

**THE CORPORATION OF THE MUNICIPALITY
OF CENTRAL ELGIN
Consolidated Financial Statements
December 31, 2022**

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN
Consolidated Financial Statements
For The Year Ended December 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements are the responsibility of the management of **The Corporation of the Municipality of Central Elgin** and have been prepared in accordance with Canadian accounting standards for public sector entities.

These consolidated financial statements include:

- Independent Auditors' Report
- Consolidated Statement of Financial Position
- Consolidated Statement of Operations and Accumulated Surplus
- Consolidated Statement of Change in Net Financial Debt
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements
- Consolidated Schedule of Segment Disclosure

The Chief Administrative Officer and the Director of Finance are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing the consolidated financial statements before they are submitted to Council for approval.

The integrity and reliability of **The Corporation of the Municipality of Central Elgin** reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The consolidated financial statements have been audited on behalf of the Members of Council, Inhabitants and Ratepayers of **The Corporation of the Municipality of Central Elgin** by Graham Scott Enns LLP in accordance with Canadian generally accepted auditing standards.



Ms. Archana Gupta-Harit
Director of Finance

St. Thomas, Ontario
June 12, 2023



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of: **The Corporation of the Municipality of Central Elgin**

Opinion

We have audited the consolidated financial statements of **The Corporation of the Municipality of Central Elgin**, which comprise the statement of financial position as at December 31, 2022, and the statement of earnings, statement of changes in net financial debt and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the Municipality's consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for public sector entities.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality'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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

St. Thomas, Ontario

June 12, 2023

Graham Scott Enns LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Consolidated Statement of Financial Position As At December 31, 2022

	2022	2021
	<u>\$</u>	<u>\$</u>
ASSETS		
Financial Assets		
Cash	6,515,996	10,071,407
Loan receivable (Note 4)	1,077,000	1,077,000
Taxes receivable (Note 5)	1,515,818	2,112,893
Accounts receivable (Note 6)	3,876,719	3,707,780
Investments (Note 2)	12,248,497	2,939,540
Investment in EARTH Corporation (Note 7)	<u>2,247,978</u>	<u>2,050,622</u>
Total financial assets	<u>27,482,008</u>	<u>21,959,242</u>
LIABILITIES		
Deferred revenue - obligatory reserve funds (Note 8)	5,080,625	5,048,082
Accounts payable and accrued liabilities	3,400,858	5,372,871
Long-term debt (Note 11)	<u>29,817,186</u>	<u>31,319,615</u>
Total financial liabilities	<u>38,298,669</u>	<u>41,740,568</u>
NET FINANCIAL DEBT	<u>(10,816,661)</u>	<u>(19,781,326)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	161,468,783	162,018,512
Inventories	453,278	400,395
Prepaid expenses	<u>173,997</u>	<u>154,714</u>
Total non-financial assets	<u>162,096,058</u>	<u>162,573,621</u>
ACCUMULATED SURPLUS (NOTE 13)	<u>151,279,397</u>	<u>142,792,295</u>

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

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Consolidated Statement of Operations and Accumulated Surplus For The Year Ended December 31, 2022

	Budget (Note 16) \$	Actual 2022 \$	Actual 2021 \$
REVENUES			
Property taxation	16,270,004	16,347,117	15,542,066
Taxation from other governments	499,908	486,406	493,218
User charges	8,672,593	8,486,574	7,688,703
Funding transfer- Federal	-	896,298	793,197
- Provincial	849,000	2,885,845	1,778,048
- Other Municipalities	816,381	995,334	775,506
Contributions - benefiting land owners & developers	2,015,930	2,062,993	1,473,996
Harbour agreement funding	39,765	187,734	247,998
Investment income	185,000	541,947	179,923
Penalties and interest	325,000	335,499	325,332
Other, fees, permits, licenses	1,021,609	2,273,114	1,333,714
ERTH Corporation equity income (Note 7)	-	263,118	280,280
Total revenues	<u>30,695,190</u>	<u>35,761,979</u>	<u>30,911,981</u>
EXPENSES			
General government	2,435,643	2,765,291	2,401,439
Protection to persons and property	5,811,476	5,281,941	5,315,073
Transportation services	8,474,581	8,415,080	8,255,066
Environmental services	7,302,029	7,145,377	7,265,876
Health services	83,043	82,143	79,753
Social housing	-	199,148	198,564
Recreation and cultural services	3,384,238	3,129,561	2,946,431
Planning and development	919,864	934,651	894,461
Loss (gain) on disposal of tangible capital assets	-	(678,315)	(147,918)
Total expenditures (Note 17)	<u>28,410,874</u>	<u>27,274,877</u>	<u>27,208,745</u>
ANNUAL SURPLUS	<u>2,284,316</u>	<u>8,487,102</u>	<u>3,703,236</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>142,792,295</u>	<u>142,792,295</u>	<u>139,089,059</u>
ACCUMULATED SURPLUS, END OF YEAR (NOTE 13)	<u>145,076,611</u>	<u>151,279,397</u>	<u>142,792,295</u>

