

**The Corporation of the
Township of Bonfield
Financial Statements
For the year ended December 31, 2022**

The Corporation of the Township of Bonfield
Financial Statements
For the year ended December 31, 2022

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Independent Auditor's Report

**To the Members of Council, Inhabitants and Ratepayers of the
The Corporation of the Township of Bonfield**

Opinion

We have audited the financial statements of The Corporation of the Township of Bonfield (the Township), which comprise the statement of financial position as at December 31, 2022, the statements of operations, changes in net debt 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, 2022, and its financial performance and 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.

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

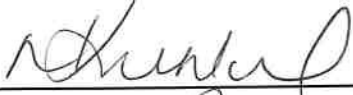
North Bay, Ontario
December 19, 2023


The Corporation of the Township of Bonfield Statement of Financial Position

December 31	2022	2021
Financial assets		
Cash and cash equivalents (Notes 1 and 7)	\$ 1,692,056	\$ 2,026,748
Investments (Note 2)	536,661	527,654
Taxes receivable (Note 3)	283,088	239,865
Accounts receivable (Note 4)	755,530	60,985
	3,267,335	2,855,252
Liabilities		
Accounts payable and accrued liabilities (Note 8)	533,495	491,560
Deferred revenue (Note 11)	989,441	745,024
Long-term debt (Note 9)	1,720,256	1,857,044
Landfill closure and post-closure costs accrual (Note 10)	329,426	201,500
	3,572,618	3,295,128
Net financial debt	(305,283)	(439,876)
Non-financial assets		
Tangible capital assets (Note 5)	8,795,440	7,702,777
Prepaid expenses	8,356	5,195
Inventories (Note 6)	143,945	134,716
	8,947,741	7,842,688
Accumulated surplus (Note 14)	\$ 8,642,458	\$ 7,402,812

Commitments (Note 13)

On behalf of Council:


 _____, CAO Clerk-Treasurer


 _____, Mayor

The Corporation of the Township of Bonfield Statement of Operations

For the year ended December 31	2022 Budget (Note 16)	2022 Actual	2021 Actual
Revenues			
Taxation (Note 15)	\$ 3,387,185	\$ 3,207,030	\$ 2,980,343
Government transfer payments and grants	914,553	2,104,131	1,106,084
User fees	64,000	227,769	114,366
Other	197,621	190,356	112,811
	<u>4,563,359</u>	<u>5,729,286</u>	<u>4,313,604</u>
Expenses (Note 17)			
Council and general government	1,043,796	923,974	1,169,940
Protection to persons and property	651,544	668,052	668,943
Transportation services	924,882	1,507,940	1,347,651
Environmental services	603,716	244,141	91,678
Health, social and family services	934,803	873,467	851,344
Recreation and culture	178,986	203,329	157,731
Economic development	-	407	407
Planning and development	24,700	68,330	14,720
	<u>4,362,427</u>	<u>4,489,640</u>	<u>4,302,414</u>
Annual surplus	200,932	1,239,646	11,190
Accumulated surplus, beginning of the year	<u>7,402,812</u>	<u>7,402,812</u>	<u>7,391,622</u>
Accumulated surplus, end of the year	<u>\$ 7,603,744</u>	<u>\$ 8,642,458</u>	<u>\$ 7,402,812</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**The Corporation of the Township of Bonfield
Statement of Changes in Net Debt**

For the year ended December 31	2022 Budget	2022 Actual	2021 Actual
Net expenditures	\$ 200,932	\$ 1,239,646	\$ 11,190
Acquisition of tangible capital assets	-	(1,426,107)	(239,673)
Amortization of tangible capital assets	-	333,444	353,925
	<u>200,932</u>	<u>146,983</u>	<u>125,442</u>
Acquisition of prepaid expenses	-	(8,356)	(5,195)
Use of prepaid expenses	-	5,195	5,201
Acquisition of inventories	-	(143,945)	(134,716)
Use of inventories	-	134,716	103,511
	<u>-</u>	<u>(12,390)</u>	<u>(31,199)</u>
Change in net debt	200,932	134,593	94,243
Net debt, beginning of year	<u>(439,876)</u>	<u>(439,876)</u>	<u>(534,119)</u>
Net debt, end of year	<u>\$ (238,944)</u>	<u>\$ (305,283)</u>	<u>\$ (439,876)</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Bonfield Statement of Cash Flows

