

The Corporation of  
the Township of O'Connor  
Financial Statements  
For the year ended December 31, 2021

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## The Corporation of the Township of O'Connor Management's Statement of Responsibility for Financial Reporting

December 31, 2021

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The accompanying financial statements of the Corporation of the Township of O'Connor are the responsibility of management and have been approved by the Mayor and Council.

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards and include certain amounts based on estimates and judgments. 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.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that the Corporation's assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The Mayor and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been reported on by the Corporation of the Township of O'Connor's external auditor, BDO Canada LLP in accordance with Canadian generally accepted auditing standards. The auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements. BDO Canada LLP have access to financial management and the Mayor and Council of the Corporation of the Township of O'Connor and meet when required.



Mayor



Clerk Treasurer

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## Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Township of O'Connor

### Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2021, and its results of operations, its change in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

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

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

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

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## Independent Auditor's Report (cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

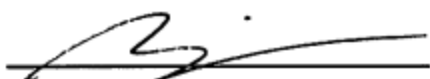
*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario  
March 28, 2022

The Corporation of the Township of O'Connor  
Statement of Financial Position

December 31	2021	2020
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	\$ 421,031	\$ 353,102
Taxes receivable	57,146	62,449
Accounts and grants receivable	52,274	142,451
Inventory for resale	3,157	4,391
	<u>533,608</u>	<u>562,393</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	109,927	95,225
Taxation revenue paid in advance	4,655	4,595
Deferred revenue (Note 3)	153,889	148,127
Landfill closure and post-closure liability (Note 4)	138,755	145,249
	<u>407,226</u>	<u>393,196</u>
<b>Net assets</b>	<u>126,382</u>	<u>169,197</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 5)	2,739,151	2,702,037
Prepaid expenses	33,185	27,706
	<u>2,772,336</u>	<u>2,729,743</u>
<b>Accumulated surplus (Note 6)</b>	<u>\$ 2,898,718</u>	<u>\$ 2,898,940</u>

 Mayor

 Clerk Treasurer

## The Corporation of the Township of O'Connor Statement of Operations and Accumulated Surplus

For the year ended December 31	2021 Budget	2021 Actual	2020 Actual
	(Note 10)		
Revenue			
Taxation			
Residential and farm	\$ 792,101	\$ 792,836	\$ 764,068
Commercial and industrial	9,075	9,078	8,737
Taxation from other governments	1,869	1,761	2,070
User charges			
Other fees and service charges	19,005	33,761	27,767
Government transfers (Note 7)			
Government of Canada	82,482	83,197	124,403
Province of Ontario	350,432	283,105	260,895
Other municipalities	900	1,613	1,206
Other			
Investment income	1,000	1,813	3,596
Other revenues	23,105	30,908	51,774
	<u>1,279,969</u>	<u>1,238,072</u>	<u>1,244,516</u>
Expenses (Note 8)			
General government	442,178	370,815	339,248
Protection to persons and property	163,478	158,354	160,065
Transportation services	494,771	496,630	456,168
Environmental services	36,869	33,256	116,032
Health services	82,483	83,310	79,291
Social and family services	86,002	86,002	85,075
Recreation and cultural services	1,220	1,220	1,220
Planning and development	250	250	250
	<u>1,307,251</u>	<u>1,229,837</u>	<u>1,237,349</u>
Annual surplus before undernoted item	(27,282)	8,235	7,167
Loss on disposal of tangible capital assets	-	(8,457)	(7,089)
Annual surplus (deficit)	(27,282)	(222)	78
Accumulated surplus, beginning of year	<u>2,898,940</u>	<u>2,898,940</u>	<u>2,898,862</u>
Accumulated surplus, end of year	<u>\$ 2,871,658</u>	<u>\$ 2,898,718</u>	<u>\$ 2,898,940</u>