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

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

**Consolidated Statement of Change in Net Financial Debt
For The Year Ended December 31, 2022**

	Budget (Note 16) \$	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS	2,284,316	8,487,102	3,703,236
Acquisition of tangible capital assets	(6,269,200)	(6,256,513)	(9,276,250)
Amortization of tangible capital assets	6,806,242	6,806,242	6,640,742
Proceeds on disposal of tangible capital assets	-	678,315	184,055
Change in inventories and prepaid expenses	-	(72,166)	(79,698)
Loss (gain) on disposal of tangible capital assets	-	(678,315)	(147,918)
CHANGE IN NET DEBT	2,821,358	8,964,665	1,024,167
NET DEBT, BEGINNING OF YEAR	<u>(19,781,326)</u>	<u>(19,781,326)</u>	<u>(20,805,493)</u>
NET DEBT, END OF YEAR	<u>(16,959,968)</u>	<u>(10,816,661)</u>	<u>(19,781,326)</u>

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

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Consolidated Statement of Cash Flows For The Year Ended December 31, 2022

	2022	2021
	<u>\$</u>	<u>\$</u>
OPERATING ACTIVITIES		
Annual surplus	8,487,102	3,703,236
Add (deduct) items not involving cash:		
Amortization of tangible capital assets	6,806,242	6,640,742
ERTH Corporation equity income (Note 7)	(263,118)	(280,280)
Loss (gain) on disposal of tangible capital assets	<u>(678,315)</u>	<u>(147,918)</u>
	14,351,911	9,915,780
Change in non-cash assets and liabilities related to operations (Note 17 [b])	<u>(1,583,500)</u>	<u>1,837,592</u>
	<u>12,768,411</u>	<u>11,753,372</u>
INVESTING ACTIVITIES		
Redemption of (purchase of) investments, net of income	(9,308,957)	(11,675)
Dividends received from ERTH Corporation	<u>65,762</u>	<u>70,051</u>
	<u>(9,243,195)</u>	<u>58,376</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(6,256,513)	(9,276,250)
Proceeds on disposal of tangible capital assets	<u>678,315</u>	<u>184,055</u>
	<u>(5,578,198)</u>	<u>(9,092,195)</u>
FINANCING ACTIVITIES		
Long-term debt advances	1,628,300	1,628,300
Long-term debt repayments	<u>(3,130,729)</u>	<u>(2,815,839)</u>
	<u>(1,502,429)</u>	<u>(1,187,539)</u>
NET CHANGE IN CASH	(3,555,411)	1,532,014
CASH, BEGINNING OF YEAR	<u>10,071,407</u>	<u>8,539,393</u>
CASH, END OF YEAR	<u>6,515,996</u>	<u>10,071,407</u>

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

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

The Corporation of the Municipality of Central Elgin (the "Municipality") is a municipality in the Province of Ontario. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are 100% owned or controlled by the Municipality.

Consolidated Entities

The Municipality consolidates the Central Elgin Municipal Non-Profit Housing Corporation. Any interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

Proportionate Consolidation

The Elgin Area Primary Water Board, Port Burwell Water Board, Elgin Area Secondary Water Board, and the Aylmer Area Water Board have been consolidated on a proportionate basis. The Water Boards are proportionately consolidated based upon the water flow used by the Municipality in proportion to the entire flows provided by the joint boards.

Equity Accounting

The investment in EARTH Corporation (a Government Business Enterprise) is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Municipality, and inter-organizational transactions and balances are not eliminated. The Municipality recognizes its equity interest in the annual income or loss of EARTH Corporation in its consolidated statement of operations with corresponding increase or decrease in its investment asset account. Any dividends that the Municipality may receive from EARTH Corporation will be reflected as a reduction in the investment asset account.

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting for School Board Transactions

Although the Municipality collects taxation 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 statements.

Trust Funds

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements.

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues in the financial period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined. Any amount received but restricted is recorded as deferred revenue in accordance with Section 3100 of the Public Sector Accounting Handbook and recognized as revenue in the period in which the resources are used for the purpose specified.

In addition, the Municipality periodically receives senior government capital funding in the form of infrastructure grants and receives ongoing funding from both senior levels of government as a result of an allocation of the gas tax funds. During the year, the Municipality received \$nil (2021 - \$nil) from other municipalities that was applied against the cost of the tangible capital assets.

Deferred Revenue

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work. In addition, certain user charges and fees which have been collected but for which the related services have yet to be performed. Revenue is recognized in the period when the related expense are incurred, services preformed.

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are recorded at cost plus accrued interest. Investment income earned on available funds is reported as revenue in the period earned. When required by funding government or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

Tax Revenues

In 2022 the Municipality received \$16,833,523 (2021 - \$16,035,284) in property tax revenues for municipal purposes. The authority to levy and collect property taxes is established under the Municipal Act 2001, the Assessment Act, the Education Act, and other legislation.

The amount of the total annual property tax levy is determined each year through Council's approval of the annual budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council-approved policies, in order to raise the revenue required to meet operating budget requirements. Education tax rates are established by the Province each year in order to fund costs of education on a Province-wide basis.

