

**CORPORATION OF THE TOWNSHIP
OF SOUTHWOLD
Consolidated Financial Statements
December 31, 2023**

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Consolidated Financial Statements

For The Year Ended December 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements are the responsibility of the management of Corporation of the Township of Southwold 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 Assets
- Consolidated Statement of Remeasurement Gains and Losses
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements
- Consolidated Schedule of Segment Disclosure


The Chief Administrative Officer and the Treasurer 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 Corporation of the Township of Southwold 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 Corporation of the Township of Southwold by Graham Scott Enns LLP in accordance with Canadian generally accepted auditing standards.



Lisa Higgs
Chief Administrative Officer



Michele Lant
Treasurer

St. Thomas, Ontario
August 12, 2024



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of **The Corporation of the Township of Southwold**, which comprise the statement of financial position as at December 31, 2023, and the statement of operations and accumulated surplus, statement of changes in net assets, statement of remeasurement gains and losses and statement of cash flows for the year then ended, and notes to the 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *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 Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 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 financial statements.



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

August 12, 2024

Graham Scott Enns LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Consolidated Statement of Financial Position December 31, 2023

	2023	2022
	<u>\$</u>	<u>\$</u>
FINANCIAL ASSETS		
Cash	4,928,832	6,555,479
Investments (Note 4)	6,602,214	6,656,730
Taxes receivable	990,245	698,380
Accounts receivable (Note 3)	4,877,267	6,005,630
Land held for resale	<u>441,065</u>	<u>441,065</u>
Total financial assets	<u>17,839,623</u>	<u>20,357,284</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	1,597,162	2,635,759
Deferred revenue (Note 6)	1,402,033	3,426,435
Net long-term liabilities (Note 7)	<u>1,767,030</u>	<u>1,824,948</u>
Total financial liabilities	<u>4,766,225</u>	<u>7,887,142</u>
NET FINANCIAL ASSETS	<u>13,073,398</u>	<u>12,470,142</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	63,264,934	60,722,537
Inventories	159,562	62,412
Prepaid expenses	<u>16,786</u>	<u>42,867</u>
Total non-financial assets	<u>63,441,282</u>	<u>60,827,816</u>
ACCUMULATED SURPLUS (NOTE 9)	<u>76,514,680</u>	<u>73,297,958</u>

ACCUMULATED SURPLUS IS COMPRISED OF:

Accumulated operating surplus (Page 2)	76,236,722	73,297,958
Accumulated remeasurement gains and losses (Page 7)	<u>277,958</u>	<u>-</u>
	<u>76,514,680</u>	<u>73,297,958</u>

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

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Consolidated Statement of Operations and Accumulated Surplus For The Year Ended December 31, 2023

	Budget (Note 12) <u>\$</u>	Actual 2023 <u>\$</u>	Actual 2022 <u>\$</u>
REVENUES			
Property taxation	4,321,178	5,622,074	3,925,077
Taxation from other governments	1,142,100	1,164,753	1,141,159
Local improvement levies	2,432	322,352	256,788
User charges	6,056,739	1,258,285	3,790,038
Government transfers:			
Federal	153,859	150,649	196,805
Provincial	913,090	1,368,748	1,715,694
Other municipalities	1,230,371	1,206,977	1,180,898
Investment and interest income	242,272	273,759	301,548
Penalties and interest on taxes	75,000	95,175	85,523
Other revenues	<u>4,551,507</u>	<u>2,563,076</u>	<u>3,139,962</u>
Total revenues	<u>18,688,548</u>	<u>14,025,848</u>	<u>15,733,492</u>
EXPENSES			
General government	981,973	1,180,261	1,083,016
Fire and police protection	1,717,241	1,673,781	1,509,192
Other protective services	444,303	439,901	367,425
Transportation services	2,840,055	3,172,534	3,424,008
Waterworks and sewer	4,610,282	3,745,622	3,493,667
Garbage collection and disposal	404,100	387,430	457,590
Health services	61,948	61,124	68,565
Recreation and cultural services	526,284	519,950	445,059
Planning and zoning	161,750	172,115	116,750
Agriculture	<u>995,438</u>	<u>990,771</u>	<u>737,160</u>
Total expenses (Note 13(a))	<u>12,743,374</u>	<u>12,343,489</u>	<u>11,702,432</u>
ANNUAL SURPLUS	5,945,174	1,682,359	4,031,060
ACCUMULATED SURPLUS, BEGINNING OF YEAR	73,297,958	73,297,958	69,266,898
CHANGE IN PROPORTIONATE CONSOLIDATION (NOTE 8)	<u>-</u>	<u>1,256,405</u>	<u>-</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>79,243,132</u>	<u>76,236,722</u>	<u>73,297,958</u>

