

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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## CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

For The Year Ended December 31, 2022

### 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.

 

December 13, 2023

Mayor

Chief Financial Officer /  
Treasurer

**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, 2022, 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, 2022, 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 5, 2024



# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022	2021
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	25,840,665	26,413,897
Investments (note 3)	10,445,435	10,257,999
Trade and other receivable	5,287,058	3,092,278
Taxes receivable	4,473,468	4,076,526
<b>TOTAL FINANCIAL ASSETS</b>	<b>46,046,626</b>	<b>43,840,700</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	11,726,866	10,017,329
Deferred revenue - obligatory reserve funds (note 6)	7,061,150	7,995,867
Deferred revenue - other	215,037	294,397
Long term debt (note 8)	13,116,701	12,818,858
Employee future benefits payable (note 7)	237,000	282,882
<b>TOTAL LIABILITIES</b>	<b>32,356,754</b>	<b>31,409,333</b>
<b>NET FINANCIAL ASSETS</b>	<b>13,689,872</b>	<b>12,431,367</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 9)	95,128,885	89,903,007
Other current assets	465,705	480,949
Prepaid expenses	409,382	442,687
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>96,003,972</b>	<b>90,826,643</b>
<b>ACCUMULATED SURPLUS (note 10)</b>	<b>109,693,844</b>	<b>103,258,010</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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>REVENUES</b>			
Property taxation	24,668,206	24,158,412	22,217,777
User charges	5,762,546	6,039,114	5,441,798
Government of Canada	50,000	112,644	125,000
Province of Ontario	2,100,065	2,418,073	2,528,328
Other municipalities	40,500	265,750	63,504
Penalties and interest on taxes	610,000	471,445	632,477
Investment income	370,000	709,570	347,956
Donations	-	225,000	-
Developer contributions earned	6,580,896	1,584,702	556,153
Parkland fees earned	436,700	300,676	31,453
Canada Community-Building Fund earned	667,000	949,456	947,872
Gain/(loss) on disposal of tangible capital assets	600,000	-	63,265
<b>TOTAL REVENUES</b>	<b>41,885,913</b>	<b>37,234,842</b>	<b>32,955,583</b>
<b>EXPENSES</b>			
General government	6,983,194	6,584,501	6,151,977
Protection services	8,359,935	7,443,263	7,233,795
Transportation services	10,773,064	9,683,884	9,351,925
Environmental services	2,758,994	3,208,968	2,375,674
Recreation and cultural services	2,829,557	2,489,923	2,352,641
Planning and development	1,510,588	1,388,469	1,301,856
<b>TOTAL EXPENSES</b>	<b>33,215,332</b>	<b>30,799,008</b>	<b>28,767,868</b>
<b>ANNUAL SURPLUS</b>	<b><u>8,670,581</u></b>	<b>6,435,834</b>	<b>4,187,715</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>103,258,010</b>	<b>99,070,295</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>109,693,844</b>	<b>103,258,010</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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>ANNUAL SURPLUS</b>	8,670,581	6,435,834	4,187,715
Amortization of tangible capital assets	5,073,923	5,365,005	5,073,924
Purchase of tangible capital assets	(24,201,590)	(11,082,536)	(8,508,348)
Loss/(gain) on disposal of tangible capital assets	(600,000)	483,222	(63,265)
Proceeds on sale of tangible capital assets	600,000	8,431	203,984
Change in other current assets	-	15,244	(76,378)
Change in prepaid expenses	-	33,305	(110,753)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(10,457,086)	1,258,505	706,879
<b>NET FINANCIAL ASSETS - beginning of year</b>	12,431,367	12,431,367	11,724,488
<b>NET FINANCIAL ASSETS - end of year</b>	1,974,281	13,689,872	12,431,367