For the year ended December 31	2022	2021
Cash provided by (used in)		
Operating transactions		
Annual surplus	\$ 1,239,646	\$ 11,190
Items not involving cash		
Amortization of tangible capital assets	333,444	353,925
Landfill closure and post-closure accrual	127,926	11,000
	<u>1,701,016</u>	<u>376,115</u>
Change in non-cash working capital balances		
Taxes receivable	(43,223)	116,046
Accounts receivable	(694,545)	(9,621)
Accounts payable and accrued liabilities	41,935	282,125
Deferred revenue	244,417	75,158
Prepaid expenses	(3,161)	6
Inventories	(9,229)	(31,205)
	<u>1,237,210</u>	<u>808,624</u>
Capital transactions		
Purchase of tangible capital assets	(1,426,107)	(239,673)
Increase in temporary investments	(9,007)	(3,098)
	<u>(1,435,114)</u>	<u>(242,771)</u>
Financing transactions		
Principal repayment of long-term debt	(136,788)	(148,402)
Increase in cash and cash equivalents during the year	(334,692)	417,451
Cash and cash equivalents, beginning of year	2,026,748	1,609,297
Cash and cash equivalents, end of year	\$ 1,692,056	\$ 2,026,748

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Bonfield

Summary of Significant Accounting Policies

December 31, 2022

Management Responsibility	The financial statements of The Corporation of the Township of Bonfield (the "Township") are the representations of management. They have been prepared in accordance with Canadian public accounting standards ("PSAB"). The Township provides municipal services such as general government, fire, building, protection to persons, transportation, environmental, health, social, family, recreation, culture, planning and development services.												
Cash and Cash Equivalents	Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.												
Inventories	Inventory of supplies are stated at the lower of cost and replacement costs. Cost is determined on the first in, first out basis.												
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 tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and the 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 asset is available for productive use as follows:</p> <table><tr><td>Land improvements</td><td>20 to 25 years</td></tr><tr><td>Buildings</td><td>50 to 60 years</td></tr><tr><td>Roads and bridges</td><td>4 to 50 years</td></tr><tr><td>Vehicles</td><td>5 to 20 years</td></tr><tr><td>Machinery and equipment</td><td>5 to 20 years</td></tr><tr><td>Work in process</td><td>no amortization</td></tr></table>	Land improvements	20 to 25 years	Buildings	50 to 60 years	Roads and bridges	4 to 50 years	Vehicles	5 to 20 years	Machinery and equipment	5 to 20 years	Work in process	no amortization
Land improvements	20 to 25 years												
Buildings	50 to 60 years												
Roads and bridges	4 to 50 years												
Vehicles	5 to 20 years												
Machinery and equipment	5 to 20 years												
Work in process	no amortization												
Landfill Closure and Post-closure Costs	The estimated costs to close and maintain the Township's solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimation inflation, and are charged to expense as the landfill site's capacity is used.												

The Corporation of the Township of Bonfield

Summary of Significant Accounting Policies

December 31, 2022

Retirement Benefits and Other Employee Benefit Plans

Liabilities for vacations and sick leave credits earned but not taken are accrued as earned.

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 investment of the assets and administration of the benefits. The Township has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Township records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

Collection of Taxes on Behalf of School Boards

The Township collects taxation revenue on behalf of the school boards. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

Revenue Recognition

a. Taxation

Taxes are recognized at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of valuation allowance for anticipated tax adjustments. 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.

b. User fees and other

User fees and other revenue are recognized on an accrual basis.

The Corporation of the Township of Bonfield

Summary of Significant Accounting Policies

December 31, 2022

Revenue Recognition (continued)

c. Government transfers and grants

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Government transfer payments, which include legislative grants, are recognized in the financial statements in the period in which the events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be determined.