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

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

**Consolidated Statement of Change in Net Financial Assets
For The Year Ended December 31, 2023**

	Budget (Note 12) \$	Actual 2023 \$	Actual 2022 \$
ANNUAL SURPLUS	5,945,174	1,682,359	4,031,060
Acquisition of tangible capital assets	(3,523,714)	(3,523,714)	(8,571,192)
Amortization of tangible capital assets	1,990,507	1,990,507	1,828,692
Proceeds on disposal of tangible capital assets	-	116,788	4,896
Change in inventories and prepaid expenses	-	(71,069)	72,510
Loss (gain) on sale of tangible capital assets	-	(104,131)	214,718
Change in unrealized (gain) loss on investments	-	277,958	-
CHANGE IN NET FINANCIAL ASSETS	4,411,967	368,698	(2,419,316)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	12,470,142	12,470,142	14,889,458
Change in proportionate consolidation (Note 8)	-	234,558	-
NET FINANCIAL ASSETS, END OF YEAR	<u>16,882,109</u>	<u>13,073,398</u>	<u>12,470,142</u>

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

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Statement of Remeasurement Gains and Losses For The Year Ended December 31, 2023

	2023	2022
	<u>\$</u>	<u>\$</u>
ACCUMULATED REMEASUREMENT GAINS AND (LOSSES), BEGINNING OF YEAR (Note 1)	(405,540)	-
Unrealized gain attributable to investments	135,322	-
Amounts reclassified to statement of operations through realization of (gain) loss on sale	<u>(7,740)</u>	<u>-</u>
ACCUMULATED REMEASUREMENT GAINS AND (LOSSES), END OF YEAR	<u>(277,958)</u>	<u>-</u>
Accumulated remeasurement loss is comprised of:		
Investments	(277,958)	-

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

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Consolidated Statement of Cash Flows For The Year Ended December 31, 2023

	2023	2022
	<u>\$</u>	<u>\$</u>
OPERATING ACTIVITIES		
Annual surplus	1,682,359	4,031,060
Add (deduct) items not involving cash:		
Amortization of tangible capital assets	1,990,507	1,828,692
Loss on disposal of investments	7,740	-
Loss (gain) on disposal of tangible capital assets	<u>(104,131)</u>	<u>214,718</u>
	3,576,475	6,074,470
Change in non-cash assets and liabilities related to operations (Note 13 [b])	<u>(2,297,570)</u>	<u>552,354</u>
Cash provided by operating activities	<u>1,278,905</u>	<u>6,626,824</u>
INVESTING ACTIVITIES		
Redemption of (purchase of) investments	<u>324,734</u>	<u>(120,837)</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,523,714)	(8,571,192)
Proceeds on disposal of tangible capital assets	<u>116,788</u>	<u>4,896</u>
	<u>(3,406,926)</u>	<u>(8,566,296)</u>
FINANCING ACTIVITIES		
Long-term debt repayments	<u>(57,918)</u>	<u>(165,488)</u>
NET CHANGE IN CASH	(1,861,205)	(2,225,797)
CASH, BEGINNING OF YEAR	6,555,479	8,781,276
Change in proportionate consolidation (Note 8)	<u>234,558</u>	<u>-</u>
CASH, END OF YEAR	<u>4,928,832</u>	<u>6,555,479</u>

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

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

The Corporation of the Township of Southwold (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. CHANGE IN ACCOUNTING POLICIES

On January 1, 2023 Corporation of the Township of Southwold adopted accounting policies to conform to new standards issued under Canadian public sector accounting standards. The Municipality adopted the following standards which had the following impact:

- PS 1201 - Financial Statement Presentation - resulting in presentation of a new statement of remeasurement gains and losses. This change has been applied prospectively.
- PS 3280 - Asset Retirement Obligations - require reporting of any asset retirement obligations as tangible capital assets and their liabilities and associated policies. It is managements opinion that no asset retirement obligations exist as at December 31, 2023. This change has been applied retrospectively.
- PS 3450 - Financial Instruments - reporting new disclosures regarding financial instrument risks and the restatement of the opening accumulated surplus. This change has been applied prospectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality are as follows:

Reporting Entity

The 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 owned or controlled by the Municipality.

