436,355	1,163,047
Provincial Offences Act (note 18)	1,066,934	875,620	1,304,616
Other	4,971,235	7,228,516	5,367,593
Equity earnings of government business enterprises (note 5(a))	887,346	10,144,524	6,676,054
	172,484,913	187,951,616	166,169,094
<b>Expenses:</b>			
General government	6,997,704	7,944,760	7,759,193
Protection services	43,363,741	44,656,221	46,734,514
Transportation services	36,430,520	37,899,639	36,626,500
Engineering and environmental services	29,814,614	30,641,665	28,746,988
Community services	19,018,763	17,525,596	17,052,115
Recreation and cultural services	17,901,636	15,523,479	14,903,201
Planning and development	3,190,834	3,160,380	2,903,187
	156,717,812	157,351,740	154,725,698
Annual surplus before undernoted item	15,767,101	30,599,876	11,443,396
Cassellholme redevelopment commitment (note 10(a)(iii))	-	(57,920,200)	-
Annual surplus (deficit)		(27,320,324)	11,443,396
Accumulated surplus, beginning of year	604,661,635	604,661,635	593,218,239
Accumulated surplus, end of year	\$ 620,428,736	\$ 577,341,311	\$ 604,661,635

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



# THE CORPORATION OF THE CITY OF NORTH BAY

## Consolidated Statement of Changes in Net Financial Assets

December 31, 2022, with comparative information for 2021

	2022 Budget (note 19)	2022 Total	2021 Total
Annual surplus (deficit)	\$ 15,767,101	\$ (27,320,324)	\$ 11,443,396
Acquisition of tangible capital assets	(44,105,377)	(33,315,816)	(25,089,836)
Amortization of tangible capital assets	25,579,173	27,415,908	26,691,385
Loss on disposal of tangible capital assets and surplus land	-	1,258,587	3,217,032
Disposal of tangible capital assets proceeds	-	545,861	150,767
	(18,526,204)	(4,095,460)	4,969,348
Increase in other non-financial assets	-	(81,805)	(509,594)
Change in net financial assets	(2,759,103)	(31,497,589)	15,903,150
Net financial assets, beginning of year	54,242,938	54,242,938	38,339,788
Net financial assets, end of year	\$ 51,483,835	\$ 22,745,349	\$ 54,242,938

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

# THE CORPORATION OF THE CITY OF NORTH BAY

## Consolidated Statement of Cash Flows

December 31, 2022, with comparative information for 2021

	2022	2021
Operating transactions:		
Annual surplus (deficit)	\$ (27,320,324)	\$ 11,443,396
Items not involving cash:		
Amortization of tangible capital assets	27,415,908	26,691,385
Equity earnings of government business enterprises	(10,144,524)	(6,676,054)
Increase in post-employment benefits and compensated absences payable	1,047,800	4,520,000
Increase in solid waste landfill closure and post-closure care liability	171,308	39,679
Loss on disposal of tangible capital assets and surplus land	1,258,587	3,217,032
Cassellholme redevelopment commitment (note 10(a)(iii))	57,920,200	-
	50,348,955	39,235,438
Changes in non-cash working capital (note 23)	2,711,541	5,368,832
	53,060,496	44,604,270
Capital transactions:		
Disposal of tangible capital assets and surplus land proceeds	545,861	150,767
Acquisition of tangible capital assets	(33,315,816)	(25,089,836)
	(32,769,955)	(24,939,069)
Investing transactions:		
Decrease (increase) in investments	(3,480,950)	10,437,512
Cash dividend received from government business enterprises (note 5(b))	1,033,015	913,251
	(2,447,935)	11,350,763
Financing transactions:		
Proceeds from debt issues	10,594,839	3,995,782
Repayment of net long-term liabilities (note 10(a)(iv))	(8,807,865)	(13,846,002)
	1,786,974	(9,850,220)
Net change in cash and cash equivalents	19,629,580	21,165,744
Cash and cash equivalents, beginning of year	74,639,165	53,473,421
Cash and cash equivalents, end of year	\$ 94,268,745	\$ 74,639,165

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

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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The Corporation of the City of North Bay 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 2001, Provincial Offences Act and other related legislation.

## 1. Significant accounting policies:

The consolidated financial statements of The Corporation of the City of North Bay (the "City") are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the City are as follows:

### a) Reporting entity:

#### i) Consolidated entities:

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These boards and entities include:

- North Bay Public Library Board ("Library")
- North Bay Police Services Board ("Police Services Board")
- Invest North Bay Development Corporation ("inbay")
- Board of Management For The Downtown Improvement Area ("DIA")
- North Bay Hydro Holdings Limited ("Holdco")
- North Bay Jack Garland Airport Corporation ("Airport")

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

#### ii) Investment in Government Business Enterprises:

Government business enterprises are accounted for by the modified equity method. Under this method the business enterprises' accounting principles are not adjusted to conform with those of the City and inter-organizational transactions and balances are not eliminated. The government business enterprises included during the year and summarized in note 5 are:

- North Bay Hydro Distribution Limited
- North Bay Hydro Services Inc.

#### iii) Other entities:

The following joint local boards are not consolidated:

- The Board of Management for the District of Nipissing East ("Cassellholme")
- North Bay Parry Sound District Health Unit
- District of Nipissing Social Services Administration Board ("DNSSAB")

#### iv) Accounting for school board transactions:

The taxation, other revenues, expenses, assets and liabilities of Near North District School Board, Nipissing-Parry Sound Catholic District School Board, Conseil scolaire public du Nord-Est de l'Ontario, and Conseil scolaire catholique Franco-Nord are not reflected in these consolidated financial statements.

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### b) Basis of accounting:

Sources of financing and expenses are reported on the accrual basis of accounting. This method recognizes 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) 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.

