

**CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE**

**CONSOLIDATED FINANCIAL STATEMENTS**

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## CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

For The Year Ended December 31, 2021

### MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Oro-Medonte are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Oro-Medonte. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Baker Tilly KDN LLP has full and free access to Council.



Mayor



Chief Financial Officer /  
Treasurer

November 9, 2022

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Township of Oro-Medonte**

#### *Opinion*

We have audited the consolidated financial statements of the Corporation of the Township of Oro-Medonte (the Township), which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2021, and the results of its consolidated operations 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 Consolidated Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Township to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
January 27, 2023



# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021 \$	2020 \$ Restated (Note 2)
<b>FINANCIAL ASSETS</b>		
Cash (note 3)	26,413,897	16,279,170
Investments (note 4)	10,257,999	10,041,916
Trade and other receivable	3,092,278	3,210,170
Taxes receivable	4,076,526	5,600,324
<b>TOTAL FINANCIAL ASSETS</b>	<b>43,840,700</b>	<b>35,131,580</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	10,017,329	9,753,423
Deferred revenue - obligatory reserve funds (note 7)	7,995,867	5,647,359
Deferred revenue - other	294,397	265,616
Long term debt (note 10)	12,818,858	7,504,790
Employee future benefits payable (note 8)	282,882	235,904
<b>TOTAL LIABILITIES</b>	<b>31,409,333</b>	<b>23,407,092</b>
<b>NET FINANCIAL ASSETS</b>	<b>12,431,367</b>	<b>11,724,488</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 9)	89,903,007	86,609,302
Other current assets	480,949	404,571
Prepaid expenses	442,687	331,934
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>90,826,643</b>	<b>87,345,807</b>
<b>ACCUMULATED SURPLUS (note 11)</b>	<b>103,258,010</b>	<b>99,070,295</b>

The accompanying notes are an integral part of these financial statements



# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2021

	Budget 2021 \$  (Unaudited)	Actual 2021 \$	Actual 2020 \$ Restated (Note 2)
<b>REVENUES</b>			
Property taxation	23,031,181	22,217,777	22,071,567
User charges	4,884,581	5,441,798	5,310,544
Government of Canada	125,000	125,000	-
Province of Ontario	2,112,539	2,528,328	2,284,010
Other municipalities	70,500	63,504	88,443
Penalties and interest on taxes	530,000	632,477	611,021
Investment income	432,149	347,956	379,393
Developer contributions earned	3,027,746	556,153	373,849
Parkland fees earned	440,380	31,453	2,500
Federal gas tax earned	1,100,000	947,872	1,013,000
Gain/(loss) on disposal of tangible capital assets	600,000	63,265	1,403,310
<b>TOTAL REVENUES</b>	<b>36,354,076</b>	<b>32,955,583</b>	<b>33,537,637</b>
<b>EXPENSES</b>			
General government	5,922,689	6,151,980	4,929,243
Protection services	7,647,842	7,233,795	6,876,082
Transportation services	9,447,499	9,362,676	8,313,216
Environmental services	3,070,405	2,368,675	3,138,376
Recreation and cultural services	2,793,854	2,348,886	2,107,404
Planning and development	1,190,512	1,301,856	960,473
<b>TOTAL EXPENSES</b>	<b>30,072,801</b>	<b>28,767,868</b>	<b>26,324,794</b>
<b>ANNUAL SURPLUS</b>	<b><u>6,281,275</u></b>	<b>4,187,715</b>	<b>7,212,843</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>99,070,295</b>	<b>91,857,452</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>103,258,010</b>	<b>99,070,295</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2021

	Budget 2021 \$  (Unaudited)	Actual 2021 \$	Actual 2020 \$ Restated (Note 2)
<b>ANNUAL SURPLUS</b>	6,281,275	4,187,715	7,212,843
Amortization of tangible capital assets	4,551,795	5,073,924	4,605,111
Purchase of tangible capital assets	(16,671,003)	(8,508,348)	(7,279,606)
Gain on disposal of tangible capital assets	(600,000)	(63,265)	(1,403,310)
Proceeds on sale of tangible capital assets	600,000	203,984	2,234,713
Change in other current assets	-	(76,378)	18,352
Change in prepaid expenses	-	(110,753)	(44,160)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(5,837,933)	706,879	5,343,943
<b>NET FINANCIAL ASSETS - beginning of year</b>	11,724,488	11,724,488	6,380,545
<b>NET FINANCIAL ASSETS - end of year</b>	5,886,555	12,431,367	11,724,488