Taxation revenues are recorded at the time billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The Municipality may receive supplementary assessment rolls over the course of the year from MPAC that identify new or omitted assessments. Property taxes for these supplementary/omitted amounts are then billed according to the approved tax rate for the property class.

Taxation revenues in any year may also be reduced as a result of reductions in assessment value rising from assessment and/or tax appeals. Each year, an amount is identified to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals or other deficiencies in tax revenue (e.g. uncollectible amounts, write-offs, etc.).

Employee Benefit Plans

The Municipality accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by the employees based on the length of service and pay rates. Employee benefits include post employment benefits. Post employment benefits are subject to actuarial valuations and are accrued in accordance with the projected benefit method, prorated on service and management's best estimate of salary escalation and retirement ages of employees. Any actuarial gains and losses related to past service of employees are amortized over the expected average remaining service period.

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Building and components	20 to 75 years
Vehicles	7 to 15 years
Fire trucks	20 years
Machinery and equipment	5 to 30 years
Land improvements	25 years
Plants and facilities	20 to 75 years
Roads	6 to 60 years
Bridges and other structures	40 to 80 years
Underground and other networks	15 to 100 years

No amortization is charged in the year of acquisition and a full year of amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue. During the year roads and underground networks contributed to the Municipality totalled \$nil (2021 - \$nil) and were capitalized at their fair value at the time of receipt.

iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

iv) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

v) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

vi) Interest capitalization

Interest costs attributable to financing up-front costs of the acquisition, construction, or development of tangible capital assets will be expensed in the operating budget, and not capitalized.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for public sector entities 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 period. Significant estimates include assumptions used in estimating useful life and net realizable value of tangible capital assets, provisions for accrued liabilities and in performing actuarial valuations of employee future benefits. Actual results could differ from these estimates.

Environmental Provisions and Contaminated Sites

The Municipality may be exposed to litigation or other costs of remediation due to contaminated properties in its jurisdiction. A liability for remediation is recognized in the financial statements when an environmental standard exists, contamination exceeds the standard, the government is responsible for the remediation and a reasonable estimate of the liability can be made. As at December 31, 2022 there were no properties that the Municipality was responsible to remedy and as such no liability has been accrued.

Recent Accounting Pronouncements

PSAB released a standard related to Financial Instruments (PS 3450). The standard applies to all local governments for fiscal years beginning on or after April 1, 2022. The standard applies to all types of financial instruments. The new standard requires equity and derivative instruments be measured at fair value, with changes in value being recorded in statement of remeasurement gains/losses. The standard gives the option of cost/amortized cost vs. fair value of remaining instruments, which is elected upon by the government organization. The Municipality has not yet determined what, if any, financial reporting implications may arise from this standard.

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

2. HARBOUR TRANSFER AND INVESTMENTS

During 2010 the Municipality signed an agreement with the Federal Ministry of Transport to transfer the harbour property in Port Stanley. As part of this transfer the Municipality also entered into an operating agreement and contribution agreement. As part of the contribution agreement the Municipality received \$13,515,900 to be maintained in a separate bank account for the term of the contribution agreement (September 2030). These funds can be used for eligible expenditures as outlined in the contribution agreement and any unexpended funds must be returned to the Ministry of Transport at the end of the contribution agreement. At year end, the Municipality had invested these funds in fixed income and cash equivalents as follows:

	2022		2021	
	Cost \$	Market Value \$	Cost \$	Market Value \$
One Funds	6,213,140	5,581,373	-	-
Guaranteed investment certificate	3,068,082	3,068,082	-	-
	<u>9,281,222</u>	<u>8,649,455</u>	<u>-</u>	<u>-</u>
Harbour Fund				
Federal and provincial bonds	-	-	316,944	315,194
Corporate bonds	2,438,584	2,478,358	1,622,905	1,650,842
Cash and cash equivalents	<u>528,691</u>	<u>528,691</u>	<u>999,691</u>	<u>999,691</u>
	<u>2,967,275</u>	<u>3,007,049</u>	<u>2,939,540</u>	<u>2,965,727</u>
	<u>12,248,497</u>	<u>11,656,504</u>	<u>2,939,540</u>	<u>2,965,727</u>

The corporate bonds mature from 2023-2024 and yielding an interest rate from 1.91% to 5.3%. These investments earned income of \$26,376 (2021 - \$40,327) and a gain on sale of \$1,359 (2021 - loss of \$28,652). This income is reported in the Obligatory Reserve Funds. These assets are reported as an obligatory reserve fund (Note 8) as per the Harbour contribution agreement until utilized for specific capital and expenditures related to the harbour. The obligatory reserve fund is reported as \$2,078,157 (2021 - \$2,188,037). The Municipality is required to transfer \$889,118 (2021 - \$751,503) from these investments to operations to fund the harbour operations.

3. BANK INDEBTEDNESS

The Municipality has available a \$3,500,000 line of credit with the Bank of Montreal. This line of credit bears interest at the bank's prime rate. At year end, the Municipality had been advanced \$nil (2021 - \$nil) on this facility.