### d) Investments:

Investments are recorded at cost. Temporary declines in the market value of the long-term investments are not adjusted.

### e) Inventories:

Included in other non-financial assets are inventories of goods and supplies which are priced at average cost on the same basis as the preceding year. Inventories of fleet parts and fuel are priced using First In First Out (FIFO) method.

### f) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs attributable to acquisition or construction, development or betterment of the tangible capital asset including but not limited to transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed capital assets are recorded at fair value at the time of receipt, with a corresponding amount recorded as revenue, when fair value can be reasonably estimated. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year the asset is available for productive use as follows:

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Land improvements	7 to 40 Years
Buildings	10 to 100 Years
Vehicles	2 to 30 Years
Machinery and equipment	3 to 40 Years
Computer hardware and software	4 to 12 Years
Roads infrastructure	5 to 40 Years
Water and sewer infrastructure	50 to 75 Years
Bridges and structures	75 Years
Leasehold improvements	40 Years
Work in process	No Amortization Prior to Project Completion

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# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### g) Non-pension post-employment benefits and post-employment sick leave benefits:

The City accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits. The City has adopted the following valuation methods and assumptions:

#### i) Actuarial cost method:

Accrued benefit obligations are computed using the projected benefit method pro rated on service, as defined in PSAB 3250 and PSAB 3255. The objective under this method is to expense each member's benefit under the plan taking into consideration projections of benefit costs to and during retirement. Under this method an equal portion of total estimated future benefit is attributed to each year of service.

#### ii) Funding policy:

The non-pension post retirement and post-employment benefits are funded on a pay-as-you-go basis. The City funds on a cash basis as benefits are paid. No assets have been formally segregated and restricted to provide the non-pension retirement and post-employment benefits.

#### iii) Accounting policies:

Actuarial gains and losses are amortized on a linear basis over the expected average remaining service life ("EARSLS") of members expected to receive benefits under the plan, with amortization commencing in the period following the determination of the gain or loss. Obligations are attributed to the period beginning on the member's date of hire and ending on the expected date of termination, death or retirement, depending on the benefit value. The City's fiscal year-end is December 31 and the measurement date of the City's obligation is such.

### h) Taxation and related revenues:

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established by City Council, incorporating amounts to be raised for local services and amounts the City 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 rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known or the amount can be reasonably estimated. The City is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

### i) Government transfers and grants:

Government transfers and grants are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### j) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the City:
  - (i) is directly responsible; or
  - (ii) accepts responsibility
- (d) it is expected that future economic benefit will be given up; and
- (e) a reasonable estimate of the amount can be made.

The liability includes all costs directly attributable to remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. If the likelihood of the City's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the costs are to be disclosed as a contingent liability in the Notes to the consolidated financial statements.

### k) Solid waste landfill:

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

### l) Investment income:

Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory funds such as development charges and parkland allowances is added to the associated funds and forms part of the respective deferred revenue balances.

### m) User fees and other revenues:

User fees and other revenues are reported on an accrual basis as they are earned and collection is reasonably assured.

### n) Use of estimates:

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles established by PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant items subject to such estimates and assumptions include: solid waste landfill closure and post closure liabilities, employee future benefits, liability for contaminated sites, Provincial Offences Act receivables, allowances for doubtful accounts, useful lives of tangible capital assets, assessment at risk and other accrued liabilities and/or obligations. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the year in which they become known.

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 2. Accounting standards issued but not yet adopted:

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 retirement of tangible capital assets. PS 3450, Financial Instruments provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. The City has not yet adopted these standards or determined the effect on the consolidated financial statements.

Section PS 2601 Foreign Currency Translation is effective for fiscal years beginning on or after April 1, 2022. This section includes guidance on deferral and amortization of unrealized gains and losses, hedge accounting and separation of realized and unrealized foreign exchange gains and losses. The City has not yet adopted these standards or determined the effect on the consolidated financial statements.

Section PS 3400, Revenue is effective for fiscal years beginning on or after April 1, 2023, early adoption is permitted. This section establishes standards on how to account for and report revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The City has not yet adopted this standard or determined the effect on the consolidated financial statements.

## 3. Investments:

	2022	2021
Investments - bonds and GICs	\$ 32,502,867	\$ 29,021,917
Total investments, end of year	\$ 32,502,867	\$ 29,021,917

The City's investments totalling \$32,502,867 (2021 - \$29,021,917) are reported at cost and mature between September 2023 to November 2027, with yields ranging from 1.15% to 5.25% (2021 - 1.15% to 2.56%). The current short-term portion equals \$5,917,307 (2021 - \$7,499,050).

## 4. Accounts receivable:

	2022	2021
Government of Canada	\$ 4,586,692	\$ 3,574,204
Province of Ontario	3,897,538	2,203,073
Other municipalities	9,015	1,475
North Bay Hydro Distribution Limited (note 5(a)(vi))	36,058	21,357
North Bay Hydro Services Inc. (note 5(a)(vii))	161,369	82,322
User fees and other	5,443,036	4,933,062
Total accounts receivable	\$ 14,133,708	\$ 10,815,493

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 5. Government business enterprises:

### a) North Bay Hydro:

The City holds 100% of the shares of North Bay Hydro Holding Limited ("Holdco"). Holdco holds 100% of the shares of North Bay Hydro Distribution Limited ("Distribution") and North Bay Hydro Services Inc. ("Services"). On July 1, 2022, Espanola Regional Hydro Distribution Limited was amalgamated with North Bay Hydro Distribution Limited. The following provides condensed combined financial information for Distribution and Services.