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 items subject to such estimates and assumptions include allowances for doubtful accounts, other accrued liabilities and/or obligations and landfill closure and post-closure liabilities.

In particular, management's estimate for the landfill closure and post-closure liability is subject to measurement uncertainty. The estimate is based on assumptions and calculations estimated by an engineering firm, modified as necessary for the passage of time and actual use of the landfill site. Actual results could differ significantly from those estimates because of the uncertainty related to future costs estimates and future use of the landfill site.

The Corporation of the Township of Bonfield Notes to Financial Statements

December 31, 2022

1. Cash and Cash Equivalents

	2022	2021
Cash in bank	\$ 1,692,056	\$ 2,026,748

2. Investments

Investments consist of nine guaranteed investment certificates at a few Canadian chartered banks in the total amount of \$484,953 (2021 - \$425,119) bearing interest at 4.2%, 4.35%, 4.35%, 4.35%, 4.35%, 4.2%, 4.2%, 4.2%, and 4.31% per annum maturing in March 2023, February 2023, February 2023 March 2023, February 2023, March 2023, September 2023, and the last one in September 2023 respectively, plus accrued interest. Investments also consist of one mutual funds in the total amount of \$51,708 (2021 - \$102,535).

3. Taxes Receivable

	2022	2021
Current	\$ 150,429	\$ 143,640
Arrears	97,341	75,359
Interest	35,318	20,866
	\$ 283,088	\$ 239,865

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established annually by Council, incorporating amounts to be raised for local services, the requisition made by the various local boards in respect of Regional services and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings.

**The Corporation of the Township of Bonfield
Notes to Financial Statements**

December 31, 2022

4. Accounts Receivable

	<u>2022</u>	<u>2021</u>
Harmonized sales tax receivable	\$ 187,379	\$ 42,589
Government grants	488,503	-
Trade receivables	76,707	16,666
Other receivables	2,941	1,730
	<u>\$ 755,530</u>	<u>\$ 60,985</u>

**The Corporation of the Township of Bonfield
Notes to Financial Statements**

December 31, 2022

5. Tangible Capital Assets

	2022							
	Land	Land Improvements	Buildings	Roads and Bridges	Vehicles	Machinery and Equipment	Work in Progress	Total
Cost, beginning of year	\$ 329,115	\$ 145,188	\$ 2,693,167	\$ 15,859,579	\$ 1,284,509	\$ 1,082,019	\$ -	\$ 21,393,577
Additions	-	1,115,598	59,293	58,859	61,892	130,465	-	1,426,107
Disposals	-	-	-	-	(27,539)	(10,952)	-	(38,491)
Cost, end of year	<u>329,115</u>	<u>1,260,786</u>	<u>2,752,460</u>	<u>15,918,438</u>	<u>1,318,862</u>	<u>1,201,532</u>	<u>-</u>	<u>22,781,193</u>
Accumulated amortization, beginning of year	-	71,523	1,046,186	11,101,157	711,710	760,224	-	13,690,800
Amortization	-	14,001	71,755	136,302	68,271	43,115	-	333,444
Disposals	-	-	-	-	(27,539)	(10,952)	-	(38,491)
Accumulated amortization, end of year	<u>-</u>	<u>85,524</u>	<u>1,117,941</u>	<u>11,237,459</u>	<u>752,442</u>	<u>792,387</u>	<u>-</u>	<u>13,985,753</u>
Net carrying amount, end of year	<u>\$ 329,115</u>	<u>\$ 1,175,262</u>	<u>\$ 1,634,519</u>	<u>\$ 4,680,979</u>	<u>\$ 566,420</u>	<u>\$ 409,145</u>	<u>\$ -</u>	<u>\$ 8,795,440</u>