Consolidated Entities

There are no organizations or local boards that are consolidated in these financial statements.

Proportionate Consolidation

The Elgin Area Primary Water Supply System has been consolidated on a proportionate basis. They are proportionately consolidated based upon the water flow used by the Municipality in proportion to the entire flows provided by the board. This amounts to 5.26% of the flows from the board.

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The 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.

Investment Income

Investment income consists of interest, dividends and realized gains or losses on sale of investments is recognized as revenue in the period when it is earned. Unrealized gains and losses on investments are recognized in the accumulated remeasurement gains and losses until settlement. Once realized, these gains and losses are recognized as revenue or expenses in the consolidated statement of operations. When required by funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

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 performed.

Financial Instruments

The Municipality's financial instruments consist of cash , accounts receivable, accounts payable and accrued liabilities, deferred revenues, due to Province, and long-term debt.

The Municipality's financial instruments are measured as follows:

- i. Cash at fair value;
- ii. Portfolio investments at fair value (if any);
- iii. Accounts receivable at amortized cost;
- iv. Accounts payable and accrued liabilities at amortized cost;
- v. Long-term debt at amortized cost;

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fair value is determined as follows:

- i. Level 1 - Fair value measurements are those derived from quoted prices (in active markets);
- ii. Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- iii. Level 3 - Fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable data (unobservable inputs).

For financial instruments measured using amortized cost the transaction costs and any other fees are expensed as incurred.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

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:

Land improvements	10 years
Buildings	50 years
Machinery & Equipment	5 - 10 years
Vehicles	7 - 20 years
Transportation infrastructure	20 - 75 years
Water system infrastructure	75 years
Wastewater infrastructure	75 years

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization begins the first month of the year following the year the asset is placed in service and to 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.

iii) Inventories

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

iv) 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.

Land Held For Resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

Government Transfers

Government transfers are recognized in the 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.

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 provisions for accounts receivable, accrued liabilities, allowances for vacancies, rebates and uncollectible property taxes and in performing actuarial valuations of employee future benefits. In addition, the Municipality's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical costs and useful lives of tangible capital assets. Actual results could differ from these estimates.

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. For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains or losses that are related to these benefits are amortized over the expected service period.

Accounting for County and School Board Transactions

Although the Municipality collects taxation on behalf of the County of Elgin and the School Boards, the taxation, other revenues, expenses, assets and liabilities with respect to the operations of the County and the School Boards are not reflected in these financial statements.

Financial Instruments

The Municipality's financial instruments consist of cash and cash equivalents, accounts receivable, taxes receivable, accounts payable and accrued liabilities and long-term liabilities. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Revenues

In 2023 the Municipality received \$6,786,827 (2022 - \$5,066,236) 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 arising from reassessment and/or tax appeals. Each year, an amount is identified to cover the estimated amount of revenue loss attributable to reassessment and tax appeals or other deficiencies in tax revenue (e.g. uncollectible amounts, write-offs, etc.).

User Charges

User charges relate to various programs and fees imposed based on specific activities, such park and recreation services, water, wastewater and solid waste. Revenue is recognized when the activity is performed or when the services are rendered.

Other Revenues

Revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which relate to revenues that will be earned in a subsequent year are deferred and reported as liabilities.

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset retirement obligations

The Municipality may be exposed to obligations of remediation associated with their tangible capital assets. If a legal obligation exists of remediation for a tangible capital asset then the Municipality would be required to set up an estimated future cost and liability associated with these obligations. As at December 31, 2023 there were no tangible capital assets that Municipality has controlled, constructed, owned or used that would have a legal obligation of remediation.

3. ACCOUNTS RECEIVABLE

Included in accounts receivable is \$849,701 (2022 - \$2,387,555) representing funds fronted by the Municipality directly which are to be recovered from future subdivision development charges and sanitary sewer connection charges relating to the developments in the Municipality. It is anticipated a significant portion of the directly fronted charges will be recovered in the next two years.