	2022	2021
Combined Statement of Financial Position		
Total Assets	\$ 142,152,096	\$ 137,331,596
Total Liabilities	\$ 85,570,126	\$ 89,861,135
Net Assets	56,581,970	47,470,461
Total Liabilities and Net Assets	\$ 142,152,096	\$ 137,331,596
Combined Statement of Operations		
Total Revenues	\$ 93,217,189	\$ 87,193,195
Total Expenses	83,072,665	80,517,141
Net income	\$ 10,144,524	\$ 6,676,054

Related party transactions between Hydro and the City are summarized as follows:

- i) The City purchased electricity and services from Distribution including electrical energy in the amount of \$1,932,861 (2021 - \$1,964,462), street light energy in the amount of \$271,581 (2021 - \$636,416), construction activity in the amount of \$162,157 (2021 - \$152,717) and street light maintenance in the amount of \$10,256 (2021 - \$10,333).
- ii) The City purchased street light maintenance from Services in the amount of \$42,728 (2021 - \$19,611) and electrical energy in the amount of \$386,844 (2021 - \$290,934) for the Community Energy Park.
- iii) The City received municipal taxes from Distribution in the amount of \$114,764 (2021 - \$93,306).
- iv) Distribution purchased goods and services from the City totaling \$254,255 (2021 - \$213,080).
- v) Services purchased methane gas from the City totaling \$100,607 (2021 - \$117,536).
- vi) At December 31, 2022, the City balances include accounts receivable of \$36,058 (2021 - \$21,357) and accounts payable and accrued liabilities of \$258,270 (2021 - \$373,944) due to/from Distribution.
- vii) At December 31, 2022, the City balances include accounts receivable of \$161,369 (2021 - \$82,322) and accounts payable and accrued liabilities of \$94,808 (2021 - \$93,289) due to/from Services.



# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 5. Government business enterprises (continued):

### b) Investment in government business enterprises:

	2022	2021
Investment in government business enterprises, beginning of year	\$ 47,470,461	\$ 41,707,658
Equity earnings	10,144,524	6,676,054
Cash dividend received	(1,033,015)	(913,251)
Investment in government business enterprises, end of year	\$ 56,581,970	\$ 47,470,461

## 6. Accounts payable and accrued liabilities:

	2022	2021
Government of Canada	\$ 75,883	\$ 136,154
Province of Ontario	263,943	263,943
Other municipalities	771	51,644
Interest on debt	75,648	51,770
Trade accounts payable	13,875,380	12,855,484
North Bay Hydro Distribution Limited (note 5(a)(vi))	258,270	373,944
North Bay Hydro Services Inc. (note 5(a)(vii))	94,808	93,289
Liability for contaminated sites (note 16)	548,685	599,090
Accrued liabilities	8,500,081	8,233,687
Total accounts payable and accrued liabilities	\$ 23,693,469	\$ 22,659,005

## 7. Deferred revenue - obligatory reserve funds:

	2022	2021
Balance, beginning of the year	\$ 20,517,277	\$ 13,771,311
Canada Community - Building Fund contributions	3,270,023	6,413,588
Provincial Gas Tax contributions	906,919	912,567
Ontario Community Infrastructure Fund contributions	5,518,653	2,632,581
Development contributions	2,197,046	1,160,201
Investment income	703,127	158,434
Northern Ontario Resource Development Support (NORDS)	800,000	-
Hazardous Materials CBRNE Response Program contributions	52,237	47,752
Cannabis Legalization Implementation Fund contributions	-	15,295
Connecting Link contributions	-	1,500,000
Safe Restart - Municipal Operating Fund contributions	-	250,000
Safe Restart - Municipal Transit Fund contributions	-	1,162,221
COVID-19 Recovery contributions	-	747,129
Utilization of funds	(9,791,557)	(8,253,802)
Deferred revenue - obligatory reserve funds, end of year	\$ 24,173,725	\$ 20,517,277

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 7. Deferred revenue - obligatory reserve funds (continued):

	2022	2021
Analyzed as follows:		
Development Charges	\$ 4,018,350	\$ 3,536,466
Canada Community - Building Fund	10,112,038	9,712,038
Provincial Gas Tax Fund	1,353,802	1,147,647
Ontario Community Infrastructure Fund	4,005,220	1,632,895
Cash in lieu of Parkland	771,053	750,349
Building Code Act	2,559,523	1,308,461
Commuter Cycling Program	43,082	57,228
Cannabis Legalization Implementation Fund	198,705	193,760
Hazardous Materials CBRNE Response Program	121,174	66,150
Municipal Modernization Fund	18,855	18,386
Safe Restart - Municipal Transit Fund	155,774	646,820
Northern Ontario Resource Development Support (NORDS)	816,149	-
Connecting Link Program	-	1,447,077
Deferred revenue - obligatory reserve funds, end of year	\$ 24,173,725	\$ 20,517,277

Included in cash and cash equivalents are restricted amounts of \$23,769,227 (2021 - \$20,517,277) with respect to the above obligatory reserve funds. The 2022 ending balance for development charges includes \$404,498 (2021 - \$nil) in development charges receivable for which collection has been deferred and is included in other assets.

## 8. Post-employment benefits and compensated absences payable:

	2022	2021
Sick leave benefits	\$ 9,037,100	\$ 8,867,700
Supplementary health benefits	12,660,000	12,005,700
WSIB top-up income plan	2,058,300	1,834,200
Total post-employment benefits and compensated absences payable	\$ 23,755,400	\$ 22,707,600

The sick leave benefit provides certain eligible employees with vested and non-vested sick leave days that accumulated beyond the 12 month period. The above sick leave benefit liability estimate includes compensated absences equal to the use of accumulated sick leave prior to retirement as well as any lump-sum payments upon retirement.

The City maintains a vested sick leave plan covering all Fire Association employees hired before December 31, 1997, Police Services Board and Police Association employees hired before September 1, 1977, all Library employees hired prior to August 31, 1987, and all other employees with at least five years of service hired prior to September 30, 1980.

