



**AMO** Association of  
Municipalities Ontario

ANNUAL REPORT | 2022



## Table of Contents

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|                                      |    |
|--------------------------------------|----|
| Message from the AMO President       | 3  |
| Message from the Secretary-Treasurer | 4  |
| The Value of AMO Membership          | 5  |
| Message from the Executive Director  | 6  |
| AMO's Centres                        | 7  |
| Highlights of AMO's Work in 2022     | 8  |
| AMO Board of Directors               | 12 |
| Financial Statements 2022            | 13 |

# Message from the AMO President



I am very proud and grateful to have been elected as your AMO President at the 2022 AGM & Conference in Ottawa. I want to congratulate all of Ontario's municipal council members for their successful election to their respective positions in the fall. I also want to thank the municipal staff who steward local municipal and school board elections.

Over 40% of council members are new to their positions, and I want them all to know that AMO is here to be a resource and advocate for the municipal sector during their terms of office.

In 2022, Ontario and the world began to emerge from the COVID-19 pandemic. At the 2022 AMO Conference – the first in-person AMO Conference since 2019 – the AMO Board conferred an AMO Honour Roll Award to Ontario's municipal workers in recognition of their remarkable contribution to our communities and our province in responding to the pandemic. Ontario's municipal workers kept communities running, delivering essential services that people continued to rely on, even when many of us were staying home.

This provincial government has rightly made housing affordability a priority. We all see how the housing crisis is affecting residents of our communities – especially the underhoused. AMO has worked tirelessly to ensure that the municipal voice is heard by the provincial government and to show that Ontario's communities are not the source of housing supply and affordability challenges, but willing partners who are ready to implement solutions.

AMO is governed by a dedicated volunteer Board of municipal councillors, heads of council, and public servants from every part of Ontario. They bring local knowledge and experience to the table and remarkable understanding of the capacity, the needs, and aspirations of Ontario's \$60 billion municipal sector. Thank you to those who serve on the AMO Board.

I also want to thank AMO staff who continue to provide incredible advice and resources to the Board and our members. Through policy analysis and advocacy, member services, and our core administrative and business arm functions, AMO staff ensure our members are well served, represented, and informed.

AMO continues to be one of the most influential advocacy organizations in the country. Ontarians have come to expect that all levels of government work together to implement solutions to the challenges facing our communities. Your support and participation enable the municipal sector to speak with one common voice. None of the work we do would be possible without the support of AMO members.

Your membership in AMO makes a world of difference.

A handwritten signature in black ink, appearing to read 'Colin Best'. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

**Colin Best**

*President, AMO  
Councillor, Region of Halton*

# Secretary-Treasurer's Report



I am pleased to provide you with my report on AMO's 2022 financial status and some highlights of the Association from a corporate lens.

A copy of the audited financial statements for the year ending December 31, 2022 is included in this report. The Association continues to be in good financial shape. The main sources of revenue for the Association are membership fees and the annual conference. AMO's Audit Committee meets three times a year with the auditors as part of the Association's accountability framework.

The financial stability of the organization is demonstrated year-over-year. In 2022, the Board approved the deployment of \$2 million in financial reserves over the next four years for two priority projects: AMO's Healthy Democracy Project and its Municipal Workforce Development Project.

AMO's Finance and Operations Centre is the backbone of AMO's corporate operations and its affiliated organizations – LAS, MEPCO, and ONE Investment. It is responsible for accounting, financial systems, risk management, information technology, human resources, website and email communications management, information systems and data management.

AMO's own website had over 543,912 pageviews in 2022. Subscription to the weekly AMO Watchfile is currently at 7,800. Communicating with our members and keeping everyone up to date is just part of the value-added benefit of an AMO membership.

The work of the Finance and Operations Centre is important to AMO's success.

A handwritten signature in black ink that reads "Trevor Wilcox". The signature is written in a cursive, flowing style.

Trevor Wilcox

*Secretary-Treasurer*

*General Manager - Corporate Performance, County of Simcoe*

# The Value of AMO Membership



**AMO** is your organization.

**AMO** ensures the collective voice of municipal government in Ontario is heard loud and clear.

**AMO** works to make municipal governments stronger and more effective. Through AMO, Ontario's 444 municipalities work together to achieve shared goals and meet common challenges.

Through our policy development, advocacy, membership programs, conferences, and training, AMO provides municipal elected officials with the tools to succeed and maximize their finances.



**AMO** is a highly influential policy and advocacy organization, but it's also much more. Through our LAS – AMO's Business Services organization, there are many cost-saving programs and services designed to support municipalities. We also advance municipal employer interests in the OMERS Pension Plan as your sponsor representative through the Municipal Employer Pension Centre of Ontario (MEPCO). Through MEPCO, we ensure that your voice influences the governance and the administration of the \$124 billion OMERS plan.

**AMO** continues to have a strong membership base. In 2022, AMO had a membership of 422 municipal members – representing 95% of all municipalities.



**AMO's** membership is further strengthened by 41 organizations that are partners, associates, districts, and affiliates. We are pleased to have a working relationship with these unique members as we advance the interests of municipal government.



# Message from the Executive Director



Over the course of the past three years, AMO has worked hard to support its members and the vitally important work they do to keep communities safe and to protect the services Ontarians rely on most. AMO is glad to continue this important work as our members focus on the social and economic recovery from the COVID-19 pandemic and other emerging priorities.

AMO is guided by an exceptional Board of municipal council members and municipal public servants. I am grateful to work with community leaders who care deeply about their residents, communities, and the province.

I am also grateful to work with the AMO staff who work hard to keep you informed and respond to your priorities. They provide the resources, programs, events, and training that AMO members rely on with skill and dedication. In 2022, Monika Turner, AMO's long-standing Director of Policy, retired after serving the AMO membership for 12 years and a distinguished career of public service. Lindsay Jones joined AMO in late 2022 as the new Director of Policy & Government Relations, with over 20 years of experience at the provincial and federal levels.

