

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

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## CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

For The Year Ended December 31, 2020 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.

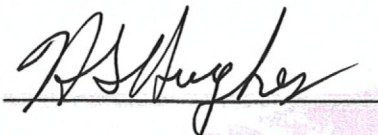
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen 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.

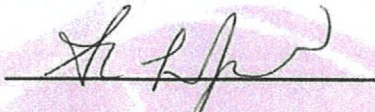
The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

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

March 23, 2022

**INDEPENDENT AUDITOR'S REPORT****To the Members of Council, Inhabitants and Ratepayers  
of the Township of Oro-Medonte****T: (705) 742-3418**  
**F: (705) 742-9775****[www.bakertilly.ca](http://www.bakertilly.ca)***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, 2020, 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, 2020, 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.

*Other Matter*

The consolidated financial statements of the Township for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on February 24, 2021.

*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  
April 1, 2022

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



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
At December 31, 2020**

	2020	2019
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	16,279,170	13,164,695
Investments (note 3)	10,041,916	9,624,917
Trade and other receivable	3,210,170	2,638,499
Taxes receivable	5,600,324	5,215,817
<b>TOTAL FINANCIAL ASSETS</b>	<b>35,131,580</b>	<b>30,643,928</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	9,753,423	11,308,397
Deferred revenue - obligatory reserve funds (note 7)	5,647,359	4,064,676
Deferred revenue - other	265,616	-
Long term debt (note 9)	7,504,790	8,646,432
Employee future benefits payable (note 5)	235,904	243,878
<b>TOTAL LIABILITIES</b>	<b>23,407,092</b>	<b>24,263,383</b>
<b>NET FINANCIAL ASSETS</b>	<b>11,724,488</b>	<b>6,380,545</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 8)	84,841,302	84,766,210
Other current assets	404,571	422,923
Prepaid expenses	331,934	287,774
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>85,577,807</b>	<b>85,476,907</b>
<b>ACCUMULATED SURPLUS (note 10)</b>	<b>97,302,295</b>	<b>91,857,452</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, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
<b>REVENUES</b>			
Property taxation	21,813,820	22,071,567	20,087,045
User charges	4,405,208	5,310,544	5,276,456
Province of Ontario	1,725,816	2,284,010	2,521,326
Other municipalities	127,000	88,443	124,359
Penalties and interest on taxes	615,625	611,021	644,827
Investment income	220,000	379,393	524,423
Donations	-	-	34,051
Developer contributions earned	575,293	373,849	1,111,548
Parkland fees earned	2,500	2,500	21,423
Federal gas tax earned	1,013,000	1,013,000	638,000
<b>TOTAL REVENUES</b>	<b>30,498,262</b>	<b>32,134,327</b>	<b>30,983,458</b>
<b>EXPENSES</b>			
General government	5,056,222	5,302,874	4,041,466
Protection services	7,501,432	6,883,543	6,641,346
Transportation services	8,718,242	8,202,159	7,872,687
Environmental services	3,289,046	3,138,376	2,563,525
Recreation and cultural services	2,070,798	2,121,254	2,337,676
Planning and development	1,050,216	1,041,278	1,015,645
Loss on sale of Lake Simcoe Regional Airport Inc. interest	-	-	2,650,704
<b>TOTAL EXPENSES</b>	<b>27,685,956</b>	<b>26,689,484</b>	<b>27,123,049</b>
<b>ANNUAL SURPLUS</b>	<b><u>2,812,306</u></b>	<b>5,444,843</b>	<b>3,860,409</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>91,857,452</b>	<b>87,997,043</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>97,302,295</b>	<b>91,857,452</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, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
<b>ANNUAL SURPLUS</b>	2,812,306	5,444,843	3,860,409
Amortization of tangible capital assets	4,267,391	4,605,111	4,267,391
Purchase of tangible capital assets	(7,214,751)	(7,279,606)	(7,819,169)
Loss on disposal of tangible capital assets	-	364,690	103,390
Proceeds on sale of tangible capital assets	-	2,234,713	-
Change in other current assets	-	18,352	(52,775)
Change in prepaid expenses	-	(44,160)	(20,386)
Loss on sale of Lake Simcoe Regional Airport Inc. interest	-	-	2,650,704
Proceeds from sale of Lake Simcoe regional Airport Inc. interest	-	-	1,172,645
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(135,054)	5,343,943	4,162,209
<b>NET FINANCIAL ASSETS - beginning of year</b>	6,380,545	6,380,545	2,218,336
<b>NET FINANCIAL ASSETS - end of year</b>	6,245,491	11,724,488	6,380,545