In addition, the City has a defined supplementary health benefit plan that provides medical, dental and life insurance to certain eligible City employees, Fire Association employees, Police Association employees and Library employees who retire from current employment. The above supplementary health benefit liability estimates the expense of each member's benefit under the plan taking into consideration projections of benefit costs to and during retirement up to the age of 65.

Plan amendments in 2021 included the addition of the healthcare spending account ("HCSA") for Fire retirees, changes to the HCSA for Police retirees and the provision of health and dental benefit coverage for Fire and Police employees in receipt of a WSIB loss-of-earnings benefit.

The WSIB top-up income plan reflects the top-up to 100% of net pay for Fire and Police employees in receipt of a WSIB loss-of-earnings benefit.

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 8. Post-employment benefits and compensated absences payable (continued):

Information about the City's defined supplementary health benefit and sick leave plan is as follows:

	2022	2021
Sick leave benefits:		
Accrued benefit, beginning of year	\$ 8,867,700	\$ 8,788,400
Amortization of unamortized actuarial gains/losses and other	159,400	152,300
Service cost for the year	954,800	878,200
Interest expense for the year	256,200	310,100
Benefits paid during the year	(1,201,000)	(1,261,300)
<b>Accrued benefit liability and projected obligation, end of year</b>	<b>\$ 9,037,100</b>	<b>\$ 8,867,700</b>
Supplementary health benefits:		
Accrued benefit, beginning of year	\$ 12,005,700	\$ 9,399,200
Amortization of unamortized actuarial gains/losses and other	294,200	239,100
Service cost for the year	789,200	652,500
Plan amendments incurred in year	-	2,027,300
Interest expense for the year	391,800	463,400
Benefits paid during the year	(820,900)	(775,800)
<b>Accrued benefit liability and projected obligation, end of year</b>	<b>\$ 12,660,000</b>	<b>\$ 12,005,700</b>
WSIB Top-Up Income Plan benefits:		
Accrued benefit, beginning of year	\$ 1,834,200	\$ -
Service cost for the year	1,567,600	-
Plan amendments incurred in year	-	1,834,200
Interest expense for the year	70,100	-
Benefits paid during the year	(1,413,600)	-
<b>Accrued benefit liability and projected obligation, end of year</b>	<b>\$ 2,058,300</b>	<b>\$ 1,834,200</b>

A comprehensive actuarial valuation was completed as at December 31, 2021 by an actuarial firm. The next valuation date will be as at December 31, 2024. The main actuarial assumptions employed for the valuations are as follows:

- i) The discount rate for supplemental health benefits was assumed at 4.60% per annum for Accrued Benefit Obligation (2021 - 2.60%) and 2.60% per annum for the 2022 expense (2021 - 2.60%).
- ii) The discount rate for sick leave benefits was assumed at 4.60% per annum for Accrued Benefit Obligation (2021 - 2.60%) and 2.60% per annum for the 2022 expense (2021 - 2.60%).
- iii) Future general salary and wage levels were assumed to increase 3% per annum.
- iv) Health costs were assumed at 5.72% per annum for 2022, reducing to 3.86% by 2042.
- v) Dental costs were assumed to increase at 4% per annum.
- vi) The expected average remaining service life is 11 years for the supplemental health benefits and sick leave benefits. The expected average remaining service life is 2 years for the WSIB Top-Up Plan.

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 9. Solid waste landfill closure and post-closure care liability:

The City owns two solid waste landfill sites. The Merrick Landfill site ("Merrick") has been accepting waste since 1994. The Marsh Drive Landfill site ("Marsh") has been closed since the opening of Merrick. Environmental approvals for the operation of landfill sites require that the City accept responsibility for certain obligations regarding closure and post-closure care of each site.

Closure activities include all activities related to closing the landfill site. Through a proactive closure plan, many closure costs are incurred on an on-going basis and are included in the yearly fiscal operating budget. Taking this into consideration, it is assumed that this will result in minimal closure costs at the actual closure date with expenses being absorbed in the annual operating budget.

Post-closure activities include all activities related to monitoring the site once it can no longer accept waste. These costs are expected to last for an indeterminate time period, but at a minimum, would exceed 20 years.

There are currently no reserves set aside for either closure or post-closure activities. The Merrick site has remaining capacity of 976,199 cubic metres of waste and is estimated to have a remaining landfill life of approximately 16.14 years. The City recognizes a future liability for closure and post-closure care costs. Based on historical post closure costs for Marsh and an estimated annual inflation rate of 2%, an amount is estimated at December 31, 2022 for the current year post-closure liability of both sites in the amount of \$3,010,129 (2021 - \$2,838,821) and has been accrued in the consolidated financial statements. Based on a 35 year liability assumption, the total estimated future expenditures for post-closure of both Merrick and Marsh landfill is \$6,427,766 (2021 - \$6,326,549) of which \$3,417,637 (2021 - \$3,487,729) represents the amount of Merrick site future post-closure liability yet to be accrued.

## 10. Net long-term liabilities:

- a) The balance of net long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following:

	2022	2021
Debentures (i)	\$ 41,169,381	\$ 38,666,022
Term loans (ii)	5,757,409	6,473,794
Cassellholme redevelopment commitment (iii)	57,920,200	-
<b>Total net long-term liabilities (b)</b>	<b>\$ 104,846,990</b>	<b>\$ 45,139,816</b>

- (i) The debentures bear interest at rates of 1.44% to 4.22%, repayable in semi-annual principal payments of \$225,000 (2021 - \$225,000) and monthly principal payments of \$642,310 (2021 - \$622,075) plus interest, maturing in December 2023 to October 2032.
- (ii) The term loans bear interest at rates of 2.25% to 2.73%, repayable in monthly principal payments of \$59,699 (2021 - \$59,699) plus interest, maturing in December 2023 to February 2036.
- (iii) The City is a participating municipality of a northern joint municipal home, The Board of Management for the District of Nipissing East ("Cassellholme"), and is responsible for its share of funding in accordance with the Fixing Long-Term Care Act, 2021, S.O. 2021, c. 39, Sched. 1 (the "FLTCA"). During 2022, construction for the redevelopment and expansion of the existing 240-bed long-term care facility commenced and Cassellholme entered into a Financing Agreement with Ontario Infrastructure and Lands Corporation ("OILC") for the redevelopment project. In accordance with the FLTCA, the City will be responsible for its share of annual principal and interest payments incurred by Cassellholme upon completion of the project. Based on a municipal borrowing rate of 4.69% for a 30 year period, the present value of the expected payments commencing in 2026 is \$57,920,200.