AMO staff and I know that you have been seized with the housing affordability crisis, which is affecting every community in Ontario. AMO's efforts have been to shine a bright light on the realities of this crisis and the challenges created by the government's response. Throughout the pandemic, Ontarians saw how collaboration among all orders of government leads to better policy and better outcomes. AMO will continue to call on the province and the federal government to work with municipalities to advance important work on housing supply and homelessness.

After two years of meeting virtually, AMO staff delivered an exceptional in-person conference, hosted by the City of Ottawa. We know how meaningful this event is to you – not only to learn, but to interact with your colleagues from across Ontario, many of whom have also become your friends. The 2022 AMO Conference was a resounding success, with over 2,000 registered delegates. AMO staff are truly grateful for your support. We look forward to welcoming you again at the 2023 AMO Conference.

I take seriously the significant role AMO has in shaping public policy and supporting members. These core objectives will continue to drive our efforts in the year ahead.

I want to thank all our members for your support. I also want to thank the many extraordinary municipal public servants who work with AMO staff to ensure our advocacy, member and business services reflect the best knowledge of your priorities, challenges, and aspirations.

A handwritten signature in black ink, appearing to read 'Brian Rosborough'. The signature is fluid and cursive, written on a white background.

**Brian Rosborough**

*Executive Director*

## Enterprise

**AMO's Enterprise Centre** works closely with LAS and ONE Investment to build strategic relationships with partners where there is shared value – the partner succeeds in achieving business goals while AMO/LAS maximizes benefits to members. The Enterprise Centre is led by Judy Dezell.

## Finance and Operations

**AMO's Finance and Operations Centre** is responsible for managing AMO and AMO-related organizations' accounting, financial systems, risk management, information technology, human resources, website management, information systems and data management. Information is disseminated to the AMO membership and the public-at-large using our websites and other electronic tools by leveraging our membership database and other tools. The Finance and Operations Centre is led by Afshin Majidi.

## Membership

**AMO's Membership Centre** supports AMO's membership through the development and delivery of events, education and training, and the management of the Canada Community-Building Fund (CCBF). The Membership team leads several AMO Board initiatives, including increasing diversity on municipal councils, enhancing understanding and engagement in municipal governance, and examining challenges with understanding and approaches to local democracy. The Membership Centre is led by Petra Wolfbeiss.

## Policy

**AMO's Policy Centre** conducts research, government relations, policy analysis, and advocacy to ensure that provincial policies and programs respect municipal authority. The Policy Centre was led by Monika Turner until her retirement in 2022 and is now led by Lindsay Jones.

## Provincial Election Strategy

Leading up to the June 2022 provincial election, AMO released our [2022 Provincial Election Strategy](#). This document serves as a foundation for the next four years of provincial-municipal cooperation and accountability. The strategy is non-partisan, broadly focused, attainable within provincial responsibilities, and reflects sector-wide priorities. The strategy set out an eight-point plan with AMO's vision for economic recovery, prosperity, and increased opportunity. Throughout the provincial election, AMO shared how party platforms and announcements aligned with our eight-point plan.

## Municipal Elections

Leading up to the October 2022 municipal elections, AMO launched the [We All Win campaign](#). We All Win promotes the understanding that municipal governments better serve the public when they reflect the diversity of their communities. The campaign featured advice and experiences from elected officials who are making a difference through municipal government.

AMO also developed a website for all unofficial municipal election results. This comprehensive platform positioned AMO as the primary resource for media and the public to view unofficial elections results and key statistics such as voter turnout. This resource would not be possible without the support of Municipal Clerks and Returning Officers who take the time during a very busy period to provide this information. The 2022 Municipal Elections saw significant turnover in the composition of municipal councils, with over 40% of those elected being new to their positions.

## Training Opportunities for Members of Council

Following each municipal election cycle, AMO plays an important role in onboarding newly elected and returning municipal councillors and heads of council. AMO modernized its training to reflect the realities, responsibilities, challenges, and opportunities of elected municipal officials in today's context. AMO's New Councillor Training and Head of Council Training are delivered by two experienced Chief Administrative Officers. The training also features subject matter experts where critical insights will be gained to help council members manage diverse issues and expectations throughout their term. The training continues through the 2022-2026 council term.

AMO also evolved its training offerings to ensure our members are supported in their role as local leaders. This includes topics such as: human rights and equity, Indigenous cultural competency, navigating conflict relationships, and foundational and advanced land use planning.



## Housing & Homelessness Advocacy

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2022 saw important shifts in the political environment with significant implications for municipal governments. The prominence of housing supply and affordability as an election issue for both the June provincial election and the new government's early legislative agenda fundamentally shifted the provincial-municipal relationship. Prior to the election, the release of [AMO's Housing Blueprint](#) outlined collaborative solutions across governments.

Following the introduction of legislation with profound fiscal, policy, governance, and operational implications for municipalities, AMO was front-and-centre in highlighting serious risks and providing ministries, the legislature, and the media with a critical counterpoint to the developer perspective. AMO's policy work also highlighted the homelessness crisis as an extension of the housing situation, calling for collaborative action across government.

## Returning to the Property Reassessment Cycle

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Municipal governments provide the services that people and businesses rely on most on a day-to-day basis. Municipal governments contribute approximately \$60 billion in public services and infrastructure, with \$41 billion raised primarily through property taxes and payments-in-lieu of taxes. Given that property tax is the single largest source of revenue for Ontario's municipal governments, AMO knows that a well-functioning, up-to-date assessment system is top of mind for our members; municipal councils need to make important taxation decisions and restore predictability and stability for property taxpayers.

AMO has heard that MPAC is ready to return to the property assessment cycle that was rightly paused during the pandemic. Throughout 2022, AMO encouraged the provincial government to restore the reassessment cycle and worked with MPAC to develop and implement an information campaign designed to dispel myths about the implications of an assessment update.

## Healthy Democracy Project & Workforce Development Project

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In late 2022, the AMO Board committed \$2 million over four years for two signature projects: the Healthy Democracy Project and the Municipal Workforce Development Project. These two projects respond to two pressing member priorities.