The accompanying notes are an integral part of these financial statements



# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021

	2021 \$	2020 \$ Restated (Note 2)
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	4,187,715	7,212,843
Items not involving cash		
Amortization of tangible capital assets	5,073,924	4,605,111
Gain on disposal of tangible capital assets	(63,265)	(1,403,310)
Change in employee future benefits payable	46,978	(7,974)
Change in non-cash assets and liabilities		
Trade and other receivable	117,892	(571,671)
Taxes receivable	1,523,798	(384,507)
Other current assets	(76,378)	18,352
Prepaid expenses	(110,753)	(44,160)
Accounts payable and accrued liabilities	263,906	(1,554,974)
Deferred revenue - obligatory reserve funds	2,348,508	1,582,683
Deferred revenue - other	28,781	265,616
<b>Net change in cash from operating activities</b>	<b>13,341,106</b>	<b>9,718,009</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(8,508,348)	(7,279,606)
Proceeds on disposal of tangible capital assets	203,984	2,234,713
<b>Net change in cash from capital activities</b>	<b>(8,304,364)</b>	<b>(5,044,893)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(216,083)	(1,069,136)
Proceeds from matured investments	-	652,137
<b>Net change in cash from investing activities</b>	<b>(216,083)</b>	<b>(416,999)</b>
<b>FINANCING ACTIVITIES</b>		
Long term debt issued	6,500,000	-
Debt principal repayments	(1,185,932)	(1,141,642)
<b>Net change in cash from financing activities</b>	<b>5,314,068</b>	<b>(1,141,642)</b>
<b>NET CHANGE IN CASH</b>	<b>10,134,727</b>	<b>3,114,475</b>
<b>CASH - beginning of year</b>	<b>16,279,170</b>	<b>13,164,695</b>
<b>CASH - end of year</b>	<b>26,413,897</b>	<b>16,279,170</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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The Township of Oro-Medonte is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the Township of Oro-Medonte.

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	10-60 years
Buildings	15-85 years
Vehicles	3-40 years
Equipment	5-40 years
Infrastructure	6-100 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (c) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

#### Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

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

#### Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

#### Other Revenue

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

Investment income is recorded when earned.

Federal gas tax, development charges and parkland fees are recognized in the period in which the related expenditures are recorded.

#### (d) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

#### (e) Reserves and Reserve Funds

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

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(g) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values;
- The values of employee future benefit obligations and the amount of employee future benefits charged to operations depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

### 2. RESTATEMENT OF PRIOR PERIOD

The Township has restated its 2020 financial statements to correct for tangible capital assets removed in error. Adjustments necessary to the 2020 financial information as a result of the change are as follows:

#### Adjustment to 2020 Tangible Capital Assets

2020 assets as previously stated	\$ 84,841,302
Land disposals previously overstated	<u>1,768,000</u>
Closing 2020 and opening 2021 net book value of tangible capital assets as restated	<u>\$ 86,609,302</u>

#### Adjustment to Opening 2021 Accumulated Surplus

Accumulated surplus as previously stated	
Current fund	\$ 2,129,712
Capital fund	76,571,512
Reserves and reserve funds	<u>18,601,071</u>
	97,302,295
Land disposals previously overstated	<u>1,768,000</u>
Opening 2021 accumulated surplus as restated	<u>\$ 99,070,295</u>

#### Adjustment to 2020 Annual Surplus

2020 annual surplus as previously stated	\$ 5,444,843
Gain on disposals of tangible capital assets previously understated	<u>1,768,000</u>
2020 annual surplus as restated	<u>\$ 7,212,843</u>

### 3. CASH

Cash consists of the following:

	2021	2020
	\$	\$
Unrestricted	22,291,608	10,631,811
Restricted	4,122,289	5,647,359
	<u>26,413,897</u>	<u>16,279,170</u>

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 4. INVESTMENTS

Investments, stated at cost, consist of the following:

	2021	2020
	\$	\$
RBC Dominion Securities	10,257,999	10,041,916

Investments consist of cash and fixed income GICs maturing between 2022 and 2026 earning interest at 1.190% to 4.859% per annum. Investments are recorded at cost which approximates fair market value.