During 2022, the City entered into a Guarantee and Postponement of Claims agreement with the Ontario Infrastructure and Lands Corporation ("OILC") for the redevelopment project. Under the terms of the agreement, the City is named as a joint guarantor in regards to a Financing Agreement between Cassellholme and OILC. In the event of default, the City's maximum liability is \$46.1 million being the maximum amount of principal owing plus any accrued interest.

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 10. Net long-term liabilities (continued):

(iv) Total 2022 principal payments for long-term liabilities totalled \$8,807,865 (2021 - \$13,846,002).

b) The aggregate maturities of the net long-term liabilities are as follows:

	2022
2023	\$ 8,874,102
2024	7,527,279
2025	6,912,280
2026	6,618,703
2027	5,801,875
2028 and thereafter	69,112,751
<b>Total net long-term liabilities</b>	<b>\$ 104,846,990</b>

	2022
The repayments are summarized as follows:	
From municipal revenues	\$ 87,748,716
From user fees	14,848,274
From reserve funds	2,250,000
<b>Total net long-term liabilities</b>	<b>\$ 104,846,990</b>

c) The long-term liabilities reported in 10(a)(i) and 10(a)(ii), as well as the guarantee reported in 10(a)(iii), issued in the name of the City, have been approved by municipal by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

## 11. Interest on long-term liabilities:

Total interest charges for the year on long-term liabilities reported in the Consolidated Statement of Operations and Accumulated Surplus are as follows:

	2022	2021
General government	\$ 10,582	\$ 13,899
Protection services	10,525	15,339
Transportation services	404,990	470,609
Engineering and environmental services	444,774	495,520
Recreation and cultural services	147,979	141,058
<b>Total interest payments</b>	<b>\$ 1,018,850</b>	<b>\$ 1,136,425</b>

Interest includes accruals on long-term liabilities outstanding in the amount of \$75,648 (2021 - \$51,770).

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 12. Accumulated surplus:

	2022	2021
Investment in tangible capital assets	\$ 551,745,805	\$ 547,650,345
General surplus	36,238,522	24,602,170
Reserve funds	64,387,533	55,624,896
Equity in government business enterprises	56,581,970	47,470,461
Amounts to be recovered:		
Post employment benefits and compensated absences	(23,755,400)	(22,707,600)
Landfill closure and post-closure liabilities	(3,010,129)	(2,838,821)
Net long-term liabilities	(104,846,990)	(45,139,816)
Accumulated surplus, end of year	\$ 577,341,311	\$ 604,661,635

## 13. Pension agreements:

The City makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer pension plan, on behalf of all permanent, full-time and qualifying part-time 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. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 559,000 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. On December 31, 2022, the total actuarial liabilities of \$130.3 million in respect of benefits accrued for service with actuarial assets at that date of \$123.6 million indicating an actuarial deficit of \$6.7 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The Municipality has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. As a result, the City does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the City to OMERS for 2022 were \$5,230,699 (2021 - \$5,292,019).

## 14. Commitments:

Through its normal course of operations, the City enters into long-term contracts for the purchase of goods and services and for the construction of capital projects for which completion is expected to occur beyond the current fiscal year. The future value of certain long-term contracts is unknown. Annually, the City includes estimated payments required for the upcoming year as part of its budget to ensure that sufficient funding is available for these contracts.

## 15. Contingent liabilities:

The City is subject to various litigation and claims arising in the normal course of its operations. The final outcome of the outstanding claims cannot be determined at this time. However, management believes that the ultimate disposition of these matters will not materially exceed the amounts recorded in the accounts. Any amendments to amounts accrued will be recorded once new information becomes available.

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 16. Liability for contaminated sites:

The City has a monitoring program in place to identify and assess contaminated sites on an ongoing basis to determine if remediation is required under legislation. The City's financial statements include a liability of \$548,685 (2021 - \$599,090) relating to contaminated site remediation costs. The liability for remediation costs is determined using management's best estimate of costs based on engineering and other professional reports, testing, anticipated timing of the future expenditures and recoveries. Due to the nature of this liability, including the assumptions inherent in its quantification, this amount may change in the future if additional or less costs are estimated, legislation changes occur, or timing of future expenditures change. Any changes to this liability will be recognized as an expense or recovery in the Consolidated Statement of Operations and Accumulated Surplus in the year they become known. This amount has been recorded as a liability at year end and has been included in accounts payable and accrued liabilities on the Consolidated Statement of Financial Position.

## 17. Public liability insurance:

For the period of 2004 to 2007, the City was insured with the Ontario Municipal Insurance Exchange ("OMEX"), an insurance reciprocal whose members pool their insurance coverage. As a member of a reciprocal, the City agreed to assume a certain percentage of the entire group's liabilities and losses for the period of time that the City was a member. In the event that an annual premium funding becomes insufficient to cover claims and claim reserves, the reciprocal has the ability to re-assess each member to appropriately fund the difference. As the claims for the above-noted period are settled, the City may either incur new liabilities or receive refunds.