The Healthy Democracy Project builds on AMO's We All Win initiative to advance greater diversity, equity, and inclusion on municipal councils. The Healthy Democracy Project will promote the value and importance of municipal governments in Ontario and Canada's political system, identify ways that AMO can provide support and resources to candidates that will diversify municipal councils, and enhance understanding and encourage participation in municipal government.

The Workforce Development Project will help AMO and Ontario’s municipalities better understand the municipal sector’s workforce needs. Employee recruitment and retention is a major concern for municipal government and a large cohort of municipal employees are eligible to retire over the next decade. This means that Ontario’s municipalities are faced with an impending leadership, knowledge, and skills gap. The Workforce Development Project will engage with municipal and post-secondary partners that will retain and develop our current workforce and prepare the next generation of community builders for careers in the municipal sector.

## Electronic Permitting

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AMO and LAS continue to explore opportunities in digital technology that helps members automate tasks to increase operational efficiencies, freeing municipal staff to focus on matters that require human abilities like problem solving and intuition. Electronic permitting (e-permitting) for building services, is one area that has helped municipal governments automate parts of the local development approval processes. In 2022, after a competitive procurement exercise, AMO announced a partnership with Cloudpermit, a company that specializes in e-permitting technology for building services. Prior to this partnership, many municipalities in Ontario had been using the Cloudpermit system within their building departments. They have seen the benefits of the software to local building service processes, including faster turnarounds of the issuance, inspection, and approval of permits.

Later in 2022, AMO announced that Cloudpermit’s planning/development module and by-law enforcement module are also available to interested members through the partnership agreement. 38 municipalities implemented Cloudpermit’s building permit system, three implemented the planning module, and five implemented the by-law enforcement module.

## Municipal Cybersecurity

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Cyber security has quickly climbed up the ranks to become one of the biggest risks facing organizations today. Public sector organizations continue to operate in a rapidly changing environment. As cyber insurance becomes more costly and difficult, if not impossible, for municipalities to procure, LAS made the decision to create a program and secure a partner who could assist municipalities in the event of a cyber incident. A cyber alternative risk feasibility study was conducted in 2022. Twenty-five municipalities took part in the survey and offered critical data required to complete the study. This work has continued with a competitive procurement process, and the selection of ISA Cybersecurity as the LAS partner for this program.

## Canada-Community Building Fund

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In 2022, AMO's CCBF team delivered nearly \$700 million to municipalities across Ontario on behalf of the federal government in support of critical infrastructure projects. Since its launch in 2005, municipalities receiving Canada Community-Building funds through AMO have invested over \$9 billion from the Fund into over 12,000 local projects. Through the CCBF team, AMO also delivers programming that helps the municipal sector make further progress in asset management and better inform Councils in identifying infrastructure investment priorities.

## ONE Investment

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ONE Investment's Prudent Investment Program experienced growth in 2022 with three new municipalities joining the program. The Municipality of Neebing and Cities of Quinte West and Thunder Bay transitioned in early 2022. More and more Councils are seeing the increased revenue opportunities available with a more diversified portfolio that better manages risk. ONE Investment's Prudent Investment Program is a turnkey solution available to all municipalities across Ontario providing access to the broader investment powers allowed in the *Municipal Act*.

# AMO Board of Directors

The governing body of the Association is the Board of Directors, elected every two years. The Board is comprised of elected and non-elected municipal representatives from across Ontario.

\* Indicates member of the AMO Executive Committee

## AMO Board of Directors

(as of this Report)

### Colin Best\*

AMO President  
Councillor, Region of Halton

### Trevor Wilcox\*

AMO Secretary-Treasurer  
General Manager,  
Corporate Performance,  
County of Simcoe

### Jamie McGarvey\*

Past President  
Mayor, Town of Parry Sound

### Gary Dyke\*

Past AMO Secretary-Treasurer  
CAO, Municipality of North Grenville

## Association Française des Municipalités de l'Ontario (AFMO)

### Roger Sigouin

Maire/Mayor,  
Ville de/Town of Hearst

## County Caucus

### Aina DeViet\*

Chair, County Caucus  
Councillor, Middlesex County

### Barbara Dobreen

Councillor, County of Grey

### Peter Emon

Chair, EOWC  
Warden, Renfrew County

### Chris Gerrits

Councillor, Dufferin County

### Glen McNeil

Chair, WOWC  
Warden, Huron County

### Meighan Wark

CAO, Huron County

## Large Urban Caucus

### Anna Hopkins\*

Chair, Large Urban Caucus  
Councillor, City of London

### Dan Chapman

CAO, City of Kitchener

### Dawn Dodge

Councillor, City of St. Catharines

### Luke Dufour

Councillor, City of Sault Ste. Marie

### Marianne Meed Ward

Mayor, City of Burlington

### Bryan Paterson

Mayor, City of Kingston

## Northern Caucus

### Wendy Landry\*

Chair, NW Caucus  
President, NOMA  
Mayor, Municipality of Shuniah (NW)