4. INVESTMENTS

	2023		2022	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
Cash, money market funds and investment certificates	2,754,283	2,741,848	2,397,448	2,615,535
Federal and provincial bonds	78,385	69,994	309,526	66,911
Corporate bonds	<u>4,048,676</u>	<u>3,790,372</u>	<u>3,949,756</u>	<u>3,567,572</u>
	<u>6,881,344</u>	<u>6,602,214</u>	<u>6,656,730</u>	<u>6,250,018</u>

These investments earned income of \$232,354 (2022 - \$118,772) and a realized loss of \$7,740 (2022 - gain \$2,065). At year end, these investments reported an unrealized loss of \$277,958 on the statement of remeasurement gains (losses).

All of the above investments are valued as Level 1 investments. The investments are valued based on the degree to which the fair value is observable, as follows:

- [i] Level 1 - Fair value measurements are those derived from quoted prices (in active markets);
- [ii] Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- [iii] Level 3 - Fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable data (unobservable inputs).

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

**Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2023**

5. TANGIBLE CAPITAL ASSETS

December 31, 2023

Cost	Opening	Additions	Disposals	Ending
<u>Infrastructure</u>				
Roads and related transportation assets	18,713,671	1,381,612	(31,695)	20,063,588
Utility infrastructure	<u>41,120,626</u>	<u>374,481</u>	-	41,495,107
Infrastructure Total	<u>59,834,297</u>	<u>1,756,093</u>	<u>(31,695)</u>	61,558,695
<u>General</u>				
Land	1,852,836	20,776	-	1,873,612
Land Improvements	848,314	1,024,003	-	1,872,317
Building	8,711,197	1,293,762	(274)	10,004,685
Machinery and Equipment	3,867,522	1,082,645	(179,736)	4,770,431
Vehicles	<u>6,477,055</u>	<u>1,580,284</u>	<u>(480,120)</u>	7,577,219
General Total	<u>21,756,924</u>	<u>5,001,470</u>	<u>(660,130)</u>	26,098,264
Work In Progress	<u>2,408,415</u>	<u>256,065</u>	<u>(1,903,601)</u>	760,879
Total Cost	<u>83,999,636</u>	<u>7,013,628</u>	<u>(2,595,426)</u>	88,417,838
Accumulated Amortization				
	Opening	Amortization	Disposal	Ending
<u>Infrastructure</u>				
Roads and related transportation assets	7,388,736	555,881	(31,695)	7,912,922
Utility infrastructure	<u>8,515,037</u>	<u>648,912</u>	-	9,163,949
Infrastructure Total	<u>15,903,773</u>	<u>1,204,793</u>	<u>(31,695)</u>	17,076,871
<u>General</u>				
Land Improvements	196,466	30,219	-	226,685
Building	2,083,268	396,249	(274)	2,479,243
Machinery and Equipment	1,987,540	521,252	(179,736)	2,329,056
Vehicles	<u>3,106,052</u>	<u>402,373</u>	<u>(467,376)</u>	3,041,049
General Total	<u>7,373,326</u>	<u>1,350,093</u>	<u>(647,386)</u>	8,076,033
Total Accumulated Amortization	<u>23,277,099</u>	<u>2,554,886</u>	<u>(679,081)</u>	25,152,904
Net Book Value				
	Opening			Ending
<u>Infrastructure</u>				
Roads and related transportation assets	11,324,935			12,150,666
Utility infrastructure	<u>32,605,589</u>			32,331,158
	43,930,524			44,481,824
<u>General</u>				
Land	1,852,836			1,873,612
Land Improvements	651,848			1,645,632
Building	6,627,929			7,525,442
Machinery and Equipment	1,879,982			2,441,375
Vehicles	<u>3,371,003</u>			4,536,170
	14,383,598			18,022,231
Work In Progress	<u>2,408,415</u>			760,879
Total Net Book Value	<u>60,722,537</u>			63,264,934