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

4. LOAN RECEIVABLE

The loan arose on September 1, 2000 as a result of the restructuring of the Hydro-Electric Power Commission of the Corporation of the Municipality of Central Elgin under Bill 35. The loan is receivable from EARTH Corporation with no specific terms of repayment, bearing interest at a rate of 7.25% commencing January 1, 2003. In 2022, \$78,083 (2021 - \$78,083) was charged and received on this loan. The loan is convertible to Class B shares of EARTH Corporation.

5. TAXES RECEIVABLE

Taxes receivable are reported net of allowance for doubtful accounts. Balances as at December 31 were as follows:

	2022	2021
	<u>\$</u>	<u>\$</u>
Current taxes receivable	744,669	967,287
Arrears taxes receivable	579,388	787,553
Penalties and interest	248,022	414,314
Allowance for doubtful accounts	<u>(56,261)</u>	<u>(56,261)</u>
	<u>1,515,818</u>	<u>2,112,893</u>

6. ACCOUNTS RECEIVABLE

	2022	2021
	<u>\$</u>	<u>\$</u>
Trade and other	987,761	669,735
HST receivable	496,947	759,522
St. Thomas Cemetery Company loan receivable - interest free, \$5,000 per annum, due July 2027	25,000	25,000
Water and sewer receivables	914,957	507,046
Government funding, municipalities and school boards	110,206	342,233
Drain receivables	<u>1,341,848</u>	<u>1,404,244</u>
	<u>3,876,719</u>	<u>3,707,780</u>

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

7. INVESTMENT IN EARTH CORPORATION

The Municipality owns 7.148% (2021 - 7.148%) of EARTH Corporation and received \$65,762 (2021 - \$70,051) in dividends during the year. The EARTH Corporation is the electricity distribution utility for the Municipality's urban residents.

As a business enterprise of the Municipality it is accounted for on a modified equity basis in these financial statements and reports only the Municipality's portion of income (loss) on the financial statements. The following table provides condensed supplementary financial information for the EARTH Corporation for the year ended December 31:

	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
Financial Position:		
Current assets	23,844,200	21,000,436
Capital and other long-term assets	87,216,218	81,509,666
Regulatory assets	<u>11,007,905</u>	<u>7,854,668</u>
Total assets	<u>122,068,323</u>	<u>110,364,770</u>
Current liabilities	30,070,846	24,512,383
Other liabilities	55,233,142	52,691,924
Regulatory liabilities	<u>1,657,248</u>	<u>514,371</u>
Total liabilities	<u>86,961,236</u>	<u>77,718,678</u>
Total share capital and equity	<u>35,107,087</u>	<u>32,646,092</u>
Results of operations:		
Total revenues from operations	98,335,547	96,543,343
Total operating and other expenses	<u>94,654,552</u>	<u>92,622,245</u>
Total net income	<u>3,680,995</u>	<u>3,921,098</u>
Municipality portion of net income - 7.148% (2021 - 7.148%)	263,118	280,280
Dividends received	(65,762)	(70,051)
Opening investment in EARTH Corporation	<u>2,050,622</u>	<u>1,840,393</u>
	<u>2,247,978</u>	<u>2,050,622</u>

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

8. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting principles of the Chartered Professional Accountants of Canada, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Municipality are summarized below:

	2022	2021
	<u>\$</u>	<u>\$</u>
Development charges	1,916,682	1,950,950
Parkland	252,261	184,552
Harbour contribution agreement	2,078,157	2,188,037
Other - building, trust funds	<u>833,525</u>	<u>724,543</u>
	<u>5,080,625</u>	<u>5,048,082</u>

9. GUARANTEES AND COMMITMENTS

The Municipality has provided a letter of credit for \$778,000 to the Department of Fisheries and Oceans. This letter of credit has a monthly fee of 0.1%.

10. OPERATION OF SCHOOL BOARDS AND THE COUNTY OF ELGIN

During 2022, requisitions were made by the school boards and the County of Elgin requiring the Municipality to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

	School Boards	County
	<u>\$</u>	<u>\$</u>
Taxation and user charges	3,485,729	12,553,592
Share of payments in lieu of taxes	<u>20,417</u>	<u>135,977</u>
Amounts requisitioned	<u>3,506,146</u>	<u>12,689,569</u>

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

11. LONG-TERM DEBT

- a) The balance of the long-term debt reported on the Consolidated Statement of Financial Position consists of the following:

	2022	2021
	<u>\$</u>	<u>\$</u>
Ontario Infrastructure and Lands Corporation, 2.43%, repayable in blended semi annual payments of \$587,924, due November 2025 (33% funded by tax revenue)	3,382,268	4,456,314
Ontario Infrastructure and Lands Corporation, 2.45%, repayable in blended semi annual payments of \$261,810, due May 2027	2,218,222	2,679,011
Ontario Infrastructure and Lands Corporation, 3.33%, repayable in blended semi-annual payments of \$566,740, due June 2042	16,161,932	16,742,676
OIPC, 4.89%, repayable in blended semi-annual payments of \$157,460, due March 2035	2,919,432	3,085,477
OIPC, 4.86%, repayable in blended semi-annual payments of \$278,627, due December 2025	1,538,310	2,003,769
OIPC, 4.54%, repayable in semi-annual principal payments of \$46,489, due January 2027	418,400	511,377
County Library loan, interest free, repayable in annual principal payment of \$10,000 due December 2025	30,000	40,000
Consolidated water board debt, varying interest and repayment terms	120,530	172,691
Federation of Canadian Municipalities (FCM), 2.62%, (2021 - 1.85%) %, repayable in blended semi annual payments of \$189,932 (2021 - \$89,548), due October 2031 (funded by development charges)	<u>3,028,092</u>	<u>1,628,300</u>
	<u>29,817,186</u>	<u>31,319,615</u>