### 5. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2021, requisitions were made by the County of Simcoe and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Amounts requisitioned and remitted	9,504,029	14,038,029

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

### 6. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2021 \$	Actual 2021 \$	Actual 2020 \$
	(Unaudited)		Restated (Note 2)
Salaries and benefits	12,928,536	12,037,016	11,162,825
Interest charges	308,749	333,448	264,429
Materials	6,219,126	5,561,033	5,050,131
Contracted services	5,607,723	5,324,374	4,807,432
External transfers	456,872	438,073	434,865
Amortization	4,551,795	5,073,924	4,605,112
	30,072,801	28,767,868	26,324,794

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 7. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2021	2020
	\$	\$
Development charges	4,855,966	3,224,185
Parkland	1,123,929	1,064,918
Main Street Revitalization	1,988	1,947
Federal gas tax	809,208	442,543
Building Code Act	1,204,776	913,766
	<b>7,995,867</b>	<b>5,647,359</b>

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2021	2020
	\$	\$
Balance - beginning of year	5,647,359	4,064,676
Add amounts received:		
Development charges	2,187,934	1,371,563
Parkland	90,464	864,993
Main Street Revitalization	40	2,164
Federal gas tax	1,314,537	648,339
Building Code Act	291,011	130,765
	<b>3,883,986</b>	<b>3,017,824</b>
Less transfer to operations:		
Development charges	556,153	373,849
Parkland	31,453	2,500
Main Street Revitalization	-	45,792
Federal gas tax	947,872	1,013,000
	<b>1,535,478</b>	<b>1,435,141</b>
Balance - end of year	<b>7,995,867</b>	<b>5,647,359</b>



# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 8. EMPLOYEE FUTURE BENEFITS PAYABLE

The Township pays certain post-retirement benefits for extended health benefits on behalf of its retired employees. The Township recognizes these post-retirement costs in the period in which the employees rendered the services. The accrued benefit obligation and the net periodic benefit cost were determined using a discount rate of 3.0%. The accrued benefit obligation at December 31, 2021 of \$282,882 (2020 - \$235,904) and the net periodic benefit cost were determined by management and extrapolated to 2043. Actuarial valuations will be prepared when there are significant changes to the workforce.

### 9. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2021	2020 Restated (Note 2)
	\$	\$
General		
Land	10,201,289	10,213,283
Land improvements	644,014	763,134
Buildings	11,182,417	11,420,371
Vehicles	6,453,253	6,234,015
Equipment	5,768,055	5,962,824
Infrastructure		
Infrastructure	52,306,599	50,977,727
	86,555,627	85,571,354
Assets under construction	3,347,380	1,037,948
	89,903,007	86,609,302

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2020 - \$Nil) and no interest capitalized (2020 - \$Nil).

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 10. LONG TERM DEBT

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

	2021	2020
	\$	\$
OIPC debenture, interest of 1.91%, repayable in blended semi-annual payments of \$358,570 to 2031	6,203,504	-
OILC debenture, interest of 2.81%, repayable in blended semi-annual payments of \$106,748 to 2021	-	209,080
OILC debenture, interest of 2.74%, repayable in blended semi-annual payments of \$158,131 to 2024	904,902	1,190,486
OILC debenture, interest of 2.54%, repayable in blended semi-annual payments of \$59,458 to 2026	555,074	657,927
OILC debenture, interest of 2.76%, repayable in blended semi-annual payments of \$63,315 to 2027	695,799	801,041
OILC debenture, interest of 3.64%, repayable in blended semi-annual payments of \$177,058 to 2038	4,459,579	4,646,256
	<u>12,818,858</u>	<u>7,504,790</u>

- (b) The long term debt in (a) issued in the name of the Township have been approved by 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.
- (c) The Township acts as a collection agency for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2021 is \$144,751 (2020 - \$57,420). These loans and the related repayments are not reported on the Consolidated Statements of Financial Position, Operations and Accumulated Surplus Change in Net Financial Assets and Cash Flows.
- (d) Interest paid during the year on long term debt amounted to \$333,448 (2020 - \$264,429).