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

The Corporation of the Township of O'Connor  
Statement of Change in Net Assets

For the year ended December 31	2021 Budget	2021 Actual	2020 Actual
	(Note 10)		
Annual surplus (deficit)	\$ (27,282)	\$ (222)	\$ 78
Acquisition of tangible capital assets	(156,931)	(236,627)	(241,647)
Amortization of tangible capital assets	191,056	191,056	181,097
Loss on disposal of tangible capital assets	-	8,457	7,089
Change in prepaid expenses	-	(5,479)	349
Net change in net assets	6,843	(42,815)	(53,034)
Net assets, beginning of year	169,197	169,197	222,231
Net assets, end of year	\$ 176,040	\$ 126,382	\$ 169,197

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

The Corporation of the Township of O'Connor  
Statement of Cash Flows

For the year ended December 31	2021	2020
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ (222)	\$ 78
Items not involving cash		
Amortization	191,056	181,097
Loss on disposal of tangible capital assets	8,457	7,089
Landfill closure and post-closure liability	(6,494)	71,110
	<u>192,797</u>	<u>259,374</u>
<b>Changes in non-cash operating balances</b>		
Taxes receivable	5,303	6,129
Accounts and grants receivable	90,177	(80,718)
Inventory for resale	1,234	240
Accounts payable and accrued liabilities	14,702	653
Taxation revenue paid in advance	60	(639)
Deferred revenue	5,762	14,105
Prepaid expenses	(5,479)	349
	<u>304,556</u>	<u>199,493</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(236,627)	(241,647)
<b>Investing transactions</b>		
Redemption of portfolio investments	-	263,254
<b>Financing transactions</b>		
Repayment of long-term debt	-	(21,363)
Increase in cash and cash equivalents for the year	67,929	199,737
Cash and cash equivalents, beginning of year	<u>353,102</u>	<u>153,365</u>
Cash and cash equivalents, end of year	<u>\$ 421,031</u>	<u>\$ 353,102</u>



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## The Corporation of the Township of O'Connor Notes to Financial Statements

December 31, 2021

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### 1. Significant Accounting Policies

Management's Responsibility for the Financial Statements	The financial statements of the Township are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of CPA Canada. The Corporation of the Township of O'Connor (the "Township") is a municipality in the Province of Ontario and operates under the provisions of Provincial statutes, such as the Municipal Act and related legislation. The Township provides municipal services such as protection to persons and property, transportation, planning, recreation and other general government services.
Reporting Entity	<p>The financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the Township.</p> <p>The Township contributes to the following joint local boards, which are not proportionately consolidated in these statements:</p> <p style="text-align: center;">Lakehead Police Services Board Lakehead Rural Planning Board Thunder Bay District Health Unit The District of Thunder Bay Social Services Administration Board</p>
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand, balances in banks and high interest savings accounts.
Inventory for Resale	Inventories held for resale are recorded at the lower of cost and net realizable value.
Accounting for School Board Transactions	The Township collects taxation revenue on behalf of the school boards. The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the current fund balances of these financial statements. Education taxes collected by the Township and over-remitted or not remitted to the respective school boards as at December 31 are reported as a financial asset or liability on the statement of financial position.

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## The Corporation of the Township of O'Connor Notes to Financial Statements

December 31, 2021

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### 1. Significant Accounting Policies (cont'd)

Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the assets are available for productive use as follows:</p> <table border="0" style="margin-left: 20px;"> <tr> <td>Land improvements</td> <td style="text-align: right;">-</td> <td style="text-align: right;">25 to 75 years</td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">-</td> <td style="text-align: right;">40 to 80 years</td> </tr> <tr> <td>Vehicles</td> <td style="text-align: right;">-</td> <td style="text-align: right;">15 to 20 years</td> </tr> <tr> <td>Computer software</td> <td style="text-align: right;">-</td> <td style="text-align: right;">5 years</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">-</td> <td style="text-align: right;">10 to 20 years</td> </tr> <tr> <td>Roads</td> <td style="text-align: right;">-</td> <td style="text-align: right;">15 to 45 years</td> </tr> <tr> <td>Bridges and culverts</td> <td style="text-align: right;">-</td> <td style="text-align: right;">50 to 100 years</td> </tr> </table> <p>Assets under construction are not amortized until the asset is available for use.</p> <p>Certain assets have been assigned a nominal value because of the difficulty of determining a tenable valuation. The most significant of such assets are the Township's road allowances.</p>	Land improvements	-	25 to 75 years	Buildings	-	40 to 80 years	Vehicles	-	15 to 20 years	Computer software	-	5 years	Machinery and equipment	-	10 to 20 years	Roads	-	15 to 45 years	Bridges and culverts	-	50 to 100 years
Land improvements	-	25 to 75 years																				
Buildings	-	40 to 80 years																				
Vehicles	-	15 to 20 years																				
Computer software	-	5 years																				
Machinery and equipment	-	10 to 20 years																				
Roads	-	15 to 45 years																				
Bridges and culverts	-	50 to 100 years																				
Trust Funds	<p>Any funds held in trust by the Township, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately.</p>																					
Pension and Employee Benefits	<p>The Township is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investments of the assets and administration of the benefits. The Township records pension expense when contributions are due.</p>																					
Deferred Revenue	<p>Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.</p>																					

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## The Corporation of the Township of O'Connor Notes to Financial Statements

December 31, 2021

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### 1. Significant Accounting Policies (cont'd)

Landfill Closure and Post-Closure Liability	The obligation to close and maintain solid waste landfill sites is based on the estimated future expenses in current dollars, adjusted for estimated inflation and is charged to expense as the landfill site's capacity is used.
Revenue Recognition	<p>User charges and fees are recognized as revenue in the period in which the related services are performed. Amounts collected for which the related services have yet to be performed are recognized as a liability and recognized as revenue when the related services are performed. Interest is recognized as it is earned.</p> <p>Funds received, other than government transfers and tax revenue, for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations and accumulated surplus in the year in which it is used for the specified purpose.</p>
Government Transfers	Government transfers, which include legislative grants, are recognized in the financial statements 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 amount can be made unless the transfer contains stipulations that create a liability. If the transfer contains stipulations that create a liability, the related revenue is recognized over the period that the liability is extinguished.
Taxation Revenue	<p>The amount of the total property tax levy is determined each year through Council's approval of the annual operating budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council approved policies, in order to raise the revenues required to meeting operating budget requirements. Education tax rates are established by the Province each year in order to fund the costs of education on a Province wide basis.</p> <p>Property assessments, on which property taxes are based, are established by the Municipal Property Assessment Corporation. The current value assessment ("CVA") of a property represents an estimated market value of a property as of a fixed date. Assessed value for all properties within the municipality are provided to the Township in the form of the returned assessment roll in December of each year.</p> <p>The amount of property tax levied on an individual property is the product of the CVA of the property and the tax rate for the class, together with any adjustments that reflect Council approved mitigation or other tax policy measures.</p>

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## The Corporation of the Township of O'Connor Notes to Financial Statements

December 31, 2021

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### 1. Significant Accounting Policies (cont'd)

**Use of Estimates**      The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates in these financial statements include assumptions used in estimating provisions for doubtful taxes and accounts receivable, useful lives of tangible capital assets, and landfill closure and post closure liabilities.

**Liability for Contaminated Sites**      A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if unexpected events result in contamination. A liability for remediation of contaminated sites is recognized when the Township is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

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### 2. Cash and Cash Equivalents

	2021	2020
Operating bank account - CIBC	59,284	23,723
High interest savings account - ONE Investment	361,647	329,279
Petty cash	100	100
	421,031	353,102

The Township's high interest savings account earns interest at a rate of 0.715% at year-end (2020 - 0.915%).

The Township's credit facilities include a revolving demand line of credit with authorized credit of \$100,000 which carries interest at prime plus 1.25%. As at December 31, 2021, the Township utilized \$nil (2020 - \$nil) of this facility. The prime rate was 2.45% at December 31, 2021 and the interest rate on the credit facility is 3.7% at year-end.