**The Corporation of the Township of Bonfield
Notes to Financial Statements**

December 31, 2022

5. Tangible Capital Assets (continued)

								2021
	Land	Land Improvements	Buildings	Roads and Bridges	Vehicles	Machinery and Equipment	Work in Progress	Total
Cost, beginning of year	\$ 329,115	\$ 145,188	\$ 2,693,167	\$ 15,663,082	\$ 1,284,509	\$ 1,047,843	\$ -	\$ 21,162,904
Additions	-	-	-	196,497	-	43,176	-	239,673
Disposals	-	-	-	-	-	(9,000)	-	(9,000)
Cost, end of year	329,115	145,188	2,693,167	15,859,579	1,284,509	1,082,019	-	21,393,577
Accumulated amortization, beginning of year	-	70,150	992,322	10,892,714	667,281	723,408	-	13,345,875
Amortization	-	1,373	53,864	208,443	44,429	45,816	-	353,925
Disposals	-	-	-	-	-	(9,000)	-	(9,000)
Accumulated amortization, end of year	-	71,523	1,046,186	11,101,157	711,710	760,224	-	13,690,800
Net carrying amount, end of year	\$ 329,115	\$ 73,665	\$ 1,646,981	\$ 4,758,422	\$ 572,799	\$ 321,795	\$ -	\$ 7,702,777

**The Corporation of the Township of Bonfield
Notes to Financial Statements**

December 31, 2022

6. Inventories

	<u>2022</u>	<u>2021</u>
Fuel inventory	\$ 11,035	\$ 11,411
Sand and salt inventory	30,801	21,359
Culverts	34,873	44,818
Fencing	18,781	18,780
Gravel	48,455	38,348
	<u>\$ 143,945</u>	<u>\$ 134,716</u>

7. Operating Line of Credit

The Township has a line of credit with a maximum credit limit of \$1,000,000. The line of credit is due on demand and bears interest at the bank's prime rate plus 0.25%, calculated and payable monthly. The line of credit is unsecured and is used for temporary borrowing until the taxes are collected and other revenues are received. The amount utilized on this line at year end was \$Nil (2021 - \$Nil).

8. Accounts Payable and Accrued Liabilities

	<u>2022</u>	<u>2021</u>
Trade payables	\$ 438,676	\$ 354,951
Accrued payroll liabilities	94,819	136,609
	<u>\$ 533,495</u>	<u>\$ 491,560</u>

The Corporation of the Township of Bonfield Notes to Financial Statements

December 31, 2022

9. Long-term Debt

Net long-term debt reported on the statement of financial position is comprised of the following:

	2022	2021
Bank loan - 4.45%, due July, 2023, payable \$3,997 monthly blended principal and interest, secured by a specific asset.	\$ 16,824	\$ 62,926
Bank loan - 3.57%, due December, 2027, payable \$5,271 monthly blended principal and interest, unsecured.	1,044,475	1,070,457
Bank loan - 4.0%, due December, 2026, payable \$1,733 monthly blended principal and interest, secured by a specific asset.	155,019	169,996
Bank loan - 3.95%, due October, 2024, payable \$1,064 monthly blended principal and interest, secured by a specific asset.	75,615	85,199
Bank loan - 2.36%, due December 2029, payable \$12,993 semi-annual blended principal and interest, secured by a specific asset.	166,773	188,439
Bank loan - 2.50%, due December, 2034, payable \$12,682 semi-annual blended principal and interest, secured by a specific asset.	261,550	280,027
	1,720,256	1,857,044
Less amounts due within one year	109,122	135,766
	\$ 1,611,134	\$ 1,721,278

Principal repayments for the next five years and thereafter are as follows:

2023	\$ 109,122
2024	150,541
2025	87,543
2026	90,278
2027	93,102
Thereafter	1,189,670
	\$ 1,720,256

The Corporation of the Township of Bonfield Notes to Financial Statements

December 31, 2022

9. Long-term Debt (continued)

Interest expense paid relating to the long-term debt above is \$59,530 (2021 - \$63,530) and has been included in general government, protection to persons and property, transportation services and parks expense on the statement of operations.