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, 2022

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	6,435,834	4,187,715
Items not involving cash		
Amortization of tangible capital assets	5,365,005	5,073,924
Loss/(gain) on disposal of tangible capital assets	483,222	(63,265)
Change in employee future benefits payable	(45,882)	46,978
Change in non-cash assets and liabilities		
Trade and other receivable	(2,194,780)	117,892
Taxes receivable	(396,942)	1,523,798
Other current assets	15,244	(76,378)
Prepaid expenses	33,305	(110,753)
Accounts payable and accrued liabilities	1,709,537	263,906
Deferred revenue - obligatory reserve funds	(934,717)	2,348,508
Deferred revenue - other	(79,360)	28,781
<b>Net change in cash from operating activities</b>	<b>10,390,466</b>	<b>13,341,106</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(11,082,536)	(8,508,348)
Proceeds on disposal of tangible capital assets	8,431	203,984
<b>Net change in cash from capital activities</b>	<b>(11,074,105)</b>	<b>(8,304,364)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(187,436)	(216,083)
<b>FINANCING ACTIVITIES</b>		
Long term debt issued	1,600,000	6,500,000
Debt principal repayments	(1,302,157)	(1,185,932)
<b>Net change in cash from financing activities</b>	<b>297,843</b>	<b>5,314,068</b>
<b>NET CHANGE IN CASH</b>	<b>(573,232)</b>	<b>10,134,727</b>
<b>CASH - beginning of year</b>	<b>26,413,897</b>	<b>16,279,170</b>
<b>CASH - end of year</b>	<b>25,840,665</b>	<b>26,413,897</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, 2022

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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, 2022

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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.

##### Property 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 fees 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.

Canada Community-Building Fund, 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, 2022

### 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.

### 2. CASH

Cash consists of the following:

	2022	2021
	\$	\$
Unrestricted	21,632,224	22,291,608
Restricted	4,208,441	4,122,289
	<b>25,840,665</b>	<b>26,413,897</b>

### 3. INVESTMENTS

Investments, stated at cost, consist of the following:

	2022	2021
	\$	\$
RBC Dominion Securities	10,445,435	10,257,999

Investments consist of cash and fixed income GICs maturing between 2023 and 2027 earning interest at 1.190% to 3.700% per annum. Investments are recorded at cost which approximates their market value.



# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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

During 2022, 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	9,718,729	14,540,594

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

### 5. EXPENSES BY OBJECT

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

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
Salaries and benefits	13,684,950	12,445,233	12,046,486
Interest charges	678,122	337,555	333,448
Materials	7,382,434	5,801,150	5,553,724
Contracted services	5,909,221	5,886,289	5,322,213
External transfers	486,682	480,554	438,073
Amortization	5,073,923	5,365,005	5,073,924
Loss (gain) on disposal of tangible capital assets	-	483,222	-
	33,215,332	30,799,008	28,767,868

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

### 6. 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:

	2022	2021
	\$	\$
Development charges	4,565,180	4,855,966
Parkland	857,418	1,123,929
Main Street Revitalization	1,750	1,988
Canada Community-Building Fund	544,784	809,208
Building Code Act	1,092,018	1,204,776
	<u>7,061,150</u>	<u>7,995,867</u>

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

	2022	2021
	\$	\$
Balance - beginning of year	7,995,867	5,647,359
Add amounts received:		
Development charges	1,293,917	2,187,934
Parkland	34,165	90,464
Main Street Revitalization	33	40
Canada Community-Building Fund	685,032	1,314,537
Building Code Act	-	291,011
	<u>2,013,147</u>	<u>3,883,986</u>
Less transfer to operations:		
Development charges	1,584,702	556,153
Parkland	300,676	31,453
Main Street Revitalization	272	-
Canada Community-Building Fund	949,456	947,872
Building Code Act	112,758	-
	<u>2,947,864</u>	<u>1,535,478</u>
Balance - end of year	<u>7,061,150</u>	<u>7,995,867</u>

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

### 7. EMPLOYEE FUTURE BENEFITS PAYABLE

The Township provides certain employee future benefits that will require funding in the future periods.

	2022	2021
	\$	\$
Accrued benefit obligation	207,800	282,882
Unamortized actuarial gain	29,200	-
<b>Liability at December 31</b>	<b>237,000</b>	<b>282,882</b>

The Township sponsors benefit plans to pay the costs of medical and dental benefits for certain eligible senior management employees after they retire and for their eligible dependents. All benefits are provided upon retirement and continue to the age of 65, at which time the benefits cease. The plans are not funded by the Township until the plan premiums are paid.