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The Corporation of the Township of O'Connor  
Notes to Financial Statements

December 31, 2021

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3. Deferred Revenue

	2021	2020
Canada Community Building Fund (previously Federal Gas Tax)	\$ 20,824	\$ 21,327
Ontario Community Infrastructure Fund	73,908	81,303
Ontario Air Ambulance - Helipad maintenance	26,379	26,128
COVID-19 Safe Restart	32,778	19,369
	\$ 153,889	\$ 148,127

The net change during the year in the deferred revenue is made up as follows:

	2021	2020
Balance, beginning of year	\$ 148,127	\$ 134,022
Transfers from revenue	182,165	130,929
Transfers to revenue	(176,403)	(116,824)
	\$ 153,889	\$ 148,127

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4. Landfill Closure and Post-Closure Liability

The statement of financial position reflects liabilities for anticipated future costs related to the closing and monitoring of the existing landfill site. This liability is recognized over the operating life of the waste disposal site, in proportion to the site's utilized capacity.

The Township has provided an amount of \$54,000 in the disposal site reserve to fund this liability and future landfill expansion (Note 6).

Total estimated expenditures for closure and post-closure costs as at December 31, 2021	\$277,399
Landfill closure and post-closure liabilities as at December 31, 2021	\$138,755
Total expenditures remaining to be recognized	\$138,644
Remaining capacity of the site (cubic metres)	19,992
Remaining landfill site life (years)	26
Number of years required for post-closure care	25

The Corporation of the Township of O'Connor  
Notes to Financial Statements

December 31, 2021

5. Tangible Capital Assets

	General					Infrastructure					2021 Total	2020 Total	
	Land and Land Improvements	Buildings	Vehicles	Computer Software	Machinery and Equipment	Land and Land Improvements	Buildings	Vehicles	Roads	Machinery and Equipment			Bridges and Culverts
Cost, beginning of year	\$ 109,958	\$ 663,172	\$ 150,766	\$ 21,630	\$ 198,894	\$ 4,245	\$ 34,995	\$ 389,174	\$ 1,114,339	\$ 355,088	\$ 2,777,993	\$ 5,820,254	\$ 5,686,918
Additions	-	-	-	24,673	15,045	-	-	-	128,973	58,677	9,259	236,627	241,647
Disposals	-	-	-	(1,796)	-	-	-	-	(48,811)	-	(4,883)	(55,490)	(108,311)
Cost, end of year	109,958	663,172	150,766	44,507	213,939	4,245	34,995	389,174	1,194,501	413,765	2,782,369	6,001,391	5,820,254
Accumulated amortization, beginning of year	78,736	215,955	100,018	19,605	130,783	2,341	23,926	285,069	693,039	204,292	1,364,453	3,118,217	3,038,342
Amortization	1,569	14,288	5,205	2,780	8,757	9	857	14,586	53,176	22,714	67,115	191,056	181,097
Disposals	-	-	-	(1,796)	-	-	-	-	(40,547)	-	(4,690)	(47,033)	(101,222)
Accumulated amortization, end of year	80,305	230,243	105,223	20,589	139,540	2,350	24,783	299,655	705,668	227,006	1,426,878	3,262,240	3,118,217
Net carrying amount, end of year	\$ 29,653	\$ 432,929	\$ 45,543	\$ 23,918	\$ 74,399	\$ 1,895	\$ 10,212	\$ 89,519	\$ 488,833	\$ 186,759	\$ 1,355,491	\$ 2,739,151	\$ 2,702,037

The Corporation of the Township of O'Connor  
Notes to Financial Statements

December 31, 2021

6. Accumulated Surplus

The Township segregates its accumulated surplus into the following categories:

	<u>2021</u>	<u>2020</u>
Surpluses (deficits)		
General fund	\$ (141,360)	\$ (148,448)
Investment in tangible capital assets	2,739,151	2,702,037
Total surpluses	<u>2,597,791</u>	<u>2,553,589</u>
Reserves set aside for specific purposes by Council		
For disposal site	54,000	50,000
For fire training and equipment	25,499	13,974
For infrastructure	39,000	39,000
For levy stabilization	100,562	111,117
For municipal building	27,023	27,023
For office equipment	11,258	11,258
For roads equipment	9,778	30,000
For working capital	33,807	62,979
Total reserves	<u>300,927</u>	<u>345,351</u>
Accumulated surplus	<u>\$ 2,898,718</u>	<u>\$ 2,898,940</u>

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserves represent funds set aside by By-law or Council resolution for specific purposes.

The Corporation of the Township of O'Connor  
Notes to Financial Statements

December 31, 2021

7. Government Transfers

	Budget 2021	2021	2020
Federal			
AMO - Federal Gas Tax	\$ 82,482	\$ 83,197	\$ 55,978
Investing in Canada Infrastructure Program	-	-	68,425
	82,482	83,197	124,403
Provincial			
Ministry of Agriculture, Food and Rural Affairs	50,275	57,914	31,977
MMAH Safe Restart	45,452	32,043	16,331
MMAH Ontario Cannabis Legalization Implementation Fund	5,000	5,000	-
Investing in Canada Infrastructure Program	25,000	-	38,010
Ontario Municipal Partnership Fund	155,400	155,400	158,900
Other	69,305	32,748	15,677
	350,432	283,105	260,895
Other Municipalities			
Provincial Offences Act	900	1,613	1,206
	<u>\$ 433,814</u>	<u>\$ 367,915</u>	<u>\$ 386,504</u>

8. Expenses By Object

	Budget 2021	2021	2020
Salaries, wages and employee benefits	\$ 476,502	\$ 482,625	\$ 440,863
Materials and supplies	371,565	284,832	347,181
Contracted services	25,427	26,619	26,578
Financial	50	54	426
External transfers	242,651	244,651	241,204
Amortization	191,056	191,056	181,097
	<u>\$ 1,307,251</u>	<u>\$ 1,229,837</u>	<u>\$ 1,237,349</u>



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## The Corporation of the Township of O'Connor Notes to Financial Statements

December 31, 2021

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### 9. Pension and Employee Benefits

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its full time staff. The Plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

OMERS provides pension services to over half a million active, deferred, and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan ("the Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2021. The results of this valuation disclosed total actuarial liabilities of \$120.8 billion (\$113.1 billion in 2020) in respect of benefits accrued for service with actuarial assets at that date of \$117.7 billion (\$109.8 billion in 2020) indicating an actuarial deficit of \$3.1 billion (\$3.3 billion in 2020). 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. Contributions made by the Township to OMERS for 2021 were \$28,092 (\$28,839 in 2020), which is included as an expense on the statement of operations and accumulated surplus.

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### 10. Budget

The Financial Plan (Budget) By-Law adopted by Council on July 12, 2021 was not prepared on a basis consistent with that used to report actual results (Canadian public sector accounting standards). The budget was prepared on a modified accrual basis, while Canadian public sector accounting standards require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenses in excess of current year revenues. In addition, the budget expensed all tangible capital expenses rather than including amortization expense. As a result, the budget figures presented in the statements of operations and accumulated surplus and changes in net assets represent the Financial Plan adopted by Council on July 12, 2021, with adjustments as follows:

Financial Plan (Budget) Bylaw surplus for the year	\$	-
Add:		
Capital expenses		156,931
Budgeted transfers to reserves		14,200
Prior year deficit included in budget		3,198
Less:		
Budgeted transfers from reserves		(10,555)
Amortization		(191,056)
		<hr/>
Budget surplus per statement of operations	\$	<u>(27,282)</u>

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## The Corporation of the Township of O'Connor Notes to Financial Statements

December 31, 2021

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### 11. Trust Funds

The trust funds administered by the Township amounting to \$37,425 (2020 - \$34,625) have not been included in the statement of financial position nor have the operations been included in the statement of operations and accumulated surplus. At December 31, the trust fund balances are as follows:

		2021		2020
Township of O'Connor Cemetery Perpetual Care Trust Fund	\$	29,029	\$	26,479
O'Connor Free Methodist Church Perpetual Care Trust Fund		8,396		8,146
	\$	37,425	\$	34,625

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### 12. Intangibles

Any items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in the financial statements as intangibles.