## 18. Provincial Offences Act:

The Ministry of the Attorney General requires all municipal partners administering Provincial Offences Act ("POA") to disclose in the year-end audited consolidated financial statements a note on the gross and net provincial offences revenues earned. The table below is presented on an accrual basis of accounting whereas distributions to participating partners are done on a cash basis. The following table provides condensed financial information required by the terms in the Memorandum of Understanding ("MOU") for its 2022 fiscal year with comparative 2021 figures:

	2022	2021
Revenues (net of refunds)	\$ 875,620	\$ 1,304,616
Expenses: Provincial charges	127,146	98,400
Operating expenses	851,576	904,216
	978,722	1,002,616
Net revenue (loss)	\$ (103,102)	\$ 302,000

The City shares net revenues/losses with participating partners on a cash basis. In 2022, revenues were significantly lower resulting in an overall loss to all municipal partners. The City's portion of the loss was \$53,022 (City retained its share in 2021 - \$41,535) and recovered \$42,020 from participating partners (City transferred to participating partners in 2021 - \$32,917).

The City's Consolidated Statement of Operations and Accumulated Surplus includes an accrual for POA receivables in the amount of \$229,806 (2021 - \$279,886).

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## 19. Budget:

Budget data presented in these consolidated financial statements is based on the 2022 operating, water and sewer operating and capital budgets approved by Council. The chart below reconciles the approved net budget figure prepared on a cash basis with the budget figures presented in these consolidated financial statements. Budget figures have been reclassified for purposes of these consolidated financial statements to comply with PSAB reporting requirements.

	2022
Budget By-law for the year	\$ 94,827
Add: Debt principal repayments	9,369,866
Investment in tangible capital assets	44,105,377
Less: Amortization of tangible capital assets	(25,579,173)
Post employment benefits and compensated absences payable	(347,800)
Landfill closure and post-closure liabilities	(79,916)
Other transfers and adjustments	(296,080)
Debt proceeds	(11,500,000)
<b>Budget surplus per Consolidated Statement of Operations and Accumulated Surplus</b>	<b>\$ 15,767,101</b>



# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 20. Tangible capital assets:

	Land & Land Improvements	Buildings	Vehicles	Machinery & Equipment	Computer Hardware & Software	Roads	Water & Sewer	Bridges & Structures	Leasehold Improvements	Work in Process	2022 Total
Cost, beginning of year	\$ 124,226,226	\$ 162,584,237	\$ 39,793,939	\$ 111,523,746	\$ 7,988,295	\$ 288,735,379	\$ 241,299,230	\$ 52,066,241	\$ 1,851,577	\$ 12,066,820	\$ 1,042,135,690
Additions during the year	4,973,976	2,378,368	3,057,827	3,466,083	921,101	15,005,619	3,725,591	238,478	-	7,911,315	41,678,358
Disposals and transfers during the year	(405,103)	(315,871)	(800,446)	(906,598)	-	(4,479,375)	(259,570)	(21,960)	-	(8,362,542)	(15,551,465)
Cost, end of year	128,795,099	164,646,734	42,051,320	114,083,231	8,909,396	299,261,623	244,765,251	52,282,759	1,851,577	11,615,593	1,068,262,583
Accumulated amortization, beginning of year	65,033,596	56,465,053	24,858,906	71,349,353	7,165,677	163,703,218	89,797,661	15,602,699	509,182	-	494,485,345
Amortization expense	2,314,544	3,587,912	2,290,161	4,904,637	657,066	9,521,069	3,286,316	807,914	46,289	-	27,415,908
Disposals during the year	(352,244)	(259,813)	(705,325)	(853,483)	-	(3,075,632)	(121,289)	(16,689)	-	-	(5,384,475)
Accumulated amortization, end of year	66,995,896	59,793,152	26,443,742	75,400,507	7,822,743	170,148,655	92,962,688	16,393,924	555,471	-	516,516,778
Net book value, beginning of year	59,192,630	106,119,184	14,935,033	40,174,393	822,618	125,032,161	151,501,569	36,463,542	1,342,395	12,066,820	547,650,345
Net book value, end of year	\$ 61,799,203	\$ 104,853,582	\$ 15,607,578	\$ 38,682,724	\$ 1,086,653	\$ 129,112,968	\$ 151,802,563	\$ 35,888,835	\$ 1,296,106	\$ 11,615,593	\$ 551,745,805