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

5. TANGIBLE CAPITAL ASSETS (CONTINUED)

December 31, 2022	Opening	Additions	Disposals	Ending
Cost				
<u>Infrastructure</u>				
Roads and related transportation assets	16,414,217	4,080,300	(1,780,846)	18,713,671
Utility infrastructure	<u>38,783,453</u>	<u>2,352,990</u>	<u>(15,817)</u>	<u>41,120,626</u>
Infrastructure Total	<u>55,197,670</u>	<u>6,433,290</u>	<u>(1,796,663)</u>	<u>59,834,297</u>
<u>General</u>				
Land	726,043	1,126,793	-	1,852,836
Land Improvements	761,374	86,940	-	848,314
Building	8,665,682	45,515	-	8,711,197
Machinery and Equipment	3,812,570	116,903	(61,951)	3,867,522
Vehicle	<u>5,219,931</u>	<u>1,273,373</u>	<u>(16,249)</u>	<u>6,477,055</u>
General Total	19,185,600	2,649,524	(78,200)	21,756,924
Work In Progress	<u>3,017,010</u>	<u>516,772</u>	<u>(1,125,367)</u>	<u>2,408,415</u>
Total Cost	<u>77,400,280</u>	<u>9,599,586</u>	<u>(3,000,230)</u>	<u>83,999,636</u>
Accumulated Amortization	Opening	Amortization	Disposal	Ending
<u>Infrastructure</u>				
Roads and related transportation assets	8,549,417	506,488	(1,667,169)	7,388,736
Utility infrastructure	<u>7,989,864</u>	<u>538,212</u>	<u>(13,039)</u>	<u>8,515,037</u>
Infrastructure Total	<u>16,539,281</u>	<u>1,044,700</u>	<u>(1,680,208)</u>	<u>15,903,773</u>
<u>General</u>				
Land Improvements	159,744	36,722	-	196,466
Building	1,897,110	186,158	-	2,083,268
Machinery and Equipment	1,803,873	245,661	(61,994)	1,987,540
Vehicle	<u>2,800,621</u>	<u>315,451</u>	<u>(10,020)</u>	<u>3,106,052</u>
General Total	<u>6,661,348</u>	<u>783,992</u>	<u>(72,014)</u>	<u>7,373,326</u>
Total Accumulated Amortization	<u>23,200,629</u>	<u>1,828,692</u>	<u>(1,752,222)</u>	<u>23,277,099</u>
Net Book Value	Opening			Ending
<u>Infrastructure</u>				
Roads and related transportation assets	7,864,800			11,324,935
Utility infrastructure	<u>30,793,589</u>			<u>32,605,589</u>
	38,658,389			43,930,524
<u>General</u>				
Land	726,043			1,852,836
Land improvements	601,630			651,848
Building	6,768,572			6,627,929
Machinery and Equipment	2,008,697			1,879,982
Vehicles	<u>2,419,310</u>			<u>3,371,003</u>
	12,524,252			14,383,598
Work In Progress	<u>3,017,010</u>			<u>2,408,415</u>
Total Net Book Value	<u>54,199,651</u>			<u>60,722,537</u>

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

6. DEFERRED REVENUE

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.

	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
Obligatory Reserve Funds		
Recreation land	(64,293)	525,082
Development charges	<u>40,719</u>	<u>38,828</u>
	(23,574)	563,910
Other Deferred Revenue	<u>1,425,607</u>	<u>2,862,525</u>
	<u><u>1,402,033</u></u>	<u><u>3,426,435</u></u>

7. NET LONG-TERM LIABILITIES

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

	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
Long-term liabilities incurred by the Municipality and outstanding at the end of the year	1,547,957	1,635,247
Long-term liabilities assumed through consolidation by the Municipality	219,073	191,995
Tile drainage loans assumed by the individual	<u>-</u>	<u>(2,294)</u>
Total long-term liabilities at the end of the year	<u><u>1,767,030</u></u>	<u><u>1,824,948</u></u>

b) Principal repayments are summarized as follows:

	2024	2025	2026	2027	2028	Beyond	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Recoverable from:							
General tax revenue	<u>150,866</u>	<u>155,036</u>	<u>99,377</u>	<u>121,612</u>	<u>89,422</u>	<u>1,150,717</u>	<u>1,767,030</u>

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

7. NET LONG-TERM LIABILITIES (CONTINUED)

- c) All long-term liabilities issued on or before December 31, 1992 have received approval of the Ontario Municipal Board. Long-term liabilities 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.
- d) Interest rates range from 3.55% to 6.00%. Interest on long-term liabilities in 2023 amounted to \$55,673 (2022 - \$58,396). Of this interest \$55,535 (2022 - \$58,128) was reported in accounts receivable to be recovered from future connection charges (Note 3).
- e) The Municipality is contingently liable for municipal debt with respect to tile drainage loans. The total amount outstanding as at December 31, 2023 is \$- (2022 -\$2,294) and is not recorded on the Consolidated Statement of Financial Position.