The actuarial valuation as at December 31, 2022 was based on a number of assumptions about future events, such as discount rate, weighted average health care trend rates, and employee turnover and mortality. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group, which is 6 years. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Discount rate	4.60%
Weighted average health care trend rate - initial 2022	7.25%
- ultimate	5.00%
- year ultimate reached	2043
Weighted average dental care trend rate - initial 2022	6.65%
- ultimate	5.00%
- year ultimate reached	2033

The employee future benefits expense is reported on the Consolidated Statement of Operations and Accumulated Surplus and is comprised of the following:

	2022	2021
	\$	\$
Current year benefit costs	22,900	44,700
Interest costs	6,900	8,300
Recognition of transitional obligation	(75,682)	-
<b>Annual expense</b>	<b>(45,882)</b>	<b>53,000</b>

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

### 8. LONG TERM DEBT

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

	2022	2021
	\$	\$
OILC debenture, interest at 4.24%, repayable in blended semi-annual payments of \$179,243 to 2027	1,600,000	-
OIPC debenture, interest of 1.91%, repayable in blended semi-annual payments of \$358,570 to 2031	5,601,994	6,203,504
OILC debenture, interest of 2.74%, repayable in blended semi-annual payments of \$158,131 to 2024	611,438	904,902
OILC debenture, interest of 2.54%, repayable in blended semi-annual payments of \$59,458 to 2026	449,591	555,074
OILC debenture, interest of 2.76%, repayable in blended semi-annual payments of \$63,315 to 2027	587,632	695,799
OILC debenture, interest of 3.64%, repayable in blended semi-annual payments of \$177,058 to 2038	4,266,046	4,459,579
	<u>13,116,701</u>	<u>12,818,858</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, 2022 is \$181,784 (2021 - \$144,751). 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 \$330,906 (2021 - \$333,448).

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

### 8. LONG TERM DEBT, continued

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

	Principal \$	Interest \$	Total \$
2023	1,628,334	363,214	1,991,548
2024	1,674,229	317,319	1,991,548
2025	1,403,119	272,168	1,675,287
2026	1,443,121	232,166	1,675,287
2027	1,364,729	191,642	1,556,371
2028 and subsequent years	5,603,169	802,098	6,405,267
	<b>13,116,701</b>	<b>2,178,607</b>	<b>15,295,308</b>

### 9. TANGIBLE CAPITAL ASSETS

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

	2022 \$	2021 \$
General		
Land	10,201,289	10,201,289
Land improvements	640,908	644,014
Buildings	10,790,162	11,182,417
Vehicles	6,357,029	6,453,253
Equipment	5,843,819	5,768,055
Infrastructure		
Infrastructure	57,359,900	52,306,599
	<b>91,193,107</b>	<b>86,555,627</b>
Assets under construction	3,935,778	3,347,380
	<b>95,128,885</b>	<b>89,903,007</b>

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

During the year there were no write-downs of assets (2021 - \$Nil) and no interest capitalized (2021 - \$Nil).

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

### 10. ACCUMULATED SURPLUS

	2022	2021
	\$	\$
<b>Surplus/(Deficit)</b>		
Township	387,563	6,151,680
Unfunded employee future benefits	(237,000)	(282,882)
	150,563	5,868,798
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	95,128,885	89,903,007
Long term debt	(13,116,701)	(12,818,858)
Unexpended capital financing	1,153,095	-
	83,165,279	77,084,149
<b>Surplus</b>	83,315,842	82,952,947
<b>Reserves</b>		
Insurance	1,133,509	936,822
Water systems	8,175,824	6,491,180
Community halls	145,805	75,188
Acquisition of capital assets	11,235,849	7,470,792
Working funds	5,687,015	5,331,081
<b>Total Reserves</b>	26,378,002	20,305,063
	109,693,844	103,258,010

### 11. 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 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 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 2022 were \$818,244 (2021 - \$805,648).

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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### 12. BUDGET FIGURES

The budget, approved by the Township, for 2022 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.

### 13. 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.

### 14. 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 2022 of \$89,135 (2021 - \$89,135) has not been consolidated in the financial statements. In 2022, the Township contributed \$110,166 (2021 - \$99,369) to the SSEA and this is reported in the protection services expenses on the Consolidated Statement of Operations and Accumulated Surplus.

### 15. 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.

### 16. 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, 2022

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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.

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2022 (Restated - Note 2)