	Land & Land Improvements	Buildings	Vehicles	Machinery & Equipment	Computer Hardware & Software	Roads	Water & Sewer	Bridges & Structures	Leasehold Improvements	Work in Process	2021 Total
Cost, beginning of year	\$ 123,105,169	\$ 159,541,168	\$ 38,999,448	\$ 106,993,393	\$ 7,402,583	\$ 275,869,673	\$ 234,412,550	\$ 49,751,837	\$ 1,851,577	\$ 28,107,419	\$ 1,026,034,817
Additions during the year	\$ 1,177,515	\$ 3,730,449	\$ 2,144,527	\$ 4,992,653	\$ 585,712	\$ 16,776,648	\$ 9,218,488	\$ 2,504,443	\$ -	\$ 8,209,892	\$ 49,340,327
Disposals and transfers during the year	\$ (56,458)	\$ (687,380)	\$ (1,350,036)	\$ (462,300)	\$ -	\$ (3,910,942)	\$ (2,331,808)	\$ (190,039)	\$ -	\$ (24,250,491)	\$ (33,239,454)
Cost, end of year	\$ 124,226,226	\$ 162,584,237	\$ 39,793,939	\$ 111,523,746	\$ 7,988,295	\$ 288,735,379	\$ 241,299,230	\$ 52,066,241	\$ 1,851,577	\$ 12,066,820	\$ 1,042,135,690
Accumulated amortization, beginning of year	\$ 62,972,368	\$ 53,135,220	\$ 23,767,466	\$ 66,713,981	\$ 6,604,286	\$ 157,273,536	\$ 87,533,137	\$ 14,952,237	\$ 462,893	\$ -	\$ 473,415,124
Amortization expense	\$ 2,083,810	\$ 3,537,489	\$ 2,222,404	\$ 5,038,792	\$ 561,391	\$ 9,155,860	\$ 3,240,323	\$ 805,027	\$ 46,289	\$ -	\$ 26,691,385
Disposals during the year	\$ (22,582)	\$ (207,656)	\$ (1,130,964)	\$ (403,420)	\$ -	\$ (2,726,178)	\$ (975,799)	\$ (154,565)	\$ -	\$ -	\$ (5,621,164)
Accumulated amortization, end of year	\$ 65,033,596	\$ 56,465,053	\$ 24,858,906	\$ 71,349,353	\$ 7,165,677	\$ 163,703,218	\$ 89,797,661	\$ 15,602,699	\$ 509,182	\$ -	\$ 494,485,345
Net book value, beginning of year	\$ 60,132,801	\$ 106,405,948	\$ 15,231,982	\$ 40,279,412	\$ 798,297	\$ 118,596,137	\$ 146,879,413	\$ 34,799,600	\$ 1,388,684	\$ 28,107,419	\$ 552,619,693
Net book value, end of year	\$ 59,192,630	\$ 106,119,184	\$ 14,935,033	\$ 40,174,393	\$ 822,618	\$ 125,032,161	\$ 151,501,569	\$ 36,463,542	\$ 1,342,395	\$ 12,066,820	\$ 547,650,345

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Financial Statements

Year ended December 31, 2022

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## 21. Segmented information:

For each reported segment, revenues and expenditures represent both amounts that are directly attributed to the segment, as well as amounts that are allocated to the segments on a reasonable basis. The accounting policies followed in the segments are consistent with the accounting policies followed in the preparation of these consolidated financial statements as disclosed in note 1. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

### a) General Government:

General Government consists of the Office of the Mayor, Council expenses, Administrative Services (including Clerks, Elections, Communications, Legal and Information Technology Services), Human Resources and Financial Services Departments. Areas within the General Government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

### b) Protection Services:

Protection Services is comprised of Fire, Police, contributions to the North Bay Mattawa Conservation Authority, contributions to the North Bay Humane Society, Building Services, Emergency Measures and management of Provincial Offences Act. Police services provides adequate and effective policing that meets the needs of the community in areas of crime prevention, law enforcement, assistance to victims of crime, public order and emergency response. Fire Protection includes fire suppression services, fire prevention programs, fire safety education, rescue and emergency services and the training of persons involved in the provision of these activities. Building Services processes permit applications and ensures compliance with the Ontario Building Code and with By-Laws enacted by Council.

### c) Transportation Services:

Transportation Services consists of year-round road maintenance, parking, traffic signals, street lighting, transit services and air transportation. Activities include the maintenance of roadsides defined as sidewalks and walkways. This service is responsible for the operational integrity of the roadway system through year-round surface maintenance and winter maintenance. The parking department provides and manages public parking both on and off street and ensures that available parking spaces are shared between both long and short-term parkers to allow the greatest possible access for visitors to the central business district. Traffic signal services provide the planning, design, operation and maintenance of the City's street lights and traffic signal networks. Public transit is responsible for the operation of a public transportation system including the maintenance and repairs of the fleet of transit buses. This section also includes the revenues and expenses of the Airport.

### d) Engineering and Environmental Services:

Environmental Services consists of water supply and distribution, wastewater treatment, storm sewer systems, waste collection, waste disposal and recycling. This division ensures the supply and quality of the City's drinking water, processes and cleans wastewater to meet all Provincial standards and provides waste disposal and recycling services.

### e) Community Services:

The City provides transfer payments to public health services to improve the overall health of the population by providing various services to individuals and the community. Social and family services provides services that are meant to help the less fortunate in society and support Cassellholme. Social housing is provided to help shelter families and elderly in need. Childcare funding is provided to subsidize daycares and to provide early learning programs. The ambulance service transports the injured to the hospital and provides emergency medical care to those in need.

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Financial Statements

Year ended December 31, 2022

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## 21. Segmented information (continued):

### f) Recreation and Cultural Services:

Recreation and Cultural Services includes parks services, recreational programs, recreation facilities, the library, and other cultural services and activities. Parks and recreation services develop and deliver high-quality recreational programs, and develop and maintain recreational facilities, parks and sports fields to ensure all residents have the opportunity to enjoy a healthy lifestyle. Cultural services invest in local non-profit organizations that deliver services on behalf of the City. Library services provide library services to the citizens. Recreational and cultural programs include festivals and various community events.

### g) Planning and Development:

Planning and Development includes planning and economic development departments, Invest North Bay and the DIA. The planning department is responsible for the planning and review of property development plans and the City's future direction. Economic development generates opportunities in the community to strengthen the economic base of the City.

# CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

## 21. Segmented information (continued):

	General Government	Protection	Transportation	Engineering & Environmental	Community Services	Recreation & Cultural	Planning & Development	Unallocated	2022 Total
<b>Revenues:</b>									
Property taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,373,884	\$ 97,373,884
Taxation from other governments	-	-	-	-	-	-	-	3,981,766	3,981,766
User charges	328,602	292,535	4,345,050	26,730,619	-	1,660,634	85,387	-	33,442,827
Government transfers and grants	18,014	1,148,185	16,454,724	1,900,333	-	429,907	57,239	10,353,400	30,361,802
License, permits fees and rents	654,177	950,449	333	-	-	478,179	23,184	-	2,106,322
Investment income	2,396,717	-	39,638	-	-	-	-	-	2,436,355
Provincial Offences Act	-	875,620	-	-	-	-	-	-	875,620
Other	3,789,628	803,991	464,333	1,739,264	-	418,307	12,993	-	7,228,516
Equity loss in government business enterprises	-	-	-	-	-	-	-	10,144,524	10,144,524
	7,187,138	4,070,780	21,304,078	30,370,216	-	2,987,027	178,803	121,853,574	187,951,616
<b>Expenses:</b>									
Salary and benefits	5,139,627	37,320,092	10,977,231	9,046,470	-	7,105,098	1,861,492	-	71,450,010
Materials	944,404	2,589,540	6,745,981	8,217,926	53,778	3,566,331	306,998	-	22,424,958
Contracted services	999,890	2,192,928	3,216,187	4,547,188	-	1,149,412	175,780	-	12,281,385
Rents and financial	236,916	192,058	211,167	331,301	-	75,684	8,185	-	1,055,311
External transfers	75,424	1,369,302	-	-	17,471,818	734,188	795,999	-	20,446,731
Loss/ (gain) on disposal	(365,908)	(50,227)	1,413,726	184,338	-	76,658	-	-	1,258,587
Interest	10,582	10,525	404,990	444,774	-	147,979	-	-	1,018,850
Amortization of tangible capital assets	903,825	1,032,003	14,930,357	7,869,668	-	2,668,129	11,926	-	27,415,908
	7,944,760	44,656,221	37,899,639	30,641,665	17,525,596	15,523,479	3,160,380	-	157,351,740
Annual surplus (deficit) before undemoted item	(757,622)	(40,585,441)	(16,595,561)	(271,449)	(17,525,596)	(12,536,452)	(2,981,577)	121,853,574	30,599,876
Cassellholme redevelopment commitment					(57,920,200)			-	(57,920,200)
<b>Annual surplus (deficit)</b>	<b>\$ (757,622)</b>	<b>\$ (40,585,441)</b>	<b>\$ (16,595,561)</b>	<b>\$ (271,449)</b>	<b>\$ (75,445,796)</b>	<b>\$ (12,536,452)</b>	<b>\$ (2,981,577)</b>	<b>\$ 121,853,574</b>	<b>\$ (27,320,324)</b>

	General Government	Protection	Transportation	Engineering & Environmental	Community Services	Recreation & Cultural	Planning & Development	Unallocated	2021 Total
<b>Revenue:</b>									
Property taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,854,187	\$ 91,854,187
Taxation from other governments	-	-	-	-	-	-	-	3,835,133	3,835,133
User charges	261,245	362,743	4,504,137	26,263,902	-	862,540	146,854	-	32,401,421
Government transfers and grants	363,897	1,741,774	7,189,081	735,771	-	1,619,278	15,838	10,094,200	21,759,839
License, permits fees and rents	616,953	849,623	2,022	-	-	306,695	31,911	-	1,807,204
Investment income	1,153,083	-	9,964	-	-	-	-	-	1,163,047
Provincial Offences Act	-	1,304,616	-	-	-	-	-	-	1,304,616
Other	2,523,437	417,107	652,048	1,550,509	-	214,712	9,780	-	5,367,593
Equity loss in government business enterprises	-	-	-	-	-	-	-	6,676,054	6,676,054
	4,918,615	4,675,863	12,357,252	28,550,182	-	3,003,225	204,383	112,459,574	166,169,094
<b>Expenses:</b>									
Salary and benefits	4,695,474	39,642,592	11,173,165	8,081,731	-	7,025,182	1,655,349	-	72,273,493
Materials	1,025,374	2,266,048	6,753,888	5,173,549	26,514	3,373,437	580,475	-	19,199,285
Contracted services	931,766	2,165,604	2,323,367	5,213,061	-	940,453	126,034	-	11,700,285
Rents and financial	33,563	80,020	175,079	239,169	-	59,421	7,389	-	594,641
External transfers	233,150	1,455,456	-	-	17,025,601	679,305	519,640	-	19,913,152
Loss/ (gain) on disposal	(34,874)	(450)	1,371,881	1,817,912	-	62,563	-	-	3,217,032
Interest	13,899	15,339	470,609	495,520	-	141,058	-	-	1,136,425
Amortization of tangible capital assets	860,841	1,109,905	14,358,511	7,726,046	-	2,621,782	14,300	-	26,691,385
	7,759,193	46,734,514	36,626,500	28,746,988	17,052,115	14,903,201	2,903,187	-	154,725,698
<b>Annual surplus (deficit)</b>	<b>\$ (2,840,578)</b>	<b>\$ (42,058,651)</b>	<b>\$ (24,269,248)</b>	<b>\$ (196,806)</b>	<b>\$ (17,052,115)</b>	<b>\$ (11,899,976)</b>	<b>\$ (2,698,804)</b>	<b>\$ 112,459,574</b>	<b>\$ 11,443,396</b>

# THE CORPORATION OF THE CITY OF NORTH BAY

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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## 22. Credit facility agreement:

The City has a credit facility agreement with a Canadian Financial Institution bearing interest at the bank's prime rate less 0.85%. The maximum draw under the terms of the operating line is \$12 million. At year-end the City has not utilized any amount under this credit facility (2021 - \$nil).

## 23. Change in non-cash working capital:

	2022	2021
Decrease (increase) in taxes receivable	\$ 2,235,127	\$ (1,293,901)
Decrease (increase) in accounts receivable	(3,318,215)	756,992
Increase in other financial assets	(1,254,184)	(40,085)
Increase (decrease) in accounts payable and accrued liabilities	1,034,464	(210,206)
Increase (decrease) in deferred revenue	439,706	(80,340)
Increase in obligatory reserve fund	3,656,448	6,745,966
Increase in other non-financial assets	(81,805)	(509,594)
	<hr/>	<hr/>
	\$ 2,711,541	\$ 5,368,832

## 24. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year. The changes do not affect prior annual surplus.