*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, 2020**

	2020	2019
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	5,444,843	3,860,409
Items not involving cash		
Amortization of tangible capital assets	4,605,111	4,267,392
Loss on disposal of tangible capital assets	364,690	103,389
Loss on sale of Lake Simcoe Regional Airport Inc. interest	-	2,650,704
Change in employee future benefits payable	(7,974)	22,794
Change in non-cash assets and liabilities		
Trade and other receivable	(571,671)	(288,729)
Taxes receivable	(384,507)	(301,597)
Other current assets	18,352	(52,775)
Prepaid expenses	(44,160)	(20,386)
Accounts payable and accrued liabilities	(1,554,974)	(260,472)
Deferred revenue - obligatory reserve funds	1,582,683	(128,785)
Deferred revenue - other	265,616	-
<b>Net change in cash from operating activities</b>	<b>9,718,009</b>	<b>9,851,944</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(7,279,606)	(7,819,169)
Proceeds on disposal of tangible capital assets	2,234,713	-
Proceeds from sale of Lake Simcoe Regional Airport Inc. interest	-	1,172,644
<b>Net change in cash from capital activities</b>	<b>(5,044,893)</b>	<b>(6,646,525)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(1,069,136)	(6,622,342)
Proceeds from matured investments	652,137	1,427,638
<b>Net change in cash from investing activities</b>	<b>(416,999)</b>	<b>(5,194,704)</b>
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(1,141,642)	(1,386,054)
<b>NET CHANGE IN CASH</b>	<b>3,114,475</b>	<b>(3,375,339)</b>
<b>CASH - beginning of year</b>	<b>13,164,695</b>	<b>16,540,034</b>
<b>CASH - end of year</b>	<b>16,279,170</b>	<b>13,164,695</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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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.

**2. CASH**

Cash consists of the following:

	2020	2019
	\$	\$
Unrestricted	10,631,811	9,100,019
Restricted	5,647,359	4,064,676
	<b>16,279,170</b>	<b>13,164,695</b>

**3. INVESTMENTS**

Investments, stated at cost, consist of the following:

	2020	2019
	\$	\$
RBC Dominion Securities	10,041,916	9,624,917

Investments consist of cash and fixed income GICs maturing between 2021 and 2026 earning interest at 1.20% to 4.859% per annum. Investments are recorded at cost which approximates fair market value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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

During 2020, 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	9,855,363	13,990,642

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

**5. 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, 2020 of \$235,904 (2019 - \$243,878) 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.

**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 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
Salaries and benefits	11,922,770	11,111,582	10,115,576
Interest charges	278,839	264,429	318,998
Materials	5,373,164	5,063,110	4,364,259
Contracted services	5,390,142	4,845,697	4,727,747
External transfers	453,650	434,865	574,985
Amortization	4,267,391	4,605,111	4,267,391
Loss (gain) on disposal of tangible capital assets	-	364,690	103,389
Loss on disposal of Lake Simcoe Regional Airport	-	-	2,650,704
	27,685,956	26,689,484	27,123,049



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

**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:

	2020	2019
	\$	\$
Development charges	3,224,185	2,226,470
Parkland	1,064,918	202,425
Main Street Revitalization	1,947	45,576
Federal gas tax	442,543	807,204
Building Code Act	913,766	783,001
	<b>5,647,359</b>	<b>4,064,676</b>

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

	2020	2019
	\$	\$
Balance - beginning of year	4,064,676	4,193,462
Add amounts received:		
Development charges	1,371,563	598,393
Parkland	864,993	36,700
Main Street Revitalization	2,164	-
Federal gas tax	648,339	1,288,722
Building Code Act	130,765	-
	<b>3,017,824</b>	<b>1,923,815</b>
Less transfer to operations:		
Development charges	373,849	1,111,548
Parkland	2,500	21,423
Main Street Revitalization	45,792	10,680
Federal gas tax	1,013,000	638,000
Building Code Act	-	270,950
	<b>1,435,141</b>	<b>2,052,601</b>
Balance - end of year	<b>5,647,359</b>	<b>4,064,676</b>