	General					Infrastructure	Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Vehicles	Equipment	Infrastructure		
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Restated balance, beginning of year	10,201,289	2,176,010	16,443,608	12,114,016	10,642,439	101,822,954	3,347,380	156,747,696
Add: additions during the year	-	-	-	98,172	283,112	5,202,197	5,499,055	11,082,536
Less: disposals during the year	-	-	-	203,952	-	-	491,653	695,605
Internal transfers	-	71,200	-	721,105	315,432	3,311,267	(4,419,004)	-
<b>Balance, end of year</b>	<b>10,201,289</b>	<b>2,247,210</b>	<b>16,443,608</b>	<b>12,729,341</b>	<b>11,240,983</b>	<b>110,336,418</b>	<b>3,935,778</b>	<b>167,134,627</b>
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	1,531,996	5,261,191	5,660,763	4,874,384	49,516,355	-	66,844,689
Add: additions during the year	-	74,306	392,255	915,501	522,780	3,460,163	-	5,365,005
Less: disposals during the year	-	-	-	203,952	-	-	-	203,952
<b>Balance, end of year</b>	<b>-</b>	<b>1,606,302</b>	<b>5,653,446</b>	<b>6,372,312</b>	<b>5,397,164</b>	<b>52,976,518</b>	<b>-</b>	<b>72,005,742</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>10,201,289</b>	<b>640,908</b>	<b>10,790,162</b>	<b>6,357,029</b>	<b>5,843,819</b>	<b>57,359,900</b>	<b>3,935,778</b>	<b>95,128,885</b>

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>							
Property taxation	3,086,539	7,878,720	10,329,498	-	1,926,174	937,481	24,158,412
User charges	426,197	1,439,681	316,248	3,129,647	453,060	274,281	6,039,114
Government transfers - operating	1,395,563	5,871	-	-	102,346	30,301	1,534,081
Government transfers - capital	-	-	956,636	-	40,000	-	996,636
Other municipalities	-	77,906	-	-	-	187,844	265,750
Penalties and interest on taxes	471,445	-	-	-	-	-	471,445
Investment income	570,273	-	-	139,297	-	-	709,570
Donations	-	225,000	-	-	-	-	225,000
Developer contributions earned	-	1,282,298	79,299	-	223,105	-	1,584,702
Parkland fees earned	-	-	-	-	300,676	-	300,676
Canada Community-Building Fund earned	-	-	949,456	-	-	-	949,456
<b>Total revenues</b>	<b>5,950,017</b>	<b>10,909,476</b>	<b>12,631,137</b>	<b>3,268,944</b>	<b>3,045,361</b>	<b>1,429,907</b>	<b>37,234,842</b>
<b>Expenses</b>							
Salaries and benefits	3,295,897	2,798,400	2,843,537	1,377,095	1,158,057	972,247	12,445,233
Interest charges	-	-	152,448	161,851	23,256	-	337,555
Materials	1,196,914	782,612	2,139,135	954,940	644,984	82,565	5,801,150
Contracted services	1,505,605	3,007,288	663,082	85,339	291,318	333,657	5,886,289
External transfers	130,798	349,756	-	-	-	-	480,554
Amortization	145,504	376,543	3,854,031	616,619	372,308	-	5,365,005
Loss (gain) on disposal of tangible capital assets	421,571	30,000	31,651	-	-	-	483,222
Internal transfers	(111,788)	98,664	-	13,124	-	-	-
<b>Total expenses</b>	<b>6,584,501</b>	<b>7,443,263</b>	<b>9,683,884</b>	<b>3,208,968</b>	<b>2,489,923</b>	<b>1,388,469</b>	<b>30,799,008</b>
<b>Net surplus/(deficit)</b>	<b>(634,484)</b>	<b>3,466,213</b>	<b>2,947,253</b>	<b>59,976</b>	<b>555,438</b>	<b>41,438</b>	<b>6,435,834</b>

# 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	-	-	32,000	-	524,153	-	556,153
Parkland fees earned	-	-	-	-	31,453	-	31,453
Canada Community-Building Fund 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>6,843,821</b>	<b>3,174,955</b>	<b>3,290,367</b>	<b>1,395,063</b>	<b>32,955,583</b>
<b>Expenses</b>							
Salaries and benefits	3,157,529	2,668,541	3,029,976	1,140,802	1,031,795	1,017,843	12,046,486
Interest charges	-	-	124,580	174,437	34,431	-	333,448
Materials	1,768,441	743,083	1,653,138	694,785	665,094	29,183	5,553,724
Contracted services	1,104,464	3,042,159	669,928	57,494	193,338	254,830	5,322,213
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>6,151,977</b>	<b>7,233,795</b>	<b>9,351,925</b>	<b>2,375,674</b>	<b>2,352,641</b>	<b>1,301,856</b>	<b>28,767,868</b>
<b>Net surplus/(deficit)</b>	<b>(547,370)</b>	<b>5,412,975</b>	<b>(2,508,104)</b>	<b>799,281</b>	<b>937,726</b>	<b>93,207</b>	<b>4,187,715</b>