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 10. LONG TERM DEBT, continued

(e) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2022	1,302,157	330,906	1,633,063
2023	1,334,608	298,455	1,633,063
2024	1,367,917	265,146	1,633,063
2025	1,083,681	233,120	1,316,801
2026	1,109,996	206,806	1,316,802
2027 and subsequent years	6,620,499	982,655	7,603,154
	<b>12,818,858</b>	<b>2,317,088</b>	<b>15,135,946</b>

### 11. ACCUMULATED SURPLUS

	2021 \$	2020 Restated (Note 2) \$
<b>Surplus/(Deficit)</b>		
Township	6,151,680	2,365,616
Unfunded employee future benefits	(282,882)	(235,904)
	<b>5,868,798</b>	<b>2,129,712</b>
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	89,903,007	86,609,302
Long term debt	(12,818,858)	(7,504,790)
Unfunded capital	-	(765,000)
	<b>77,084,149</b>	<b>78,339,512</b>
<b>Surplus</b>	<b>82,952,947</b>	<b>80,469,224</b>
<b>Reserves</b>		
Insurance	936,822	742,179
Water systems	6,491,180	5,910,722
Community halls	75,188	39,495
Acquisition of capital assets	7,470,792	6,543,103
Working funds	5,331,081	5,365,572
<b>Total Reserves</b>	<b>20,305,063</b>	<b>18,601,071</b>
	<b>103,258,010</b>	<b>99,070,295</b>

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 12. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 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. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2021 were \$805,648 (2020 - \$751,458).

### 13. BUDGET FIGURES

The budget, approved by the Township, for 2021 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

### 14. CONTINGENCIES

The Township, in the course of its operations, is often named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

During 1991, the County of Simcoe assumed the waste management of the Township pursuant to provincial legislation. In connection therewith, the Township transferred the property and related assets utilized in its waste management activities to the County. The legislation provides for financial adjustments to be made between the Township and County with respect to the transfer of these activities, the property and related assets. Settlements were reached for the related assets in prior years. Negotiations remain unresolved and indeterminate regarding the landfill sites and gravel pit property. Settlements will be reflected in the periods in which the settlements occur.

### 15. GOVERNMENT PARTNERSHIP

The Township of Oro-Medonte is one of eight partner municipalities in the Severn Sound watershed supporting the Severn Sound Environmental Association (SSEA). The Township of Oro-Medonte's pro-rata share of the accumulated surplus of SSEA for 2021 of \$89,135 (2020 - \$53,910) has not been consolidated in the financial statements. In 2021, the Township contributed \$99,369 (2020 - \$91,322) to the SSEA and this is reported in the protection services expenses on the Consolidated Statement of Operations and Accumulated Surplus.

### 16. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation. The restatement did not affect the prior year annual surplus.

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 17. SEGMENTED INFORMATION

The Township of Oro-Medonte is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

#### **General Government**

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

#### **Protection Services**

Protection services include police, fire, conservation authority and protective inspection and control.

#### **Transportation Services**

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

#### **Environmental Services**

The environmental function is responsible for providing stormwater, communal tile beds, water and wastewater services.

#### **Recreation and Cultural Services**

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

#### **Planning and Development**

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

### 18. MUNICIPAL SERVICE CORPORATIONS

Pursuant to Ontario regulation 599/06 of the Municipal Act, 2001, the Township incorporated two new municipal service corporations: Oro-Medonte Holdings Corp. and Oro-Medonte Utilities Corp. on January 1, 2020. The corporations are currently inactive in contemplation of transfer of assets related to Environmental Services in 2023. The new corporations will be responsible for the ownership, operation, maintenance and funding of the Township's drinking water, streetlights, stormwater management, communal tile beds and wastewater services.

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 19. UNCERTAINTY CAUSED BY COVID-19

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

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2021 (Restated - Note 2)

	General					Infrastructure	Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Vehicles	Equipment	Infrastructure		
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Restated balance, beginning of year	10,213,283	2,161,719	16,291,089	11,275,547	10,344,458	97,309,711	1,037,948	148,633,755
Add: additions during the year	-	14,291	152,519	1,214,342	297,981	4,519,783	2,309,432	8,508,348
Less: disposals during the year	11,994	-	-	375,873	-	6,540	-	394,407
Balance, end of year	10,201,289	2,176,010	16,443,608	12,114,016	10,642,439	101,822,954	3,347,380	156,747,696
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	1,398,585	4,870,718	5,041,532	4,381,634	46,331,984	-	62,024,453
Add: additions during the year	-	133,411	390,473	872,919	492,750	3,184,371	-	5,073,924
Less: disposals during the year	-	-	-	253,688	-	-	-	253,688
Balance, end of year	-	1,531,996	5,261,191	5,660,763	4,874,384	49,516,355	-	66,844,689
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	10,201,289	644,014	11,182,417	6,453,253	5,768,055	52,306,599	3,347,380	89,903,007



# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>							
Property taxation	2,428,254	11,156,192	5,053,526	119,621	2,346,568	1,113,616	22,217,777
User charges	243,413	1,438,594	276,530	3,013,325	223,489	246,447	5,441,798
Government transfers - operating	1,960,081	8,647	-	-	154,702	-	2,123,430
Government transfers - capital	-	-	529,898	-	-	-	529,898
Other municipalities	-	18,502	-	-	10,002	35,000	63,504
Penalties and interest on taxes	632,477	-	-	-	-	-	632,477
Investment income	305,947	-	-	42,009	-	-	347,956
Developer contributions earned	-	-	461,683	-	94,470	-	556,153
Parkland fees earned	-	-	-	-	31,453	-	31,453
Federal gas tax earned	-	-	947,872	-	-	-	947,872
Gain/(loss) on disposal of tangible capital assets	34,435	24,835	3,995	-	-	-	63,265
<b>Total revenues</b>	<b>5,604,607</b>	<b>12,646,770</b>	<b>7,273,504</b>	<b>3,174,955</b>	<b>2,860,684</b>	<b>1,395,063</b>	<b>32,955,583</b>
<b>Expenses</b>							
Salaries and benefits	3,157,532	2,668,541	3,020,503	1,140,802	1,031,795	1,017,843	12,037,016
Interest charges	-	-	135,332	167,440	30,676	-	333,448
Materials	1,766,278	743,083	1,662,612	694,783	665,094	29,183	5,561,033
Contracted services	1,106,627	3,042,159	669,926	57,494	193,338	254,830	5,324,374
External transfers	103,915	334,158	-	-	-	-	438,073
Amortization	133,423	347,069	3,874,303	291,146	427,983	-	5,073,924
Internal transfers	(115,795)	98,785	-	17,010	-	-	-
<b>Total expenses</b>	<b>6,151,980</b>	<b>7,233,795</b>	<b>9,362,676</b>	<b>2,368,675</b>	<b>2,348,886</b>	<b>1,301,856</b>	<b>28,767,868</b>
<b>Net surplus/(deficit)</b>	<b>(547,373)</b>	<b>5,412,975</b>	<b>(2,089,172)</b>	<b>806,280</b>	<b>511,798</b>	<b>93,207</b>	<b>4,187,715</b>

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2020 (Restated - Note 2)

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>							
Property taxation	5,079,461	4,632,029	5,297,176	2,427,872	1,765,725	2,869,304	22,071,567
User charges	177,552	1,327,415	376,187	2,950,890	271,941	206,559	5,310,544
Government transfers - operating	1,686,391	23,555	-	-	29,702	45,792	1,785,440
Government transfers - capital	-	-	498,570	-	-	-	498,570
Other municipalities	-	60,050	-	-	-	28,393	88,443
Penalties and interest on taxes	611,021	-	-	-	-	-	611,021
Investment income	315,044	-	-	64,349	-	-	379,393
Developer contributions earned	-	134,961	161,259	-	77,629	-	373,849
Parkland fees earned	-	-	-	-	2,500	-	2,500
Federal gas tax earned	-	-	1,013,000	-	-	-	1,013,000
Gain/(loss) on disposal of tangible capital assets	1,394,368	(7,461)	30,253	-	(13,850)	-	1,403,310
<b>Total revenues</b>	<b>9,263,837</b>	<b>6,170,549</b>	<b>7,376,445</b>	<b>5,443,111</b>	<b>2,133,647</b>	<b>3,150,048</b>	<b>33,537,637</b>
<b>Expenses</b>							
Salaries and benefits	2,854,289	2,472,698	2,736,299	1,201,361	964,623	933,555	11,162,825
Interest charges	-	-	264,429	-	-	-	264,429
Materials	1,074,247	684,933	1,496,566	1,244,070	522,720	27,595	5,050,131
Contracted services	823,505	3,027,449	622,368	69,715	265,072	(677)	4,807,432
External transfers	110,398	324,467	-	-	-	-	434,865
Amortization	129,030	314,809	3,193,554	612,730	354,989	-	4,605,112
Internal transfers	(62,226)	51,726	-	10,500	-	-	-
<b>Total expenses</b>	<b>4,929,243</b>	<b>6,876,082</b>	<b>8,313,216</b>	<b>3,138,376</b>	<b>2,107,404</b>	<b>960,473</b>	<b>26,324,794</b>
<b>Net surplus/(deficit)</b>	<b>4,334,594</b>	<b>(705,533)</b>	<b>(936,771)</b>	<b>2,304,735</b>	<b>26,243</b>	<b>2,189,575</b>	<b>7,212,843</b>