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

11. LONG-TERM DEBT (CONTINUED)

Principal repayments are summarized as follows:

	Development Charges	Tax Revenue	User Charges	Total
2023	302,503	374,103	2,564,187	3,240,793
2024	310,474	383,249	2,646,383	3,340,106
2025	318,668	392,619	2,731,584	3,442,871
2026	327,072	-	1,465,112	1,792,184
2027	335,698	-	1,201,558	1,537,256
Beyond	<u>1,433,677</u>	<u>-</u>	<u>15,030,299</u>	<u>16,463,976</u>
Total	<u>3,028,092</u>	<u>1,149,971</u>	<u>25,639,123</u>	<u>29,817,186</u>

- b) All long-term debt issued on or before December 31, 1992 have received approval of the Ontario Municipal Board. Long-term debt issued after January 31, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing;
- c) Interest expense on long-term debt in 2022 amounted to \$1,034,797 (2021 - \$1,075,060).

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

12. TANGIBLE CAPITAL ASSETS

December 31, 2022

Cost	Opening	Additions	Disposals	Ending
<u>Infrastructure</u>				
Land	713,107	230,659	-	943,766
Buildings/Building Improvements	45,657,637	-	-	45,657,637
Machinery and Equipment	5,229,800	-	-	5,229,800
Linear - Roadways	83,735,646	4,049,602	-	87,785,248
Linear - Sewer and Water Services	54,569,117	288,689	(11,976)	54,845,830
Infrastructure Total	<u>189,905,307</u>	<u>4,568,950</u>	<u>(11,976)</u>	<u>194,462,281</u>
<u>General</u>				
Land	5,738,131	304,107	-	6,042,238
Land Improvements	4,815,762	520,251	-	5,336,013
Building/Building Improvements	11,265,566	6,559,894	-	17,825,460
Machinery and Equipment	5,150,075	1,062,372	(61,831)	6,150,616
Vehicle	8,507,221	564,786	-	9,072,007
General Total	<u>35,476,755</u>	<u>9,011,410</u>	<u>(61,831)</u>	<u>44,426,334</u>
Assets under construction	8,938,465	1,687,419	(9,011,266)	1,614,618
Total Cost	<u>234,320,527</u>	<u>15,267,779</u>	<u>(9,085,073)</u>	<u>240,503,233</u>
Accumulated Amortization				
<u>Infrastructure</u>				
Buildings/Building Improvements	10,852,696	1,474,858	-	12,327,554
Machinery and Equipment	3,827,216	77,121	-	3,904,337
Linear - Roadways	31,475,327	2,675,881	-	34,151,208
Linear - Sewer and Water Services	11,927,409	752,560	(11,976)	12,667,993
Infrastructure Total	<u>58,082,648</u>	<u>4,980,420</u>	<u>(11,976)</u>	<u>63,051,092</u>
<u>General</u>				
Land Improvements	2,191,318	372,708	-	2,564,026
Building/Building Improvements	5,682,401	268,367	-	5,950,768
Machinery and Equipment	2,880,129	308,153	(61,831)	3,126,451
Vehicle	3,465,519	876,594	-	4,342,113
General Total	<u>14,219,367</u>	<u>1,825,822</u>	<u>(61,831)</u>	<u>15,983,358</u>
Total Accumulated Amortization	<u>72,302,015</u>	<u>6,806,242</u>	<u>(73,807)</u>	<u>79,034,450</u>
Net Book Value				
<u>Infrastructure</u>				
Land	713,107			943,766
Building/Building Improvements	34,804,941			33,330,083
Machinery and Equipment	1,402,584			1,325,463
Linear - Roadways	52,260,319			53,634,040
Linear - Sewer and Water Services	42,641,708			42,177,837
	<u>131,822,659</u>			<u>131,411,189</u>
<u>General</u>				
Land	5,738,131			6,042,238
Land Improvements	2,624,444			2,771,987
Building/Building Improvements	5,583,165			11,874,692
Machinery and Equipment	2,269,946			3,024,165
Vehicles	5,041,702			4,729,894
	<u>21,257,388</u>			<u>28,442,976</u>
Assets under construction	8,938,465			1,614,618
Total Net Book Value	<u>162,018,512</u>			<u>161,468,783</u>