10. Landfill Closure and Post-Closure Accrual

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the Township's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$329,426 (2021 - \$201,500) and reflects a discount rate of 5.27% (2021 - 4%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. The estimate is based on assumptions and calculations estimated by an engineering firm. The landfill is expected to reach its capacity in 54 years and the estimated remaining capacity is 78,834 (2021 - 79,504) cubic metres which is 62.43% (2021 - 62.1%) of the site's total capacity. The total undiscounted estimated future expenditures for closure and post-closure care are \$527,681 (2021 - \$419,214) leaving an amount to be recognized of \$198,255 (2021 - \$212,590). The estimated length of time needed for post-closure care is 25 years.

Municipal reserves for the landfill site total \$181,393 (2021 - \$58,593).

The Corporation of the Township of Bonfield Notes to Financial Statements

December 31, 2022

11. Deferred Revenue

	2022	2021
Opening balance	\$ 745,024	\$ 669,866
Add:		
Federal gas tax contributions	126,226	248,154
Northern Ontario Resource Development Support	180,637	-
Ontario Community Infrastructure Fund (OCIF)	118,023	-
Interest earned	5,756	2,170
Allowance deposits	16,214	7,932
Cannabis contributions	-	10,000
Less:		
Utilization of funds - Federal gas tax	(112,388)	(193,098)
Utilization of funds - OCIF	(65,106)	-
Utilization of allowance deposits	(24,945)	-
Ending balance	\$ 989,441	\$ 745,024

Gas tax revenue is provided by the Government of Canada. The use of the funding is established by the funding agreement signed between the Township and the Association of Municipalities of Ontario. Gas tax funding may be used towards designated projects as specified in the funding agreements.

Ontario Trillium revenue is provided by the Government of Ontario. The use of funding is established by the funding agreement signed between the Township and the Ontario Trillium Foundation. Ontario Trillium funding may be used toward designated projects as specified in the funding agreements.

The Corporation of the Township of Bonfield

Notes to Financial Statements

December 31, 2022

12. Pension Agreement

The Township makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer pension plan, on behalf of full-time members of staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to over half a million active, deferred and retired members and 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, 2022. The results of this valuation disclosed total actuarial liabilities of 123,628 million in respect of benefits accrued for service with actuarial assets at that date of \$130,306 million indicating a going concern 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. Contributions made by the Township to OMERS for 2022 were \$60,987 (2021 - \$47,391).

13. Commitments

On November 13, 2018, The Corporation of the Township of Bonfield entered into an agreement with the Minister of Community Safety and Correctional Services for the provision of police services under Section 10(6) of the Police Services Act, R.S.O. 1990, C.P.15 for the period January 1, 2023 to December 31, 2024. Under the terms of this contract, the Ontario Provincial Police ("OPP") will provide adequate and effective policing services to the Township each year. Payment of services is made monthly in the amount of \$26,990 (2021 - \$28,904) on the last day of each month which commenced January 31, 2022. The costs may be adjusted annually, based upon the salary schedules in effect for the year.

The Corporation of the Township of Bonfield Notes to Financial Statements

December 31, 2022

14. Accumulated Surplus

The Township segregates its accumulated surplus in the following categories:

	<u>2022</u>	<u>2021</u>
Investment in tangible capital assets	\$ 8,795,440	\$ 7,702,777
General surplus	142,007	151,590
Amounts to be recovered (i)	(2,049,682)	(2,058,544)
Reserves and reserve funds (ii)	1,754,693	1,606,989
	<u>\$ 8,642,458</u>	<u>\$ 7,402,812</u>

(i) Amounts to be recovered

	<u>2022</u>	<u>2021</u>
Long-term debt	\$ (1,720,256)	\$ (1,857,044)
Landfill closure and post-closure accrual	(329,426)	(201,500)
	<u>\$ (2,049,682)</u>	<u>\$ (2,058,544)</u>

