

**CORPORATION OF THE TOWNSHIP**

**OF ADELAIDE METCALFE**

**Financial Statements**

**December 31, 2022**

**CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE**  
**Financial Statements**  
**For The Year Ended December 31, 2022**

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying financial statements are the responsibility of the management of Corporation of the Township of Adelaide Metcalfe and have been prepared in accordance with Canadian accounting standards for public sector entities.

These financial statements include:

- Independent Auditors' report
- Statement of Financial Position
- Statement of Operations and Accumulated Surplus
- Statement of Change in Net Financial Assets
- Statement of Cash Flows
- Notes to the Financial Statements
- 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 financial statements before they are submitted to Council for approval.


The integrity and reliability of Corporation of the Township of Adelaide Metcalfe 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 financial statements have been audited on behalf of the Members of Council, Inhabitants and Ratepayers of Corporation of the Township of Adelaide Metcalfe by Graham Scott Enns LLP in accordance with Canadian generally accepted auditing standards.



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Mr. Morgan Calvert  
Chief Administrative Officer



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Mr. Johnny Pereira  
Treasurer

St. Thomas, Ontario  
May 15, 2023



**GRAHAM SCOTT ENNS** LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the financial statements of **The Corporation of the Township of Adelaide Metcalfe**, which comprise the statement of financial position as at December 31, 2022, and the statement of operations and accumulated surplus, statement of change in net financial assets 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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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



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### **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

#### **Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St. Thomas, Ontario

May 15, 2023

*Graham Scott Enns LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

## Statement of Financial Position As At December 31, 2022

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|  | 2022                     | 2021                     |
|--|--------------------------|--------------------------|
|  | <u>\$</u>                | <u>\$</u>                |
| <b>FINANCIAL ASSETS</b>                              |                          |                          |
| Cash   | 6,181,618                | 8,456,674                |
| Investments (Note 2)                                 | 4,128,668                | 139,366                  |
| Taxes receivable (Note 3)                            | 345,165                  | 887,706                  |
| Accounts receivable (Note 4)                         | <u>1,473,431</u>         | <u>1,467,366</u>         |
| <b>Total financial assets</b>                        | <u><b>12,128,882</b></u> | <u><b>10,951,112</b></u> |
| <b>FINANCIAL LIABILITIES</b>                         |                          |                          |
| Accounts payable and accrued liabilities             | 805,632                  | 1,044,253                |
| Deferred revenue (Note 5)                            | 460,817                  | 701,723                  |
| Net long-term liabilities (Note 7)                   | 308,036                  | 292,718                  |
| Landfill closure and post-closure liability (Note 8) | <u>292,827</u>           | <u>195,976</u>           |
| <b>Total financial liabilities</b>                   | <u><b>1,867,312</b></u>  | <u><b>2,234,670</b></u>  |
| <b>NET FINANCIAL ASSETS</b>                          | <u><b>10,261,570</b></u> | <u><b>8,716,442</b></u>  |
| <b>NON-FINANCIAL ASSETS</b>                          |                          |                          |
| Tangible capital assets (Note 9)                     | 19,194,172               | 19,623,325               |
| Inventories  | 48,886                   | 55,776                   |
| Prepaid expenses                                     | <u>12,123</u>            | <u>11,702</u>            |
| <b>Total non-financial assets</b>                    | <u><b>19,255,181</b></u> | <u><b>19,690,803</b></u> |
| <b>ACCUMULATED SURPLUS (NOTE 10)</b>                 | <u><b>29,516,751</b></u> | <u><b>28,407,245</b></u> |