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### 13. Comparative Figures

Certain comparative figures have been reclassified to conform with current year financial statement presentation.

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### 14. Segmented Information

The Corporation of the Township of O'Connor provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

#### a) General Government

General government is comprised of various administrative services including general administration and finance, the services of the Mayor and Council, the health and safety program, and the operation and maintenance of the Township office. Township office staff provide a variety of services for citizens plus provide support for other departments and programs. Assessment services, provided by Municipal Property Assessment Corporation, are responsible for providing services to both citizens and the Township.

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## The Corporation of the Township of O'Connor Notes to Financial Statements

December 31, 2021

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### 14. Segmented Information (cont'd)

#### b) Protection to Persons and Property

Protection services include fire, police, 911 and building inspection. The volunteer fire department is responsible for being the first response to emergencies in the Township and is responsible for staffing, training, and the maintenance of the fire halls, fleet, and personal protective and fire fighting equipment. Police services are contracted through the Ontario Provincial Police. Building inspections are completed to ensure compliance with building code and zoning requirements.

#### c) Transportation Services

Transportation services include roadway maintenance of the Municipal roadway systems, culverts, brushing and dust suppressant, flood control and winter control that includes plowing and salt/sand application. Included in this segment is maintenance of all public works equipment and the garage.

#### d) Environmental Services

The Township provides waste disposal at a landfill site and includes recycling and landfill site operations and waste minimization programs. Services provided by Lakehead Region Conservation Authority are also included. Recognition of the landfill closure and post-closure liability is included in this segment.

#### e) Health Services

Health services include public health services and ambulance services. Public health services cover the Township's contribution to the activities to the Thunder Bay District Health Unit. The Thunder Bay District Health Unit provides health information and prevention-related clinical services; advocates for healthy public policy; investigates reportable diseases; and upholds regulations that apply to public health. This reporting segment also covers the operation and maintenance of the O'Connor Cemetery.

#### f) Social and Family Services

Social and family services represent the Township's contribution to the activities of the District of Thunder Bay Social Services Administration Board ("TBDSSAB"). TBDSSAB is responsible for Ontario Works program delivery, child care services and social housing.

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The Corporation of the Township of O'Connor  
Notes to Financial Statements

December 31, 2021

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14. Segmented Information (cont'd)

g) Recreational and Cultural Services

Recreation and cultural services include recreation facilities and public library services. The Township provides for the development and maintenance of various recreational facilities. The public library services are contracted with the Oliver-Paipoonge Public Library Board and provides community access to local and global information resources that support lifelong learning, research and leisure activities.

h) Planning and Development

Planning and development manages rural development for business interest, environmental concerns, local community, and overall planning and community development including approval of all land development plans. The Township's contributions to the activities of the Lakehead Rural Planning Board are included in planning activities. The Township also has a Committee of Adjustment which deals with minor variances within the Township.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The Corporation of the Township of O'Connor  
Notes to Financial Statements