(ii) Reserves and reserve funds

Asset management plan strategic priorities reserve	\$ 456,037	\$ 456,037
Efficiencies reserve fund	370,808	370,808
Capital emergencies reserve	336,000	336,000
Landfill site tipping fees reserve funds	181,393	58,593
Tax rate stabilization reserve	173,743	154,000
Operating budget accounts stabilization reserve	98,000	98,000
Fire department capital equipment reserve funds	32,133	64,872
Cassellholme reserve	30,000	-
5% in Lieu of Parkland reserve funds	29,350	24,450
Skateboard reserve	21,071	18,071
Operating budget contingencies reserve	15,815	15,815
Library Family Literacy reserve	8,168	8,168
Mount Pleasant Cemetery reserve	1,675	1,675
Veterans Memorial reserve	500	500
	<u>\$ 1,754,693</u>	<u>\$ 1,606,989</u>

The Corporation of the Township of Bonfield Notes to Financial Statements

December 31, 2022

15. Taxation

	2022	2021
Taxation raised for municipal purposes	\$ 3,190,216	\$ 2,970,462
Payments in lieu of taxation	16,814	9,881
	\$ 3,207,030	\$ 2,980,343

Taxes of \$639,211 (2021 - \$632,525), raised on behalf of and submitted to the school boards, have not been included in the above totals.

16. Budget

The Budget By-law adopted by Council on August 17, 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 now require a full accrual basis. The budget figures anticipated use surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$Nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on August 17, 2021 with adjustments as follows:

	2022
Budget by-law surplus for the year	\$ -
Add:	
Long-term debt repayment	195,900
Transfers to reserve funds	135,000
Less:	
Transfers from reserve funds	(129,968)
Budget surplus per statement of operations	\$ 200,932

**The Corporation of the Township of Bonfield
Notes to Financial Statements**

December 31, 2022

17. Expenses by Object

	2022	2021
Salaries, wages and employee benefits	\$ 1,304,282	\$ 1,384,034
Materials	1,441,390	1,156,848
Contracted services	1,350,993	1,344,077
Interest expense	59,531	63,530
Amortization expense	333,444	353,925
	\$ 4,489,640	\$ 4,302,414

18. Library Statement of Operations

Included in the Statement of Operations are library operations as follows:

	2022	2021
Revenue	\$ 5,763	\$ 5,763
Expenses		
Salaries, wages and employee benefits	65,951	65,095
Office supplies & expenses	10,021	8,420
Maintenance and repairs	-	623
Amortization expense	12,794	11,736
	88,766	85,874
Annual deficit	\$ (83,003)	\$ (80,111)

The Corporation of the Township of Bonfield

Notes to Financial Statements

December 31, 2022

19. Segmented Information Disclosures

The Township is a diversified municipal government institution that provides a wide range of services to its citizens such as police and fire. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Council

This relates to the revenues and expenditures that are directly attributable to municipal Council functions.

General Government

This relates to the revenues and expenditures of the Township itself and cannot be directly attributed to specific segments.

Protection to Persons and Property

Protection is comprised of police services, emergency management, animal control and livestock evaluators. The police services work to ensure the safety and protection of the citizens and their property.

Building Department

This department provides a number of services including maintenance and enforcement of building and construction codes.

Fire Department

The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers.

Transportation Services

Transportation is responsible for maintaining the Township's roadway systems.

The Corporation of the Township of Bonfield

Notes to Financial Statements

December 31, 2022

19. Segmented Information Disclosures (continued)

Environmental Services

Environmental services consists of providing recycling and waste disposal facilities to citizens.

Health, Social and Family Services

Health services are comprised of public health services which works to improve the overall health of the population by providing services to individuals and communities. Health services also include the Bonfield Medical Centre, which operating expenses are paid by the Ministry of Health and Long-Term Care. Social and family services provides services that are meant to help the less fortunate in society. Social housing is provided to help shelter families and elderly in need. Child care funding is provided to subsidize day cares and to provide early learning programs. The ambulance service transports the injured to the hospital and provides emergency medical care to those in distress.

Recreation and Culture

Recreation and culture represents cultural activity support within the municipality. This includes maintenance and upkeep of parks, running recreation programs, and providing library services.