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

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

|   | (Note 17)<br>Budget<br>2022<br><u>\$</u> | Actual<br>2022<br><u>\$</u> | Actual<br>2021<br><u>\$</u> |
|---|--|-----------------------------|-----------------------------|
| <b>REVENUES</b>                                       |  |                             |                             |
| Property taxation                                     | 4,992,062                                | 4,342,954                   | 4,352,084                   |
| Taxation from other governments                       | 92,000                                   | 93,398                      | 93,398                      |
| User charges  | 398,265                                  | 655,621                     | 429,979                     |
| Local improvement levies                              | 151,350                                  | 151,350                     | 232,873                     |
| Government Transfers:                                 |  |                             |                             |
| Provincial  | 748,982                                  | 597,843                     | 782,367                     |
| Other municipalities                                  | 18,000                                   | 25,538                      | 78,911                      |
| Investment income                                     | 22,050                                   | 268,114                     | 67,932                      |
| Penalties and interest on taxes                       | 80,000                                   | 117,897                     | 93,656                      |
| Other   | 12,000                                   | 42,140                      | 7,380                       |
| Gain (loss) on disposal of capital assets             | -  | 24,280                      | -                           |
| Total revenues  | <u>6,514,709</u>                         | <u>6,319,135</u>            | <u>6,138,580</u>            |
| <b>EXPENSES</b>                                       |  |                             |                             |
| General government                                    | 774,364                                  | 1,054,766                   | 889,262                     |
| Fire and police protection                            | 794,512                                  | 795,281                     | 777,678                     |
| Other protective services                             | 152,358                                  | 145,369                     | 222,740                     |
| Transportation services                               | 2,547,335                                | 2,431,757                   | 2,110,993                   |
| Waterworks and sewer                                  | 192,456                                  | 328,872                     | 200,188                     |
| Garbage collection and disposal                       | 330,603                                  | 246,219                     | 223,357                     |
| Health services                                       | 11,968                                   | 6,767                       | 4,554                       |
| Recreation and cultural services                      | 378,818                                  | 120,755                     | 113,435                     |
| Planning and zoning                                   | 26,000                                   | 17,889                      | 38,193                      |
| Agriculture   | 102,836                                  | 61,954                      | 424,394                     |
| Total expenses (Note 15)                              | <u>5,311,250</u>                         | <u>5,209,629</u>            | <u>5,004,794</u>            |
| <b>ANNUAL SURPLUS</b>                                 | 1,203,459                                | 1,109,506                   | 1,133,786                   |
| <b>ACCUMULATED SURPLUS, BEGINNING<br/>OF YEAR</b>     | <u>28,407,245</u>                        | <u>28,407,245</u>           | <u>27,273,459</u>           |
| <b>ACCUMULATED SURPLUS, END<br/>OF YEAR (NOTE 10)</b> | <u>29,610,704</u>                        | <u>29,516,751</u>           | <u>28,407,245</u>           |

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

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

## Statement of Change in Net Financial Assets For The Year Ended December 31, 2022

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|  | Budget<br>2022<br>(Note 17)<br>\$ | Actual<br>2022<br>\$     | Actual<br>2021<br>\$ |
|--|-----------------------------------|--------------------------|----------------------|
| <b>ANNUAL SURPLUS</b>                              | 1,203,459                         | <b>1,109,506</b>         | 1,133,786            |
| Acquisition of tangible capital assets             | (529,523)                         | <b>(529,523)</b>         | (1,842,970)          |
| Amortization of tangible capital assets            | 958,676                           | <b>958,676</b>           | 938,130              |
| Proceeds on disposal of tangible capital assets    | -                                 | <b>24,280</b>            | 14,859               |
| Change in inventories and prepaid expenses         | -                                 | <b>6,469</b>             | (28,595)             |
| (Gain) loss on disposal of tangible capital assets | -                                 | <b>(24,280)</b>          | 16,400               |
| <b>CHANGE IN NET FINANCIAL ASSETS</b>              | 1,632,612                         | <b>1,545,128</b>         | 231,610              |
| <b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>     | <u>8,716,442</u>                  | <u><b>8,716,442</b></u>  | <u>8,484,832</u>     |
| <b>NET FINANCIAL ASSETS, END OF YEAR</b>           | <u>10,349,054</u>                 | <u><b>10,261,570</b></u> | <u>8,716,442</u>     |