### Danny Whalen\*

Chair, NE Caucus  
President, FONOM  
Councillor, City of Temiskaming Shores

### John Curley

Councillor, City of Timmins

### Rick Dumas

Mayor, Town of Marathon

### Fred Mota

Mayor, Municipality of Red Lake

### Roger Sigouin

Maire/Mayor, Ville de/Town of Hearst

## Regional and Single-Tier Caucus

### Riley Brockington\*

Chair, Regional & Single Tier Caucus  
Councillor, City of Ottawa

### Marilyn Crawford

Regional Councillor, Town of Ajax

### Robert Foster

Councillor, Region of Niagara

### Tammy Hwang

Councillor, City of Hamilton

### Rhonda Mulcahy

Councillor, Region of Durham

### Karen Redman

Chair, MARCO  
Chair, Region of Waterloo

### Paul Vicente

Councillor, Region of Peel

## Rural Caucus

### Robin Jones\*

Chair, Rural Caucus  
Chair, ROMA  
Mayor, Village of Westport

### Sandra Datars Bere

City Manager, City of St. Thomas

### Peter Emon

Reeve, Town of Renfrew

### Paul Latam

Councillor, Town of Grand Valley

### Rainey Weisler

Deputy Mayor, Municipality of Bayham

## Small Urban Caucus

### Lynn Dollin\*

Chair, Small Urban Caucus  
Mayor, Town of Innisfil

### Deb Doherty

Councillor, Town of Collingwood

### Bob Kwapis

Councillor, Town of Newmarket

### Hilda MacDonald

Chair, OSUM  
Mayor, Municipality of Leamington

### Denyse Morrissey

CAO, Town of Shelburne

**Association of Municipalities of Ontario**  
**Financial Statements**  
For the year ended December 31, 2022

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|                                     | <b>Contents</b> |
|-------------------------------------|-----------------|
| <b>Independent Auditor's Report</b> | <b>14 - 15</b>  |
| <b>Financial Statements</b>         |                 |
| Statement of Financial Position     | <b>16</b>       |
| Statement of Operations             | <b>17</b>       |
| Statement of Changes in Net Assets  | <b>18</b>       |
| Statement of Cash Flows             | <b>19</b>       |
| Notes to Financial Statements       | <b>20 - 30</b>  |



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## Independent Auditor's Report

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### To the Directors of Association of Municipalities of Ontario

#### Opinion

We have audited the financial statements of Association of Municipalities of Ontario ("AMO"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes 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 AMO as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### 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 AMO 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 these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 AMO'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 AMO or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing AMO'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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.





### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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 AMO'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 AMO'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 AMO 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  
Oakville, Ontario  
June 23, 2023

## Association of Municipalities of Ontario Statement of Financial Position

| December 31                     | 2022          | 2021          |
|---------------------------------|---------------|---------------|
| <b>Assets</b>                   |               |               |
| <b>Current</b>                  |               |               |
| Cash                            | \$ 572,686    | \$ 526,365    |
| Accounts receivable (Note 3)    | 635,438       | 1,077,446     |
| Investments (Note 4)            | 23,054,958    | 19,889,273    |
| Prepaid expenses                | 500,712       | 502,289       |
|                                 | 24,763,794    | 21,995,373    |
| Investment in LAS (Note 6(a))   | 100           | 100           |
| Long-term investments (Note 5)  | 476,193       | 513,502       |
| Property and equipment (Note 7) | 54,754        | 66,843        |
|                                 | \$ 25,294,841 | \$ 22,575,818 |

### Liabilities and Net Assets

|   |                      |                      |
|---|----------------------|----------------------|
| <b>Current</b>                                    |                      |                      |
| Accounts payable and accrued liabilities (Note 9) | \$ 2,029,174         | \$ 1,844,138         |
| Deferred revenue                                  | 198,827              | 6,600                |
| Deferred contributions - projects (Note 10)       | 1,031,353            | 1,530,109            |
|   | 3,259,354            | 3,380,847            |
| <b>Deferred contributions - other</b>             | <b>63,247</b>        | <b>70,114</b>        |
|   | <b>3,322,601</b>     | <b>3,450,961</b>     |
| <b>Net assets</b>                                 |                      |                      |
| Restricted funds                                  | 10,455,825           | 8,895,270            |
| General funds - unrestricted                      |                      |                      |
| Investment in LAS                                 | 100                  | 100                  |
| Other   | 8,582,945            | 7,682,513            |
| Conference self-insurance reserve                 | 691,000              | 707,515              |
| Training reserve                                  | 170,616              | 170,616              |
| Invested in capital assets reserve                | 54,754               | 66,843               |
| Stabilization reserve                             | 2,017,000            | 1,602,000            |
|   | 21,972,240           | 19,124,857           |
|   | <b>\$ 25,294,841</b> | <b>\$ 22,575,818</b> |

On behalf of the Board:

\_\_\_\_\_ Director  
 \_\_\_\_\_ Director

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

# Association of Municipalities of Ontario

## Statement of Operations

| For the year ended December 31                      | 2022                               |                     |                   | 2021               |                      |                  |
|---|------------------------------------|---------------------|-------------------|--------------------|----------------------|------------------|
|   | Canada Community-<br>Building Fund | Other<br>Restricted | Unrestricted      | Total              | Total                | Total            |
| <b>Revenue</b>                                      |                                    |                     |                   |                    |                      |                  |
| Membership fees                                     | \$                                 | -                   | \$                | 2,261,487          | \$                   | 2,206,415        |
| Conferences and seminars                            | -                                  | -                   | 2,425,051         | 2,425,051          | -                    | 1,209,581        |
| Investment income                                   | -                                  | -                   | 266,364           | 266,364            | -                    | 63,004           |
| Administration and occupancy (Note 3)               | -                                  | -                   | 5,168,166         | 5,168,166          | -                    | 5,102,310        |
| Other Income  | -                                  | -                   | 557,908           | 557,908            | -                    | 157,329          |
| Funds received                                      |                                    |                     |                   |                    |                      |                  |
| Canada Community-Building                           | 677,383,084                        | -                   | -                 | 677,383,084        | -                    | 1,325,314,730    |
| Main Street revitalization (Note 10)                | -                                  | 117,464             | -                 | 117,464            | -                    | 172,304          |
| Municipal Asset Management Program                  | -                                  | 168,664             | -                 | 168,664            | -                    | 253,603          |
| Community School Alliance (Note 10)                 | -                                  | 15,950              | -                 | 15,950             | -                    | 10,400           |
| Continuous Improvement Fund Project (CIF) (Note 10) | -                                  | 291,032             | -                 | 291,032            | -                    | 354,875          |
| Waste Diversion Project (Note 10)                   | -                                  | 352,167             | -                 | 352,167            | -                    | 325,235          |
| Steward Obligation Project (Note 10)                | -                                  | 11,111              | -                 | 11,111             | -                    | 60,688           |
| Interest earned on funds received                   | 775,809                            | 4,022               | -                 | 779,831            | -                    | 312,691          |
| Government subsidies                                | -                                  | -                   | -                 | -                  | -                    | 1,415,793        |
|   | <b>678,158,893</b>                 | <b>960,410</b>      | <b>10,678,976</b> | <b>689,798,279</b> | <b>1,336,958,958</b> |                  |
| <b>Expenditures</b>                                 |                                    |                     |                   |                    |                      |                  |
| General - Administration                            | -                                  | -                   | 1,249,466         | 1,249,466          | -                    | 731,660          |
| Policy - Administration                             | 2,602,169                          | 121,486             | 1,768,924         | 4,492,579          | -                    | 4,055,524        |
| Corporate services - Administration                 | -                                  | -                   | 4,915,120         | 4,915,120          | -                    | 4,489,910        |
| - Conference, seminars and membership centre        | -                                  | -                   | 1,458,638         | 1,458,638          | -                    | 733,932          |
| Funds distributed                                   |                                    |                     |                   |                    |                      |                  |
| Canada Community-Building                           | 673,996,169                        | -                   | -                 | 673,996,169        | -                    | 1,321,927,815    |
| Main Street revitalization                          | -                                  | -                   | -                 | -                  | -                    | 37,768           |
| Municipal Asset Management Program                  | -                                  | 168,664             | -                 | 168,664            | -                    | 253,603          |
| Community School Alliance (Note 10)                 | -                                  | 15,950              | -                 | 15,950             | -                    | 10,400           |
| Continuous Improvement Fund Project (CIF) (Note 10) | -                                  | 291,032             | -                 | 291,032            | -                    | 354,875          |
| Waste Diversion Project (Note 10)                   | -                                  | 352,167             | -                 | 352,167            | -                    | 325,235          |
| Steward Obligation Project (Note 10)                | -                                  | 11,111              | -                 | 11,111             | -                    | 60,688           |
|   | <b>676,598,338</b>                 | <b>960,410</b>      | <b>9,392,148</b>  | <b>686,950,896</b> | <b>1,332,981,410</b> |                  |
| <b>Excess of revenue over expenditures</b>          | <b>\$</b>                          | <b>1,560,555</b>    | <b>\$</b>         | <b>2,847,383</b>   | <b>\$</b>            | <b>3,977,548</b> |

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

**Association of Municipalities of Ontario**  
Statement of Changes in Net Assets

|  | 2022                       |                     |                    |                              |                        | 2021                |                            |                       |       |       |
|--|----------------------------|---------------------|--------------------|------------------------------|------------------------|---------------------|----------------------------|-----------------------|-------|-------|
|  | the year ended December 31 | Restricted Fund     | Unrestricted Funds | Conference Insurance Reserve | Self-Insurance Reserve | Training Reserve    | Invested in Capital Assets | Stabilization Reserve | Total | Total |
| Balance, beginning of year                     | \$ 8,895,270               | \$ 7,682,613        | \$ 707,515         | \$ 170,616                   | \$ 66,843              | \$ 1,602,000        | \$ 19,124,857              | \$ 15,147,309         |       |       |
| Less of revenue over expenditures for the year | 1,560,555                  | 1,286,828           | -                  | -                            | -                      | -                   | 2,847,383                  | 3,977,548             |       |       |
| Transfers (Note 2)                             | -                          | (386,396)           | (16,515)           | -                            | (12,089)               | 415,000             | -                          | -                     |       |       |
| Balance, end of year                           | <b>\$ 10,455,825</b>       | <b>\$ 8,583,045</b> | <b>\$ 691,000</b>  | <b>\$ 170,616</b>            | <b>\$ 54,754</b>       | <b>\$ 2,017,000</b> | <b>\$ 21,972,240</b>       | <b>\$ 19,124,857</b>  |       |       |

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

## Association of Municipalities of Ontario Statement of Cash Flows

| For the year ended December 31   | 2022               | 2021               |
|--|--------------------|--------------------|
| <b>Cash provided by (used in)</b>  |                    |                    |
| <b>Operations</b>  |                    |                    |
| Excess of revenue over expenditures  | \$ 2,847,383       | \$ 3,977,548       |
| Adjustment required to reconcile excess of revenue<br>over expenditures with net cash provided by operating activities |                    |                    |
| Amortization of property and equipment   | 31,808             | 31,142             |
| Unrealized loss (gain) on investments  | 37,309             | (13,502)           |
| Changes in non-cash working capital balances   |                    |                    |
| Accounts receivable  | 442,008            | 880,684            |
| Prepaid expenses   | 1,577              | (207,221)          |
| Accounts payable and accrued liabilities   | 185,036            | 226,185            |
| Deferred revenue   | 192,227            | (7,600)            |
| Deferred contributions - projects  | (498,756)          | (787,702)          |
| Deferred contributions - other   | (6,867)            | (145,616)          |
|  | <b>3,231,725</b>   | <b>3,953,918</b>   |
| <b>Investing activities</b>  |                    |                    |
| Purchase of property and equipment   | (19,719)           | (20,613)           |
| Purchase of investments  | (3,165,685)        | (3,402,576)        |
| Purchase of long-term investments  | -                  | (500,000)          |
|  | <b>(3,185,404)</b> | <b>(3,923,189)</b> |
| <b>Increase in cash during the year</b>  | <b>46,321</b>      | <b>30,729</b>      |
| <b>Cash, beginning of year</b>   | <b>526,365</b>     | <b>495,636</b>     |
| <b>Cash, end of year</b>   | <b>\$ 572,686</b>  | <b>\$ 526,365</b>  |

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

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# Association of Municipalities of Ontario

## Notes to Financial Statements

**December 31, 2022**

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### 1. Basis of Presentation

Association of Municipalities of Ontario ("AMO") is a not-for-profit organization incorporated, without share capital, under Letters Patent on May 11, 1990 under the Corporations Act (Ontario). The mandate of AMO is to promote, support and enhance strong and effective municipal government in Ontario.

As a not-for-profit organization, AMO is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met.

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### 2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Accounting standards for not-for-profit organizations require entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the choices selected by AMO and applied in these financial statements.