8. CHANGE IN PROPORTIONATE CONSOLIDATION

The change in proportionate consolidation is the result of a significant increase in water flow through the 2023 year. The resulting changes in water supply percentages increased from 3.6% 2022 to 5.26% 2023. The effects are as follows:

	2023
Effect of Change in Funding Percentages	<u>\$</u>
Tangible Capital Assets	
Cost	1,561,417
Accumulated amortization	<u>539,570</u>
Net book value	1,021,847
Net financial assets	230,303
Other non-financial assets	<u>4,255</u>
Change in Net Municipal Position	<u><u>1,256,405</u></u>

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

9. ACCUMULATED SURPLUS

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

	2023	2022
	<u>\$</u>	<u>\$</u>
SURPLUS		
General revenue fund	(1,879,449)	(3,111,128)
Benefiting land owners	(1,340,609)	(881,456)
Invested in tangible capital assets	63,264,934	60,722,537
Reserves	<u>18,236,834</u>	<u>18,392,953</u>
	<u>78,281,710</u>	<u>75,122,906</u>
AMOUNTS TO BE RECOVERED		
Net long-term debt	<u>(1,767,030)</u>	<u>(1,824,948)</u>
ACCUMULATED SURPLUS	<u><u>76,514,680</u></u>	<u><u>73,297,958</u></u>
RESERVES		
Reserves set aside for specific purposes by council:		
Working capital	1,036,147	1,036,147
Property tax assessment appeals	1,812,211	1,207,211
Protection services	1,631,614	1,436,304
Roadway purposes	3,202,711	2,663,953
Water and sewer purposes	5,922,877	7,577,811
Building purposes	2,577,088	2,818,662
Other municipal services	1,061,751	1,085,418
Consolidated water reserves	<u>992,435</u>	<u>567,447</u>
Total reserves	<u><u>18,236,834</u></u>	<u><u>18,392,953</u></u>

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

10. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf 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, 2023, and the results of this valuation disclosed actuarial liabilities of \$136.2 billion in respect of benefits accrued for service with actuarial assets at that date of \$132 billion leaving an actuarial deficit of \$4.2 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 2023 was \$191,400 (2022 - \$165,924). OMERS contribution rates for 2023 and 2022, depending on income level and retirement dates, ranged from 9.2% to 15.8%.

11. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Municipality is exposed to various risks through its financial instruments. The following analysis provides a measure of the Municipality's risk exposure and concentrations at the balance sheet date.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Municipality is mainly exposed to interest and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk on its fixed rate long-term debt. As the interest rates are fixed the Municipality doesn't believe that interest rate risk is a significant risk.

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

11. FINANCIAL INSTRUMENTS (CONTINUED)

Price Risk

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. The Municipality is exposed to price risk through its investments in quoted One Fund investments. The following details the Municipality's portfolio sensitivity to a 1.0% increase or decrease in the market prices. At December 31, 2023, if market prices had a 1% increase or decrease with all other variables remaining the same the increase or decrease in accumulated remeasurement gains and losses on the investments for the year would have totaled \$2,791.

It is management's opinion that the Municipality is not exposed to significant currency risk.

Liquidity Risk

Liquidity risk is the risk that a Municipality will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to this risk mainly in respect of its accounts payable, accrued liabilities and long-term debt. The Municipality doesn't believe that liquidity risk is a significant risk.

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. The Municipality's main credit risks relate to its accounts receivable and taxes receivable. The Municipality manages this risk by monitoring active receivable balances and forces tax sale on properties considered unrecoverable.

At year end, the Municipality had approximately \$610,651 (2022 - \$469,258) in accounts receivable over 90 days of which the Municipality has deemed no allowance is necessary. The balances of taxes and utility receivables (water and sewer) are normally collectible from the property owner and the Municipality is able to force tax sale on properties to recover. In some instances the property owner may challenge property values which will in impact future recovery of taxes and potential repayments to the property owners. The Municipality actively monitors these assessment challenges and provides provisions when reasonable estimates can be made. At year end the Municipality has provided an allowance of \$nil (2022 - \$nil) for these assessment challenges and \$nil (2022 - \$nil) in potential uncollectible tax assessments.