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



# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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|  | 2022               | 2021               |
|--|--------------------|--------------------|
|  | <u>\$</u>          | <u>\$</u>          |
| <b>OPERATING ACTIVITIES</b>  |                    |                    |
| Annual surplus   | 1,109,506          | 1,133,786          |
| Add (deduct) items not involving cash:   |                    |                    |
| Amortization of tangible capital assets  | 958,676            | 938,130            |
| Change in landfill closure and post-closure liability                            | 96,851             | 1,660              |
| (Gain) loss on disposal of tangible capital assets                               | <u>(24,280)</u>    | <u>16,400</u>      |
|  | 2,140,753          | 2,089,976          |
| Change in non-cash assets and liabilities related<br>to operations (Note 15 [b]) | <u>63,418</u>      | <u>175,295</u>     |
|  | <u>2,204,171</u>   | <u>2,265,271</u>   |
| <b>INVESTING ACTIVITIES</b>  |                    |                    |
| Purchase of investments  | <u>(3,989,302)</u> | <u>(4,356)</u>     |
| <b>CAPITAL ACTIVITIES</b>  |                    |                    |
| Acquisition of tangible capital assets   | (529,523)          | (1,842,970)        |
| Proceeds on disposal of tangible capital assets                                  | <u>24,280</u>      | <u>14,859</u>      |
|  | <u>(505,243)</u>   | <u>(1,828,111)</u> |
| <b>FINANCING ACTIVITIES</b>  |                    |                    |
| Long-term debt repayments  | <u>15,318</u>      | <u>(24,307)</u>    |
| <b>NET CHANGE CASH DURING THE YEAR</b>   | <b>(2,275,056)</b> | 408,497            |
| <b>CASH, BEGINNING OF YEAR</b>   | <u>8,456,674</u>   | <u>8,048,177</u>   |
| <b>CASH, END OF YEAR</b>   | <u>6,181,618</u>   | <u>8,456,674</u>   |

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

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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The Corporation of the Township of Adelaide Metcalfe (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 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 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 Entity**

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

#### **Proportionate Consolidation**

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

#### **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.

#### **Investments**

Investments consisting of government and corporate bonds, money market funds and guaranteed investment certificates are carried at cost. Interest income is recognized when received or receivable. When required by funding government of related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

#### **Trust Funds**

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements. Trust funds administered are reported in Note 13.

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# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Accounting for County and School Board Transactions

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

#### 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, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

|                               |               |
|-------------------------------|---------------|
| Land improvements             | 20 years      |
| Buildings                     | 50 years      |
| Machinery and equipment       | 5 - 20 years  |
| Vehicles                      | 10 - 20 years |
| Transportation infrastructure | 20 - 75 years |
| Water system infrastructure   | 75 years      |
| Wastewater infrastructure     | 75 years      |

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 of supplies

Inventories of supplies 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.

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **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 are deferred. Revenue is recognized in the period that the related expense are incurred and services are performed.

#### **Solid Waste Landfill Closure and Post-Closure Liability**

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The Municipality discounts these future cash flows for closure and post-closure care activities at the Municipality's long term borrowing rate. The change in liability is expensed in the year with the cumulative liability reported in financial liabilities.

#### **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.

#### **Employee Benefit Plans**

The Municipality provides a pension plan for its employees through the Ontario Municipal Employees Retirement System (OMERS). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund. The fund is a contributory defined benefit pension plan. As this is a multi-employer plan, no liability is recorded on the municipality's books. The employer's contribution to a multi-employer, defined benefit plan are expensed as the obligations arise.

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Tax Revenues**

In 2022 the Municipality received \$4,342,954 (2021 - \$4,352,084) 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 budget requirements. Education tax rates are established by the Province each year in order to fund costs of education on a Province-wide basis. The Municipality collects the levied taxes on behalf of the County.

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.).

#### **Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 accrued liabilities, landfill closure liability costs, allowances for vacancies, rebates and uncollectible property taxes.

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 management's best estimates as additional information becomes available in the future.

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

#### 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.

#### 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 financial instruments be measured at fair value, with changes in value being recorded in statement of remeasurement gains/losses and to disclose any risks associated with it's financial instruments. The Municipality has not yet determined what, if any, financial reporting implications may arise from this standard.

### 2. INVESTMENTS

|                                    | <b>2022</b>             | 2021           |
|------------------------------------|-------------------------|----------------|
|                                    | <u>\$</u>               | <u>\$</u>      |
| Guaranteed investment certificates | 4,079,396               | 87,288         |
| Other                              | <u>49,272</u>           | <u>52,078</u>  |
|                                    | <u><b>4,128,668</b></u> | <u>139,366</u> |

The investments consist of guaranteed investment certificates and cash which are recorded at cost which approximates their fair market value. The certificates mature between June 2023 and December 2023 and yield interest rates from 1.20 to 5.64%. The Municipality earned \$268,114 (2021 - \$67,932) in income on the above investments.