#### Funds

The Restricted fund represents the Canada Community-Building Fund which has specific external restrictions placed on its use by the funder.

The General funds account for AMO's operations and reports unrestricted and externally restricted resources without a specific fund that are not included in the Restricted funds.

The Conference Self-Insurance Reserve was set up to maintain an annual AMO conference self-insurance reserve at 80% of the AMO conference annual costs. The reserve will be adjusted annually based on the budget for the year. The Board approved a transfer of \$16,515 from the Conference Self-Insurance Reserve to the General funds - Unrestricted (2021 - \$707,515 from General funds - Unrestricted to the Conference Self-Insurance Reserve).

The Training Reserve covers the cost of the development of in-person and online/virtual courses. The Board approved a transfer of \$Nil (2021 - \$170,616) from the General funds - Unrestricted to the Training Reserve.

The Stabilization Reserve covers for a maximum of six months any costs incurred. Stabilization reserve allows for additional flexibility for the board to ensure continued operations in case of significant interruptions, difficult economic conditions, or in meeting unforeseen obligations. The reserve will be adjusted annually based on the current budget for the year. The Board approved a transfer of \$2,017,000 (2021 - \$Nil) from General funds - Unrestricted to the Stabilization Reserve.

The Invested in Capital Assets fund represents funds invested in capital assets and is adjusted annually with net increases and decreases in capital expenditures and amortization.



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# Association of Municipalities of Ontario

## Notes to Financial Statements

**December 31, 2022**

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### 2. Significant Accounting Policies (continued)

#### **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

#### **Investment in Subsidiaries**

Local Authority Services ("LAS") is a wholly owned subsidiary of AMO. The investment in LAS is stated at cost. A financial summary of LAS is presented and disclosed in Note 6(a).

Municipal Employer Pension Centre of Ontario ("MEPCO") is controlled by AMO. A financial summary of MEPCO is presented and disclosed in Note 6(b).

#### **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, except long-term investments, which are measured at fair value. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs incurred on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

#### **Revenue Recognition**

AMO follows the restricted fund method for all externally restricted contributions. Under the restricted fund method, externally restricted contributions of the restricted funds are recognized as revenue in the year of receipt. Externally restricted contributions of the general funds are deferred until the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when the amount is reasonably estimated and collection is reasonably assured.

Membership and administration and occupancy fees are recognized as revenue in the period to which the fees relate.

Conferences and seminar revenue is recognized in the period in which the event occurs, or the service is provided.

Fees received in advance of the period to which they relate are recorded as deferred revenue in the statement of financial position.

Investment income is recognized as revenue in the period it is earned. Realized and unrealized gains and losses on long-term investments are included in investment income in the period they arise.

# Association of Municipalities of Ontario

## Notes to Financial Statements

**December 31, 2022**

### 2. Significant Accounting Policies (continued)

#### Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

|                        |   |                       |
|------------------------|---|-----------------------|
| Computer hardware      | - | 4 years straight-line |
| Furniture and fixtures | - | 5 years straight-line |

#### Pension

AMO makes contributions on behalf of its employees to Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer pension plan. The Plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The plan has net assets of \$124.2 billion per 2022 annual report. As the amount AMO is obligated to contribute under the Plan is not quantifiable, the accounting, presentation and disclosures that would otherwise be required are not determinable. Due to this fact, AMO follows the standards for a defined contribution plan, the details of which are disclosed in Note 13.

### 3. Related Party Transactions

Included in accounts receivable are amounts due from related parties as follows:

|       |    | 2022           |    | 2021    |
|-------|----|----------------|----|---------|
| LAS   | \$ | <b>339,726</b> | \$ | 334,644 |
| MEPCO |    | <b>35,817</b>  |    | 20,891  |
| ROMA  |    | -              |    | 3,787   |

These amounts are unsecured, repayable on demand and are non-interest bearing.

Included in administration and occupancy fees are administration and occupancy fees charged to:

|       |    | 2022           |    | 2021    |
|-------|----|----------------|----|---------|
| LAS   | \$ | <b>957,569</b> | \$ | 866,106 |
| MEPCO |    | <b>443,280</b> |    | 466,704 |
| ROMA  |    | <b>128,072</b> |    | 119,999 |

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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## Association of Municipalities of Ontario Notes to Financial Statements

**December 31, 2022**

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#### 4. Investments

|   | 2022                 | 2021          |
|---|----------------------|---------------|
| One Investment High Interest Savings Account (HISA)<br>bearing interest at bank prime rate less 2.235%<br>(2021 - bank prime rate less 1.735%). | <b>\$ 23,054,958</b> | \$ 19,889,273 |

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#### 5. Long-Term Investments

AMO holds long-term investments in the following pooled funds:

|  | 2022              | 2021       |
|--|-------------------|------------|
| ONE Canadian Equity Portfolio          | \$ 289,364        | \$ 314,316 |
| ONE Canadian Corporate Bond Portfolio  | 91,389            | 99,731     |
| ONE Canadian Government Bond Portfolio | 95,440            | 99,455     |
|  | <b>\$ 476,193</b> | \$ 513,502 |

## Association of Municipalities of Ontario Notes to Financial Statements

**December 31, 2022**

### 6. Subsidiaries

#### (a) Local Authority Services ("LAS")

LAS is a wholly owned subsidiary of AMO. The mandate of LAS is to work with municipalities, their agencies, boards and commissions, as well as other organizations of Ontario's broader public sector to assist them in reducing their expenditures and to increase their levels of non-tax revenues through the principle of joint or cooperative procurement efforts.