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

12. BUDGET FIGURES

The operating budget approved by Council on February 27, 2023 is reflected on the statement of operations. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Municipality does not budget activity within Reserve Funds, with the exception being those transactions, which affect either operations or capital investments. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements.

	Approved Budget \$	Adjustments \$	PSAB Budget \$
REVENUES			
Property taxation	4,321,178	-	4,321,178
Taxation from other governments	1,142,100	-	1,142,100
Local improvement levies	2,432	-	2,432
User charges	6,056,739	-	6,056,739
Government transfers			
Federal	153,859	-	153,859
Provincial	913,090	-	913,090
Other municipalities	1,230,371	-	1,230,371
Investment income	235,000	7,272	242,272
Penalties and interest on taxes	75,000	-	75,000
Sales on land held for sale and other revenues	4,551,723	(216)	4,551,507
Reserve transfers	<u>5,023,146</u>	<u>(5,023,146)</u>	<u>-</u>
Total revenues	<u>23,704,638</u>	<u>(5,016,090)</u>	<u>18,688,548</u>
EXPENSES			
General government	1,177,080	(195,107)	981,973
Fire and police protection	3,513,350	(1,796,109)	1,717,241
Other protective services	431,954	12,349	444,303
Transportation services	3,176,500	(336,445)	2,840,055
Waterworks and sewers	6,543,708	(1,933,426)	4,610,282
Garbage collection and disposal	404,100	-	404,100
Health Services	58,820	3,128	61,948
Recreation and cultural services	676,050	(149,766)	526,284
Planning and zoning	161,750	-	161,750
Agriculture	117,832	877,606	995,438
Reserve transfers	<u>7,443,494</u>	<u>(7,443,494)</u>	<u>-</u>
Total expenses	<u>23,704,638</u>	<u>(10,961,264)</u>	<u>12,743,374</u>
BUDGETED ANNUAL SURPLUS	<u>-</u>	<u>5,945,174</u>	<u>5,945,174</u>

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

13. SUPPLEMENTARY INFORMATION:

	2023	2022
	<u>\$</u>	<u>\$</u>
[a] Current fund expenditures by object:		
Salaries, wages and employee benefits	3,403,346	2,978,973
Long-term debt interest	138	268
Materials and supplies	5,432,607	5,253,173
Contracted services	1,451,580	1,580,864
Amortization	1,990,508	1,828,692
Transfer to others	<u>65,309</u>	<u>60,462</u>
	<u>12,343,488</u>	<u>11,702,432</u>
[b] Change in non-cash assets and liabilities related to operations:		
Taxes receivable	(291,865)	(157,244)
Accounts receivable	1,128,363	(561,356)
Inventories and prepaid expenses	(71,069)	72,510
Accounts payable and accrued liabilities	(1,038,597)	553,575
Deferred revenue	<u>(2,024,402)</u>	<u>644,869</u>
	<u>(2,297,570)</u>	<u>552,354</u>

14. COMPARATIVE FIGURES

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

15. COMMITMENTS

In April 2024, the township accepted a tender of \$4,552,830 plus HST to build a new Public Works building.

In June 2024, the township accepted a tender of \$4,041,887 plus HST to build a new Talbotville Firehall.

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

16. OPERATION OF THE COUNTY OF ELGIN AND SCHOOL BOARDS

During 2023, requisitions were made by the County of Elgin and the school boards 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 \$
Taxation and user charges	2,541,339	6,735,377
Share of payments in lieu of taxes	<u>10,736</u>	<u>622,947</u>
Amounts requisitioned	<u>2,552,075</u>	<u>7,358,324</u>

17. 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:

General government

General government is comprised of municipal council, corporate management and program support.

Protection services

Protection services are comprised of the fire, police, conservation authority, building inspection and animal control, emergency measures and provincial offences.

Transportation services

Transportation services are comprised of roads, bridges, winter control, parking and street lighting.

Environmental services

Environmental services are comprised of the provision of safe drinking water, the collection and treatment of waste water and waste collection, disposal and recycling.

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

Notes to the Consolidated Financial Statements For The Year Ended December 31, 2023

17. SEGMENTED INFORMATION (CONTINUED)

Health services

Health services are comprised of public health services and cemeteries.