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

**8. TANGIBLE CAPITAL ASSETS**

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

	2020	2019
	\$	\$
General		
Land	8,445,283	9,264,403
Land improvements	763,134	812,827
Buildings	11,420,371	9,792,343
Vehicles	6,234,015	5,283,717
Equipment	5,962,824	5,985,054
Infrastructure		
Infrastructure	50,977,727	49,616,380
	83,803,354	80,754,724
Assets under construction	1,037,948	4,011,486
	84,841,302	84,766,210

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

During the year there were no write-downs of assets (2019 - \$Nil) and no interest capitalized (2019 - \$Nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

**9. LONG TERM DEBT**

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

	2020	2019
	\$	\$
Daimler financing loan, interest at 4.70%, repayable in blended monthly payments of \$4,528 to 2020	-	45,395
OIPC debenture, interest of 3.46%, repayable in blended semi-annual payments of \$119,150 to 2020	-	232,255
OILC debenture, interest of 2.81%, repayable in blended semi-annual payments of \$106,748 to 2021	209,080	412,406
OILC debenture, interest of 2.74%, repayable in blended semi-annual payments of \$158,131 to 2024	1,190,486	1,468,404
OILC debenture, interest of 2.54%, repayable in blended semi-annual payments of \$59,458 to 2026	657,927	758,217
OILC debenture, interest of 2.76%, repayable in blended semi-annual payments of \$63,315 to 2027	801,041	903,438
OILC debenture, interest of 3.64%, repayable in blended semi-annual payments of \$177,058 to 2038	4,646,256	4,826,317
	<u>7,504,790</u>	<u>8,646,432</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, 2020 is \$57,420 (2019 - \$70,705). 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 \$264,429 (2019 - \$318,998).

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

**9. LONG TERM DEBT, continued**

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

	Principal \$	Interest \$	Total \$
2021	889,437	239,983	1,129,420
2022	700,646	215,277	915,923
2023	721,553	194,370	915,923
2024	743,097	172,826	915,923
2025	446,870	152,792	599,662
2026 and subsequent years	4,003,187	972,503	4,975,690
	<b>7,504,790</b>	<b>1,947,751</b>	<b>9,452,541</b>

**10. ACCUMULATED SURPLUS**

	2020 \$	2019 \$
<b>Surplus/(Deficit)</b>		
Township	2,365,616	787,836
Unfunded employee future benefits	(235,904)	(243,878)
Community halls	(37,623)	(16,643)
	<b>2,092,089</b>	<b>527,315</b>
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	84,841,302	84,766,210
Long term debt	(7,504,790)	(8,646,432)
Unfunded capital (note 19)	(765,000)	-
	<b>76,571,512</b>	<b>76,119,778</b>
<b>Surplus</b>	<b>78,663,601</b>	<b>76,647,093</b>
<b>Reserves</b>		
Insurance	742,179	497,124
Water systems	5,910,722	6,190,836
Community halls	77,118	88,107
Acquisition of capital assets	6,543,103	4,775,632
Working funds	5,365,572	3,658,660
<b>Total Reserves</b>	<b>18,638,694</b>	<b>15,210,359</b>
	<b>97,302,295</b>	<b>91,857,452</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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**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 2020 Annual Report disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets of \$109,844 million indicating an actuarial deficit of \$3,211 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 2020 were \$751,458 (2019 - \$705,462).

**12. BUDGET FIGURES**

The budget, approved by the Township, for 2020 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 2020 of \$53,910 (2019 - \$18,087) has not been consolidated in the financial statements. In 2020, the Township contributed \$91,322 (2019 - \$82,227) 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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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**16. 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.

**17. 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 2022. 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.

**18. 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.

**19. SUBSEQUENT EVENT**

Subsequent to the year end, the Township was approved for a \$6,500,000 debenture from the Ontario Infrastructure and Lands Corporation for road and bridge work. The unfunded capital of \$765,000 reported in note 10 will be funded from this debenture. The Township has until November 2022 to utilize the balance of this debenture and the repayment terms will be finalized then.