LAS has not been consolidated in AMO's financial statements. Financial statements of LAS are available on request. A financial summary of LAS as at December 31, 2022 and 2021 and for the years then ended is as follows:

|  | <b>2022</b>           | 2021          |
|--|-----------------------|---------------|
| Financial position                               |                       |               |
| Total assets                                     | <b>\$ 15,724,996</b>  | \$ 14,405,317 |
| Total liabilities                                | <b>10,033,478</b>     | 8,498,347     |
| Net assets                                       | <b>\$ 5,691,518</b>   | \$ 5,906,970  |
| Results of operations                            |                       |               |
| Total revenue                                    | <b>\$ 10,316,795</b>  | \$ 10,733,877 |
| Total expenditures                               | <b>10,532,246</b>     | 10,403,975    |
| Excess (deficiency) of revenue over expenditures | <b>\$ (215,451)</b>   | \$ 329,902    |
| Cash provided by (used in)                       |                       |               |
| Operating activities                             | <b>\$ (2,068,353)</b> | \$ 1,011,898  |
| Investing activities                             | <b>1,229,277</b>      | (479,236)     |
| Net change in cash                               | <b>\$ (839,076)</b>   | \$ 532,662    |

## Association of Municipalities of Ontario Notes to Financial Statements

**December 31, 2022**

### 6. Subsidiaries (continued)

#### (b) Municipal Employer Pension Centre Ontario ("MEPCO")

AMO is the only member of MEPCO. The mandate of MEPCO is to fulfill the obligations of the Association and others under the Ontario Municipal Employees Retirement Systems Act, 2006.

MEPCO has not been consolidated in AMO's financial statements. Financial statements of MEPCO are available on request. A financial summary of MEPCO as at December 31, 2022 and 2021 and for the years then ended is as follows:

|                                     | 2022         | 2021         |
|-------------------------------------|--------------|--------------|
| Financial position                  |              |              |
| Total assets                        | \$ 1,082,689 | \$ 1,001,932 |
| Total liabilities                   | 54,990       | 45,097       |
| Net assets                          | \$ 1,027,699 | \$ 956,835   |
| Net assets comprise:                |              |              |
| Internally restricted               | \$ 767,441   | \$ 767,441   |
| Unrestricted                        | 260,258      | 189,394      |
|                                     | \$ 1,027,699 | \$ 956,835   |
| Results of operations               |              |              |
| Total revenue                       | \$ 673,973   | \$ 646,626   |
| Total expenditures                  | 603,109      | 616,756      |
| Excess of revenue over expenditures | \$ 70,864    | \$ 29,870    |
| Cash provided by (used in)          |              |              |
| Operating activities                | \$ 91,935    | \$ 24,275    |
| Investing activity                  | (99,761)     | 19,515       |
| Net change in cash                  | \$ (7,826)   | \$ 43,790    |

## Association of Municipalities of Ontario Notes to Financial Statements

**December 31, 2022**

### 7. Property and Equipment

|                        | 2022                |                             | 2021                |                             |
|------------------------|---------------------|-----------------------------|---------------------|-----------------------------|
|                        | Cost                | Accumulated<br>Amortization | Cost                | Accumulated<br>Amortization |
| Computer hardware      | \$ 1,392,727        | \$ 1,341,385                | \$ 1,373,008        | \$ 1,313,466                |
| Furniture and fixtures | 66,336              | 62,924                      | 66,336              | 59,035                      |
|                        | <b>\$ 1,459,063</b> | <b>\$ 1,404,309</b>         | <b>\$ 1,439,344</b> | <b>\$ 1,372,501</b>         |
| Net book value         |                     | <b>\$ 54,754</b>            |                     | <b>\$ 66,843</b>            |

### 8. Affiliate

Rural Ontario Municipal Association ("ROMA")

A number of AMO's Board members serve on ROMA's Board of Directors. ROMA brings the rural perspective to the policy work of AMO, focusing on matters which affect rural communities so that they are brought to the attention of provincial and federal governments.

ROMA has not been consolidated in AMO's financial statements. Financial statements of ROMA are available on request. A financial summary of ROMA as at December 31, 2022 and 2021 and for the years then ended is as follows:

|   | 2022                | 2021               |
|---|---------------------|--------------------|
| Financial position                      |                     |                    |
| Total assets                            | \$ 1,386,407        | \$ 980,493         |
| Total liabilities                       | 896,206             | 279,205            |
| Net assets                              | <b>\$ 490,201</b>   | <b>\$ 701,288</b>  |
| Results of operations                   |                     |                    |
| Total revenue                           | \$ 425,709          | \$ 447,386         |
| Total expenditures                      | 636,796             | 489,431            |
| Deficiency of revenue over expenditures | <b>\$ (211,087)</b> | <b>\$ (42,045)</b> |
| Cash provided by (used in)              |                     |                    |
| Operating activities                    | \$ 339,300          | \$ (57,260)        |
| Investing activity                      | (288,468)           | 20,990             |
| Net change in cash                      | <b>\$ 50,832</b>    | <b>\$ (36,270)</b> |



## Association of Municipalities of Ontario Notes to Financial Statements

**December 31, 2022**

### 9. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are amounts payable to the government of \$853,772 (2021 - \$877,345).

### 10. Deferred Contributions - Projects

Deferred contributions – projects are amounts received from parties to carry out specific projects. Funds are recognized as revenue in the period in which the related expenses are incurred. If amounts are not expended, amounts may be refundable.

|   | Balance<br>beginning<br>of year | Received/<br>returned/<br>reallocated<br>in the year | Disbursed<br>and<br>recognized<br>in the year | Balance<br>end of<br>year |
|---|---------------------------------|--|---|---------------------------|
| Community School Alliance<br>Continuous Improvement<br>Fund project (CIF) | \$ 37,596                       | \$ 15,950  | \$ 2,760                                      | \$ 50,786                 |
| Waste Diversion Project   | 44,786                          | 445,000  | 291,032                                       | 198,754                   |
| Waste Diversion Project<br>Wind-up  | 313,409                         | 620,571  | 352,167                                       | 581,813                   |
| Steward Obligation Project  | 200,000                         | -  | -   | 200,000                   |
| Main Street Revitalization<br>Fund Project                                | 131,681                         | (120,570)  | 11,111  | -                         |
|   | 802,637                         | (685,173)  | 117,464                                       | -                         |
| <b>2022</b>   | <b>\$ 1,530,109</b>             | <b>\$ 275,778</b>                                    | <b>\$ 774,534</b>                             | <b>\$ 1,031,353</b>       |
| 2021  | \$ 2,317,811                    | \$ 135,800   | \$ 923,502                                    | \$ 1,530,109              |

The Main Street Revitalization Fund Project was completed during the year and unspent funds were returned to the funder. Unused funds for the Steward Obligation Project were transferred to the Waste Diversion Project.