Recreation and cultural services

Recreation and cultural services are comprised of parks, recreation programs, recreation facilities, and cultural services.

Planning and development services

Planning and development is comprised of planning and zoning, commercial and industrial development, economic development and tourism, and agricultural and reforestation.

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.

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

**Consolidated Schedule of Segment Disclosure
For The Year Ended December 31, 2023**

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation Services \$	Planning and Development Services \$	Total \$
REVENUES								
Taxation and local improvements	514,605	1,724,840	1,388,728	3,037,499	25,715	295,561	122,231	7,109,179
Sales of services and regulatory fees	78,499	171,097	15,924	70,326	-	84,213	838,226	1,258,285
Government transfers	96,520	213,046	1,671,228	631,079	1,500	50,599	62,402	2,726,374
Other	<u>344,524</u>	<u>12,399</u>	<u>630,471</u>	<u>135,391</u>	<u>-</u>	<u>1,809,225</u>	<u>-</u>	<u>2,932,010</u>
	<u>1,034,148</u>	<u>2,121,382</u>	<u>3,706,351</u>	<u>3,874,295</u>	<u>27,215</u>	<u>2,239,598</u>	<u>1,022,859</u>	<u>14,025,848</u>
EXPENSES								
Materials and supplies	252,142	281,364	1,265,127	2,397,535	57,997	270,300	908,142	5,432,607
Salaries, wages and employee benefits	846,814	842,719	1,054,966	329,168	-	101,619	228,060	3,403,346
Amortization	29,426	206,538	852,441	771,631	3,128	127,344	-	1,990,508
Contracted services	51,879	717,751	-	634,717	-	20,686	26,547	1,451,580
External transfers	-	65,309	-	-	-	-	-	65,309
Long-term debt interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138</u>	<u>138</u>
	<u>1,180,261</u>	<u>2,113,681</u>	<u>3,172,534</u>	<u>4,133,051</u>	<u>61,125</u>	<u>519,949</u>	<u>1,162,887</u>	<u>12,343,488</u>
ANNUAL SURPLUS (DEFICIT)	<u>(146,113)</u>	<u>7,701</u>	<u>533,817</u>	<u>(258,756)</u>	<u>(33,910)</u>	<u>1,719,649</u>	<u>(140,028)</u>	<u>1,682,360</u>

CORPORATION OF THE TOWNSHIP OF SOUTHWOLD

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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation Services \$	Planning and Development Services \$	Total \$
REVENUES								
Taxation and local improvements	614,679	1,440,884	2,374,217	253,270	33,642	230,862	375,470	5,323,024
Sales of services and regulatory fees	62,734	504,435	(34,437)	2,634,236	-	45,539	577,531	3,790,038
Government transfers	161,793	349,379	1,147,582	563,802	5,720	794,733	70,388	3,093,397
Other	<u>378,100</u>	<u>4,152</u>	<u>739,300</u>	<u>75,574</u>	<u>-</u>	<u>2,329,907</u>	<u>-</u>	<u>3,527,033</u>
	<u>1,217,306</u>	<u>2,298,850</u>	<u>4,226,662</u>	<u>3,526,882</u>	<u>39,362</u>	<u>3,401,041</u>	<u>1,023,389</u>	<u>15,733,492</u>
EXPENSES								
Materials and supplies	249,869	206,387	1,628,132	2,216,517	66,789	234,387	651,092	5,253,173
Salaries, wages and employee benefits	746,278	733,053	1,023,236	222,887	1,776	74,044	177,699	2,978,973
Amortization	48,660	157,289	772,640	728,695	-	121,408	-	1,828,692
Contracted services	38,209	719,426	-	783,158	-	15,220	24,851	1,580,864
External transfers	-	60,462	-	-	-	-	-	60,462
Long-term debt interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268</u>	<u>268</u>
	<u>1,083,016</u>	<u>1,876,617</u>	<u>3,424,008</u>	<u>3,951,257</u>	<u>68,565</u>	<u>445,059</u>	<u>853,910</u>	<u>11,702,432</u>
ANNUAL SURPLUS (DEFICIT)	<u>134,290</u>	<u>422,233</u>	<u>802,654</u>	<u>(424,375)</u>	<u>(29,203)</u>	<u>2,955,982</u>	<u>169,479</u>	<u>4,031,060</u>