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

12. TANGIBLE CAPITAL ASSETS (CONTINUED)

December 31, 2021

Cost	Opening	Additions	Disposals	Ending
<u>Infrastructure</u>				
Land	710,314	2,793	-	713,107
Buildings/Building Improvements	45,648,089	10,386	(838)	45,657,637
Machinery and Equipment	5,179,147	61,581	(10,928)	5,229,800
Linear - Roadways	81,420,717	2,314,929	-	83,735,646
Linear - Sewer and Water Services	53,189,757	1,380,376	(1,016)	54,569,117
Infrastructure Total	186,148,024	3,770,065	(12,782)	189,905,307
<u>General</u>				
Land	5,673,890	64,241	-	5,738,131
Land Improvements	4,793,273	22,489	-	4,815,762
Building/Building Improvements	11,214,619	50,947	-	11,265,566
Machinery and Equipment	4,933,580	236,255	(19,760)	5,150,075
Vehicle	8,063,733	955,835	(512,347)	8,507,221
General Total	34,679,095	1,329,767	(532,107)	35,476,755
Assets under construction	4,762,047	5,175,883	(999,465)	8,938,465
Total Cost	225,589,166	10,275,715	(1,544,354)	234,320,527

Accumulated Amortization	Opening	Amortization	Disposal	Ending
<u>Infrastructure</u>				
Buildings/Building Improvements	9,352,902	1,500,632	(838)	10,852,696
Machinery and Equipment	3,716,483	121,661	(10,928)	3,827,216
Linear - Roadways	28,838,029	2,637,298	-	31,475,327
Linear - Sewer and Water Services	11,273,155	655,270	(1,016)	11,927,409
Infrastructure Total	53,180,569	4,914,861	(12,782)	58,082,648
<u>General</u>				
Land Improvements	1,822,079	369,239	-	2,191,318
Building/Building Improvements	5,418,043	264,358	-	5,682,401
Machinery and Equipment	2,593,499	286,630	-	2,880,129
Vehicle	3,155,835	805,654	(495,970)	3,465,519
General Total	12,989,456	1,725,881	(495,970)	14,219,367
Total Accumulated Amortization	66,170,025	6,640,742	(508,752)	72,302,015

Net Book Value	Opening	Ending
<u>Infrastructure</u>		
Land	710,314	713,107
Building/Building Improvements	36,295,187	34,804,941
Machinery and Equipment	1,462,664	1,402,584
Linear - Roadways	52,582,688	52,260,319
Linear - Sewer and Water Services	41,916,602	42,641,708
	132,967,455	131,822,659
<u>General</u>		
Land	5,673,890	5,738,131
Land Improvements	2,971,194	2,624,444
Building/Building Improvements	5,796,576	5,583,165
Machinery and Equipment	2,340,081	2,269,946
Vehicles	4,907,898	5,041,702
	21,689,639	21,257,388
Assets under construction	4,762,047	8,938,465
Total Net Book Value	159,419,141	162,018,512

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

13. ACCUMULATED SURPLUS

The accumulated surplus consists of individual fund surplus/(deficit) and reserves/reserve funds as follows:

	2022	2021
	<u>\$</u>	<u>\$</u>
SURPLUS		
General revenue fund	441,251	239,424
Sewer operations	1,508,973	1,336,477
Water operations	482,227	(613,921)
Invested in tangible capital assets	161,468,783	162,018,512
Invested in EARTH Corporation	3,324,978	3,127,622
Capital fund (unfunded)	2,716,620	(985,748)
Reserves and reserve funds	<u>11,153,751</u>	<u>8,989,544</u>
	181,096,583	174,111,910
AMOUNTS TO BE RECOVERED		
Net long-term debt	<u>(29,817,186)</u>	<u>(31,319,615)</u>
	151,279,397	142,792,295
RESERVES AND RESERVE FUNDS		
Reserves set aside for specific purposes by council:		
- for working capital	3,367,841	3,660,597
- for current purposes	1,176,984	1,618,326
- for capital purposes	<u>3,106,297</u>	<u>1,473,660</u>
Total reserves	<u>7,651,122</u>	<u>6,752,583</u>
Reserve funds set aside for specific purposes by council:		
- for replacement of sanitary and storm sewers	12,287	-
- for replacement of water systems	358,311	306,598
- for social housing capital projects	232,151	230,073
- from lot levies and parking revenues	77,134	76,004
- for fire vehicle and equipment	616,405	139,288
- for roads vehicle and equipment	<u>2,206,341</u>	<u>1,484,998</u>
Total reserve funds	<u>3,502,629</u>	<u>2,236,961</u>

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

14. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of approximately 50 members of its 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.

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 the members have earned to date. The most recent actuarial valuation of the Plan was conducted December 31, 2022, and the results of this valuation disclosed actuarial liabilities of \$130.3 billion in respect of benefits accrued for service with actuarial assets at that date of \$123.6 billion leaving an actuarial deficit of \$6.7 billion.

Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Municipality does not recognize any share of the OMERS Pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS for 2022 was approximately \$559,000 (2021 - \$486,000).

15. CONTINGENT LIABILITIES

As at December 31, 2022 certain legal actions are pending against the Municipality. The final outcome of the outstanding claims cannot be determined at this time. However, management believes that ultimate disposition of these matters will not materially exceed the amounts recorded in these consolidated financial statements.