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE



## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2020

	General					Infrastructure	Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Vehicles	Equipment	Infrastructure		
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Balance, beginning of year	9,264,403	2,137,377	14,319,306	11,026,315	9,975,086	92,936,767	4,011,486	143,670,740
Add: additions during the year	1,390,200	24,342	1,971,783	2,039,100	454,775	4,372,944	(2,973,538)	7,279,606
Less: disposals during the year	2,209,320	-	-	1,789,868	85,403	-	-	4,084,591
Balance, end of year	8,445,283	2,161,719	16,291,089	11,275,547	10,344,458	97,309,711	1,037,948	146,865,755
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	1,324,550	4,526,963	5,742,598	3,990,032	43,320,387	-	58,904,530
Add: additions during the year	-	74,035	343,755	721,394	454,330	3,011,597	-	4,605,111
Less: disposals during the year	-	-	-	1,422,460	62,728	-	-	1,485,188
Balance, end of year	-	1,398,585	4,870,718	5,041,532	4,381,634	46,331,984	-	62,024,453
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	8,445,283	763,134	11,420,371	6,234,015	5,962,824	50,977,727	1,037,948	84,841,302

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE



## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2020

	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
<b>Total revenues</b>	<b>7,869,469</b>	<b>6,178,010</b>	<b>7,346,192</b>	<b>5,443,111</b>	<b>2,147,497</b>	<b>3,150,048</b>	<b>32,134,327</b>
<b>Expenses</b>							
Salaries and benefits	2,854,289	2,472,698	2,685,056	1,201,361	964,623	933,555	11,111,582
Interest charges	-	-	264,429	-	-	-	264,429
Materials	1,012,021	698,394	1,467,005	1,254,570	522,720	108,400	5,063,110
Contracted services	823,505	3,065,714	622,368	69,715	265,072	(677)	4,845,697
External transfers	110,398	324,467	-	-	-	-	434,865
Amortization	129,029	314,809	3,193,554	612,730	354,989	-	4,605,111
Loss (gain) on disposal of tangible capital assets	373,632	7,461	(30,253)	-	13,850	-	364,690
<b>Total expenses</b>	<b>5,302,874</b>	<b>6,883,543</b>	<b>8,202,159</b>	<b>3,138,376</b>	<b>2,121,254</b>	<b>1,041,278</b>	<b>26,689,484</b>
<b>Net surplus/(deficit)</b>	<b>2,566,595</b>	<b>(705,533)</b>	<b>(855,967)</b>	<b>2,304,735</b>	<b>26,243</b>	<b>2,108,770</b>	<b>5,444,843</b>

# CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE



## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2019

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>							
Property taxation	5,772,450	4,490,799	6,515,437	369,670	1,565,397	1,373,292	20,087,045
User charges	165,363	1,373,394	334,522	2,622,549	620,501	160,127	5,276,456
Government transfers - operating	1,975,231	28,948	-	-	29,702	10,679	2,044,560
Government transfers - capital	-	-	476,766	-	-	-	476,766
Other municipalities	-	121,961	-	-	2,398	-	124,359
Penalties and interest on taxes	644,827	-	-	-	-	-	644,827
Investment income	416,180	-	-	108,243	-	-	524,423
Donations	-	34,051	-	-	-	-	34,051
Developer contributions earned	-	850,004	261,544	-	-	-	1,111,548
Parkland fees earned	-	-	11,380	-	10,043	-	21,423
Federal gas tax earned	-	-	638,000	-	-	-	638,000
<b>Total revenues</b>	<b>8,974,051</b>	<b>6,899,157</b>	<b>8,237,649</b>	<b>3,100,462</b>	<b>2,228,041</b>	<b>1,544,098</b>	<b>30,983,458</b>
<b>Expenses</b>							
Salaries and benefits	2,588,074	2,222,060	2,497,386	934,035	978,819	895,202	10,115,576
Interest charges	-	-	84,695	188,498	45,805	-	318,998
Materials	335,914	831,710	1,653,796	856,432	649,957	36,450	4,364,259
Contracted services	851,957	2,985,737	457,570	42,744	305,746	83,993	4,727,747
External transfers	146,230	291,446	137,309	-	-	-	574,985
Amortization	119,291	310,393	2,938,542	541,816	357,349	-	4,267,391
Loss (gain) on disposal of tangible capital assets	-	-	103,389	-	-	-	103,389
Loss on Lake Simcoe Regional Airport Inc. interest	-	-	2,650,704	-	-	-	2,650,704
<b>Total expenses</b>	<b>4,041,466</b>	<b>6,641,346</b>	<b>10,523,391</b>	<b>2,563,525</b>	<b>2,337,676</b>	<b>1,015,645</b>	<b>27,123,049</b>
<b>Net surplus/(deficit)</b>	<b>4,932,585</b>	<b>257,811</b>	<b>(2,285,742)</b>	<b>536,937</b>	<b>(109,635)</b>	<b>528,453</b>	<b>3,860,409</b>