December 31, 2021

14. Segmented Information (cont'd)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2021 Total
<b>Revenue</b>									
Taxation	\$ 803,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	803,675
Government transfers - operating	200,404	2,220	-	-	3,249	-	1,220	-	207,093
Government transfers - capital	15,000	-	145,822	-	-	-	-	-	160,822
User fees and service charges	608	6,974	13,355	11,449	1,375	-	-	-	33,761
Investment income	1,813	-	-	-	-	-	-	-	1,813
Other revenues	16,115	1,375	12,643	-	-	-	-	775	30,908
	<u>1,037,615</u>	<u>10,569</u>	<u>171,820</u>	<u>11,449</u>	<u>4,624</u>	<u>-</u>	<u>1,220</u>	<u>775</u>	<u>1,238,072</u>
<b>Expenses</b>									
Salaries, wages and employee benefits	241,938	32,139	183,634	18,960	5,954	-	-	-	482,625
Materials and supplies	98,177	34,018	150,845	1,792	-	-	-	-	284,832
Contracted services	12,552	2,544	3,693	6,610	-	-	1,220	-	26,619
Financial	54	-	-	-	-	-	-	-	54
External transfers	-	76,223	-	4,820	77,356	86,002	-	250	244,651
Amortization	18,094	13,430	158,458	1,074	-	-	-	-	191,056
	<u>370,815</u>	<u>158,354</u>	<u>496,630</u>	<u>33,256</u>	<u>83,310</u>	<u>86,002</u>	<u>1,220</u>	<u>250</u>	<u>1,229,837</u>
Annual surplus (deficit) before undernoted item	666,800	(147,785)	(324,810)	(21,807)	(78,686)	(86,002)	-	525	8,235
Loss on disposal of tangible capital assets	-	-	(8,457)	-	-	-	-	-	(8,457)
Annual surplus (deficit)	<u>\$ 666,800</u>	<u>\$ (147,785)</u>	<u>\$ (333,267)</u>	<u>\$ (21,807)</u>	<u>\$ (78,686)</u>	<u>\$ (86,002)</u>	<u>\$ -</u>	<u>\$ 525</u>	<u>\$ (222)</u>

The Corporation of the Township of O'Connor  
Notes to Financial Statements

December 31, 2021

14. Segmented Information (cont'd)

	General Government	Protection to Persons and Property	Transportation Services	Environmenta l Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2020 Total
Revenue									
Taxation	\$ 774,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	774,875
Government transfers - operating	176,715	39,651	-	-	3,402	-	1,220	-	220,988
Government transfers - capital	9,136	-	156,380	-	-	-	-	-	165,516
User fees and service charges	1,429	6,078	10,217	8,643	1,400	-	-	-	27,767
Investment income	3,596	-	-	-	-	-	-	-	3,596
Other revenues	16,843	12,760	21,496	-	-	-	-	675	51,774
	<u>982,594</u>	<u>58,489</u>	<u>188,093</u>	<u>8,643</u>	<u>4,802</u>	<u>-</u>	<u>1,220</u>	<u>675</u>	<u>1,244,516</u>
Expenses									
Salaries, wages and employee benefits	209,137	25,767	178,608	21,252	6,099	-	-	-	440,863
Materials and supplies	100,591	38,290	125,304	82,996	-	-	-	-	347,181
Contracted services	12,658	4,972	1,638	6,090	-	-	1,220	-	26,578
Financial	426	-	-	-	-	-	-	-	426
External transfers	-	78,067	-	4,620	73,192	85,075	-	250	241,204
Amortization	16,436	12,969	150,618	1,074	-	-	-	-	181,097
	<u>339,248</u>	<u>160,065</u>	<u>456,168</u>	<u>116,032</u>	<u>79,291</u>	<u>85,075</u>	<u>1,220</u>	<u>250</u>	<u>1,237,349</u>
Annual surplus (deficit) before undernoted item	643,346	(101,576)	(268,075)	(107,389)	(74,489)	(85,075)	-	425	7,167
Gain on disposal of tangible capital assets	-	-	(7,089)	-	-	-	-	-	(7,089)
Annual surplus (deficit)	<u>\$ 643,346</u>	<u>\$ (101,576)</u>	<u>\$ (275,164)</u>	<u>\$ (107,389)</u>	<u>\$ (74,489)</u>	<u>\$ (85,075)</u>	<u>\$ -</u>	<u>\$ 425</u>	<u>\$ 78</u>