Estimated costs to settle claims are based on available information and projections of estimated future expenses developed based on the Municipality's historical experience. Claims are reported as an operating expense in the year of the loss, where the costs are deemed to be likely and can be reasonable determined. Claim provisions are reported as a liability in the consolidated statement of financial position.

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

16. BUDGET FIGURES

The operating budget approved by the council of the Municipality for 2022 is reflected on the consolidated statement of operations. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. These adjustments include reserve transfers, capital expenditures, amortization and debt financing and repayment.

	Approved Budget \$	Adjustments \$	PSAB Budget \$
REVENUES			
Property taxation	16,270,004	-	16,270,004
Taxation from other governments	499,908	-	499,908
User charges	8,672,593	-	8,672,593
Transfer payments:			
Provincial	849,000	-	849,000
Other municipalities	816,381	-	816,381
Contributions - benefiting land owners & developers	2,015,930	-	2,015,930
Harbour funding agreement	39,765	-	39,765
Investment income	185,000	-	185,000
Penalties and interest on taxes	325,000	-	325,000
Other	1,021,609	-	1,021,609
Reserve transfers, capital funding and borrowing	<u>192,236</u>	<u>(192,236)</u>	<u>-</u>
Total Revenues	<u>30,887,426</u>	<u>(192,236)</u>	<u>30,695,190</u>
EXPENSES			
General government	2,154,269	281,374	2,435,643
Protection to persons and property	5,581,807	229,669	5,811,476
Transportation services	5,784,171	2,690,410	8,474,581
Environmental services	9,360,213	(2,058,184)	7,302,029
Health services	83,043	-	83,043
Recreation and cultural services	2,973,081	411,157	3,384,238
Planning and development	919,864	-	919,864
Capital expenditures and reserve transfers	<u>4,030,978</u>	<u>-</u>	<u>4,030,978</u>
Total Expenses	<u>30,887,426</u>	<u>1,554,426</u>	<u>32,441,852</u>
BUDGETED ANNUAL SURPLUS	<u>-</u>	<u>(1,746,662)</u>	<u>(1,746,662)</u>

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

17. SUPPLEMENTARY INFORMATION:

	2022	2021
	<u>\$</u>	<u>\$</u>
[a] Current fund expenditures by object:		
Salaries, wages and employee benefits	9,178,028	8,323,670
Long-term debt interest expense	1,034,797	1,075,372
Materials	6,391,281	6,487,306
Contracted services, rents and financial expenses	4,355,370	4,649,832
Amortization and gain (loss) on disposal of capital assets	6,127,927	6,492,824
Transfer to others	<u>187,473</u>	<u>177,013</u>
	<u>27,274,876</u>	<u>27,206,017</u>
[b] Change in non-cash assets and liabilities related to operations:		
Taxes receivable	597,075	740,392
Accounts receivable	(168,939)	(37,534)
Inventories and prepaid expenses	(72,166)	(79,698)
Accounts payable and accrued liabilities	(1,972,013)	765,073
Deferred revenue - obligatory reserve funds	<u>32,543</u>	<u>449,359</u>
	<u>(1,583,500)</u>	<u>1,837,592</u>

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

18. SEGMENTED INFORMATION

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens, including contract police services, fire, roads, community services, water and sewer. For management reporting purposes the Municipality's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

The Municipality services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provided, are as follows:

Protection

Protection is comprised of the Police Services Board and Fire departments. The mandate of the Police Services Board, by way of contact with the Ontario Provincial Police, is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The Fire department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishments of fires.

Community Services

The Parks and Recreation department provides public services that contribute to neighbourhood development and sustainability through the provision of parks, recreation and leisure services. It provides public services that contribute to healthy communities through partnerships, promotion, prevention and protection.

The County of Elgin is contracted to provide the information needs of the Municipality's citizens through the provision of library services.

Planning, By-Law Enforcement and Economic Development

The Planning, Property and Development departments provides a diverse bundle of services. It manages urban development for business interest, environmental concerns, heritage matters, local neighbourhoods and the downtown through city planning, community development, and parks planning. It ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-law for the protection of occupants. It facilitates economic development through its economic development programs.

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

18. SEGMENTED INFORMATION (CONTINUED)

Public Works

The Infrastructure Services department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of both county and municipal roadway and municipal drainage systems, the maintenance of parking, street lighting and the harbour.

The Water and Waste Funds

Water, stormwater and wastewater disposal is provided by the Water and Sewer Department. The department provides drinking water to citizens of Central Elgin, as well as, collection and treatment of stormwater and wastewater.

Social Housing

The Municipal Non-Profit Housing Corporation provides low income housing to the community.

Finance and Administration

This segment includes a number of support functions that are responsible for maintenance of buildings, Mayor and Council, the Clerk's department, Treasury Department and Human Resources Department.