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# Association of Municipalities of Ontario

## Notes to Financial Statements

**December 31, 2022**

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### **11. Restricted Funds**

#### Canada Community-Building Fund (formerly Federal Gas Tax Program)

On June 17, 2005, the Government of Canada, the Province of Ontario, AMO and the City of Toronto signed an agreement setting out new revenue sharing arrangements for federal gas tax revenues for investment in municipal infrastructure. AMO administers the fund on behalf of the federal government for all municipalities except Toronto. The agreement resulted in funds of \$1.453 billion flowing to municipalities from 2005 to 2010. Under the Agreement, AMO received 1% of the amounts received and distributed to administer the funds. In 2009, the agreement was extended with an additional \$2.361 billion of funds flowing to municipalities over the period 2010-2014. As part of the extended agreement, the administration fee was reduced to 0.5% to better reflect the related costs.

In 2014, the program was made permanent using a ten-year agreement model with a midterm review. \$3.849 billion flowed to municipalities in Ontario for 2014-2018 based on 2011 population data with AMO continuing to receive 0.5% of the amounts it received to administer the funds. In 2014, the AMO Board of Directors decided to establish a restricted reserve to hold \$5 million for wind up of the program and to distribute the balance of \$15,692,043 in surplus administration funds accumulated on a per capita basis to all municipalities AMO administers funds. In 2018, allocations of \$4.231 billion for 2019-2023 were confirmed to flow to Ontario municipalities based on 2016 population data.

In 2019, there was a one-time doubling of funds by the Government of Canada. Also in 2019, AMO distributed \$12,044,284 in surplus administration fees according to the established allocation model.

In 2021, there was another one-time doubling of the funds. As with the prior top-up, AMO did not take an administration fee. Also, in 2021 the program name was changed from Federal Gas Tax to the Canada Community-Building Fund. This was done to reflect the program's evolution over time and the fact that funds do not come directly from federal gas tax revenues.

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### **12. Capital Disclosures**

The capital structure of AMO consists of restricted and unrestricted net assets. The Association manages its capital and makes adjustments to it in light of economic conditions and the risk characteristics of the underlying assets.

AMO's main objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide the appropriate level of services to the municipalities of Ontario. AMO is subject to externally imposed capital requirements for the Canada Community-Building and Main Street revitalization programs and the restricted funds included in the General funds. These funds are invested and administered according to these requirements.

## Association of Municipalities of Ontario Notes to Financial Statements

**December 31, 2022**

### 13. Pension Plan

AMO contributed \$613,670 (2021 - \$590,823) to OMERS during the year. Of the amount contributed, \$167,022 (2021 - \$149,528) related to employees who worked for AMO's subsidiary, LAS.

The actuarially determined deficit of the OMERS plan on a going concern basis at December 31, 2022 was \$6.1 billion (2021 - \$69 million).

### 14. Allocation of Expenses

Salaries and benefits are allocated based on the percentage of time spent by staff for each program. Expenses such as rent and information technology costs are allocated based on the percentage of the work performed for each program.

Expenses allocated to various funds were as follows:

|                         | <b>2022</b>                              |                               |                          |  |                               |
|-------------------------|--|-------------------------------|--------------------------|--|-------------------------------|
|                         | Canada<br>Community-<br>Building program | Main Street<br>revitalization | CIF                      | Municipal Asset<br>Management<br>Program | Waste<br>Diversion<br>Project |
| Salaries and benefits   | \$ 1,168,226                             | \$ -                          | \$ 276,820               | \$ 94,254                                | \$ 193,932                    |
| Administration expenses | <u>283,647</u>                           | -                             | -                        | -  | -                             |
|                         | <b><u>\$ 1,451,873</u></b>               | <b><u>\$ -</u></b>            | <b><u>\$ 276,820</u></b> | <b><u>\$ 94,254</u></b>                  | <b><u>\$ 193,932</u></b>      |
|                         | <b>2021</b>                              |                               |                          |  |                               |
|                         | Canada<br>Community-<br>Building program | Main Street<br>revitalization | CIF                      | Municipal Asset<br>Management<br>Program | Waste<br>Diversion<br>Project |
| Salaries and benefits   | \$ 1,124,765                             | \$ 136,503                    | \$ 344,166               | \$ 151,103                               | \$ 161,905                    |
| Administration expenses | <u>257,307</u>                           | <u>2,083</u>                  | -                        | -  | -                             |
|                         | <b><u>\$ 1,382,072</u></b>               | <b><u>\$ 138,586</u></b>      | <b><u>\$ 344,166</u></b> | <b><u>\$ 151,103</u></b>                 | <b><u>\$ 161,905</u></b>      |

### 15. Commitments

Minimum annual payments payable under the terms of the operating lease for office space for the next year is \$236,082.

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## Association of Municipalities of Ontario

### Notes to Financial Statements

**December 31, 2022**

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#### **16. Financial Instruments Risks**

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of market changes in interest rates. AMO is exposed to interest rate risk on its investments.

##### Liquidity risk

Liquidity risk is the risk that AMO will encounter difficulty in meeting the obligations associated with its financial liabilities. AMO is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. AMO reduces exposure to liquidity risk by ensuring that it maintains adequate cash reserves to pay its creditors.

##### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. AMO's main credit risks relate to its accounts receivable and investments. Based on creditworthiness of AMO's counter parties, no allowance for doubtful accounts is required.

##### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. AMO is exposed to other price risk through its investments in pooled funds.

It is management's opinion that AMO is not exposed to significant interest rate, liquidity, credit, or other price risk arising from its financial instruments.

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#### **17. Comparative Figures**

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



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