Planning and Economic Development

The planning department provides a number of services including municipal planning and review of all property development plans through its application process. The economic development department provides services to generate opportunities in the community and to strengthen the economic base of the municipality.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter segment transfers are measured on the basis of the percentage of budgeted expenditures.

**The Corporation of the Township of Bonfield
Notes to Financial Statements**

December 31, 2022

19. Segmented Information Disclosures (continued)

	Council	General Government	Protection to Persons and Property	Building Department	Fire Department	Transportation Services	Environmental Services	Health, Social and Family Services	Recreation and Culture	Planning and Economic Development	Unallocated Amounts	2022 Total
Revenues												
Net taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,207,030	\$ 3,207,030
User fees	-	2,551	-	61,628	25	920	149,415	-	-	13,230	-	227,769
Transfer payments and grants	-	668,413	-	-	-	181,694	-	116,283	1,110,165	27,576	-	2,104,131
Other	-	6,591	-	-	34,890	14,213	24,434	3,146	18,752	2,450	85,880	190,356
	-	677,555	-	61,628	34,915	196,827	173,849	119,429	1,128,917	43,256	3,292,910	5,729,286
Expenses												
Salaries and benefits	77,171	372,312	8,572	30,098	65,084	557,853	45,356	81,335	66,301	200	-	1,304,282
Materials	11,697	371,297	18,119	12,894	110,691	601,261	150,457	45,593	53,846	65,535	-	1,441,390
Contracted services	-	82,354	367,677	1,586	5,917	104,417	47,067	740,928	83	964	-	1,350,993
Interest	-	-	-	-	3,193	51,851	-	-	4,487	-	-	59,531
Amortization	-	9,143	-	-	44,221	192,560	1,260	5,611	78,612	2,037	-	333,444
	88,868	835,106	394,368	44,578	229,106	1,507,942	244,140	873,467	203,329	68,737	-	4,489,640
Annual (deficit) surplus	\$ (88,868)	\$ (157,551)	\$ (394,368)	\$ 17,050	\$ (194,191)	\$ (1,311,115)	\$ (70,291)	\$ (754,038)	\$ 925,588	\$ (25,481)	\$ 3,292,910	\$ 1,239,646

**The Corporation of the Township of Bonfield
Notes to Financial Statements**

December 31, 2022

19. Segmented Information Disclosures (continued)

	Council	General Government	Protection to Persons and Property	Building Department	Fire Department	Transportation Services	Environmental Services	Health, Social and Family Services	Recreation and Culture	Planning and Economic Development	Unallocated Amounts	2021 Total
Revenues												
Net taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,980,343	\$ 2,980,343
User fees	-	2,894	40	31,130	14,518	525	39,072	-	-	26,187	-	114,366
Transfer payments and grants	-	657,700	45,751	-	-	247,756	-	111,283	7,037	36,557	-	1,106,084
Other	-	2,000	-	-	20,731	8,300	27,301	5,623	5,823	19,981	23,052	112,811
	-	662,594	45,791	31,130	35,249	256,581	66,373	116,906	12,860	82,725	3,003,395	4,313,604
Expenses												
Salaries and benefits	70,598	518,583	4,136	29,171	60,553	507,586	38,757	89,155	65,095	400	-	1,384,034
Materials	712	454,694	11,758	5,845	122,454	449,057	17,942	45,208	36,976	12,202	-	1,156,848
Contracted services	-	114,875	393,508	-	5,917	79,936	34,124	714,390	331	996	-	1,344,077
Interest	-	-	-	-	3,564	52,868	-	-	7,098	-	-	63,530
Amortization	-	10,478	-	-	32,039	258,203	855	2,591	48,231	1,528	-	353,925
	71,310	1,098,630	409,402	35,016	224,527	1,347,650	91,678	851,344	157,731	15,126	-	4,302,414
Annual (deficit) surplus	\$ (71,310)	\$ (436,036)	\$ (363,611)	\$ (3,886)	\$ (189,278)	\$ (1,091,069)	\$ (25,305)	\$ (734,438)	\$ (144,871)	\$ 67,599	\$ 3,003,395	\$ 11,190