Other Funds

This segment includes the remaining departments and activities of the Municipality. Some of the larger activities in this segment include Solid Waste Collection and Disposal, Emergency Measures and Animal Control, Public Health Services, Business Improvement Association, Conservation authorities, and Cemetery maintenance.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The General Revenue Fund reports on municipal services that are funded primarily by taxation such as property and business tax revenues. Taxation and payments-in-lieu of taxes are apportioned to General Revenue Fund services based on the Fund's net surplus. Certain government transfers, transfer from other funds, and other revenues have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure – Current Fund Operations and Schedule of Segment Disclosure – Current Fund Operations.

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

**Consolidated Schedule of Segment Disclosure
For The Year Ended December 31, 2022**

	Social Housing	Planning	Public Works	Finance & Administration	Protection	Water & Waste Funds	Community Services	Other Funds	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES									
Taxation	-	919,864	5,670,871	2,154,269	4,800,037	-	2,973,081	315,401	16,833,523
Sales of services and regulatory fees	258,130	15,072	-	-	6,686	7,095,878	475,514	635,294	8,486,574
Government transfers	-	-	2,608,838	694,000	331,174	-	721,042	422,423	4,777,477
Other	-	592,968	215,708	1,069,660	48,301	1,174,450	404,535	1,895,665	5,401,287
ERTH Corporation income	-	-	-	-	-	-	-	263,118	263,118
	<u>258,130</u>	<u>1,527,904</u>	<u>8,495,417</u>	<u>3,917,929</u>	<u>5,186,198</u>	<u>8,270,328</u>	<u>4,574,172</u>	<u>3,531,901</u>	<u>35,761,979</u>
EXPENSES									
Salaries, wages and employees benefits	-	639,256	2,064,374	1,684,461	1,069,738	1,198,771	1,565,808	955,620	9,178,028
Long-term debt interest expense	-	-	34,613	-	50,499	949,685	-	-	1,034,797
Materials	188,989	66,270	2,139,355	507,510	545,489	1,823,656	550,461	569,551	6,391,281
Contracted services, rents and financial	-	420,911	295,023	347,447	2,033,371	556,574	461,086	428,431	4,542,843
Loss (gain) on disposal of capital assets	-	-	(55,150)	-	(623,165)	-	-	-	(678,315)
Amortization	10,159	-	3,707,047	225,874	712,669	1,598,287	552,206	-	6,806,242
	<u>199,148</u>	<u>1,126,437</u>	<u>8,185,262</u>	<u>2,765,292</u>	<u>3,788,601</u>	<u>6,126,973</u>	<u>3,129,561</u>	<u>1,953,602</u>	<u>27,274,876</u>
ANNUAL SURPLUS (DEFICIT)	<u>58,982</u>	<u>401,467</u>	<u>310,155</u>	<u>1,152,637</u>	<u>1,397,597</u>	<u>2,143,355</u>	<u>1,444,611</u>	<u>1,578,299</u>	<u>8,487,103</u>

THE CORPORATION OF THE MUNICIPALITY OF CENTRAL ELGIN

**Consolidated Schedule of Segment Disclosure
For The Year Ended December 31, 2021**

	Social Housing	Planning	Public Works	Finance & Administration	Protection	Water & Waste Funds	Community Services	Other Funds	Consolidated
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
REVENUES									
Taxation	-	841,640	4,508,263	2,877,846	4,335,239	-	2,579,611	892,685	16,035,284
Sales of services and regulatory fees	237,204	73,468	-	-	32,675	6,313,918	333,336	698,102	7,688,703
Government transfers	-	-	1,515,827	683,900	340,855	-	-	806,169	3,346,751
Other	-	25,117	168,987	594,952	65,775	1,149,718	-	1,556,414	3,560,963
ERTH Corporation income	-	-	-	-	-	-	-	280,280	280,280
	<u>237,204</u>	<u>940,225</u>	<u>6,193,077</u>	<u>4,156,698</u>	<u>4,774,544</u>	<u>7,463,636</u>	<u>2,912,947</u>	<u>4,233,650</u>	<u>30,911,981</u>
EXPENSES									
Salaries, wages and employees benefits	-	608,079	1,891,024	1,551,170	1,141,947	1,036,742	1,336,108	758,600	8,323,670
Long-term debt interest expense	-	312	43,328	-	-	1,031,732	-	-	1,075,372
Materials	189,161	54,585	2,209,460	302,350	550,531	1,836,710	546,596	797,913	6,487,306
Contracted services, rents and financial	-	316,693	407,258	332,292	2,164,675	438,763	523,724	643,440	4,826,845
Loss (gain) on disposal of capital assets	-	-	(153,210)	-	5,292	-	-	-	(147,918)
Amortization	9,403	-	3,599,967	215,628	704,410	1,571,331	540,003	-	6,640,742
	<u>198,564</u>	<u>979,669</u>	<u>7,997,827</u>	<u>2,401,440</u>	<u>4,566,855</u>	<u>5,915,278</u>	<u>2,946,431</u>	<u>2,199,953</u>	<u>27,206,017</u>
ANNUAL SURPLUS (DEFICIT)	<u>38,640</u>	<u>(39,444)</u>	<u>(1,804,750)</u>	<u>1,755,258</u>	<u>207,689</u>	<u>1,548,358</u>	<u>(33,484)</u>	<u>2,033,697</u>	<u>3,705,964</u>