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

### 3. TAXES RECEIVABLE

|                          | 2022                  | 2021                  |
|--------------------------|-----------------------|-----------------------|
|                          | <u>\$</u>             | <u>\$</u>             |
| Current taxes receivable | 208,926               | 541,919               |
| Arrears taxes receivable | 87,828                | 237,907               |
| Penalties and interest   | <u>48,411</u>         | <u>107,880</u>        |
|                          | <u><b>345,165</b></u> | <u><b>887,706</b></u> |

### 4. ACCOUNTS RECEIVABLE

|  | 2022                    | 2021                    |
|--|-------------------------|-------------------------|
|  | <u>\$</u>               | <u>\$</u>               |
| Benefitting land owners                            | 675,475                 | 889,842                 |
| Trade and other                                    | 495,556                 | 207,223                 |
| HST receivable                                     | 199,457                 | 296,855                 |
| Other municipalities and school boards             | 52,715                  | 36,877                  |
| Debentures receivable, due 2027, interest at 4.67% | 26,769                  | -                       |
| Debentures receivable, due 2024, interest at 2.25% | 23,459                  | 35,142                  |
| Provincial funding                                 | <u>-</u>                | <u>1,427</u>            |
|  | <u><b>1,473,431</b></u> | <u><b>1,467,366</b></u> |

### 5. DEFERRED REVENUE (INCLUDING 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 deferred revenue including obligatory reserve funds (consisting of Recreation Land - Planning Act, Federal Gas Tax and Subdivider Contributions) of the Municipality are summarized below:

|  | 2022                  | 2021                  |
|--|-----------------------|-----------------------|
|  | <u>\$</u>             | <u>\$</u>             |
| Recreation land                                      | 56,749                | 35,400                |
| Canada Community Benefit Fund                        | 207,647               | 472,272               |
| Ontario Community Infrastructure Fund                | 150,082               | -                     |
| Other  | 46,339                | 60,014                |
| Subdivider contributions                             | -                     | 20,521                |
| Other - building permit and road restoration revenue | <u>-</u>              | <u>113,516</u>        |
|  | <u><b>460,817</b></u> | <u><b>701,723</b></u> |

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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### 6. BANK INDEBTEDNESS

The Municipality has available a \$1,200,000 line of credit with Libro Financial Group. This line of credit bears interest at the bank's prime rate (6.45%). At year end, the Municipality had been advanced \$nil (2021 - \$nil) on this facility.

### 7. NET LONG-TERM LIABILITIES

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

|   | <b>2022</b>           | 2021            |
|---|-----------------------|-----------------|
|   | <u>\$</u>             | <u>\$</u>       |
| Total long-term liabilities incurred by the Municipality and outstanding at the end of the year | <b>347,768</b>        | 353,321         |
| Tile drainage loans assumed by the individual   | <u>(39,732)</u>       | <u>(60,603)</u> |
| Total long-term liabilities at the end of the year  | <u><b>308,036</b></u> | <u>292,718</u>  |

- b) Principal repayments are summarized as follows:

|                   | 2023          | 2024          | 2025          | 2026          | 2027          | Beyond         | Total          |
|-------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
|                   | <u>\$</u>     | <u>\$</u>     | <u>\$</u>     | <u>\$</u>     | <u>\$</u>     | <u>\$</u>      | <u>\$</u>      |
| Recoverable from: |               |               |               |               |               |                |                |
| User charges      | <u>26,533</u> | <u>27,721</u> | <u>28,963</u> | <u>30,260</u> | <u>33,032</u> | <u>161,527</u> | <u>308,036</u> |

- 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 expense on long-term liabilities in 2022 amounted to \$12,689 (2021 - \$13,778).
- e) The Municipality is contingently liable for municipality debt with respect to tile drainage loans. The total amount outstanding as at December 31, 2022 is \$39,732 (2021 - \$60,603) and is not recorded on the Statement of Financial Position.
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# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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### 8. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

This liability is the estimated cost to date, based on a volumetric basis, of the expenses relating to those activities required when the site or phase stops accepting waste.

The sanitary closure costs include final cover and vegetation, completing facilities for drainage control features, leachate monitoring, water quality monitoring, and monitoring and recovery of gas. Post-closure care activities include all activities related to monitoring the site once it can no longer accept waste, including acquisition of any additional land for buffer zones, treatment and monitoring of leachate, monitoring ground water and surface water, gas monitoring and recovery, and ongoing maintenance of various control systems, drainage systems and final cover.

The estimated liability for the care of the landfill sites is the present value of future cash flows associated with the closure and post-closure costs.

The Municipality currently has two landfill sites "Adelaide" and "Metcalf". The key assumptions for each of the landfill sites is as follows:

|  | <u>Adelaide site</u> | <u>Metcalf site</u> |
|--|----------------------|---------------------|
| Date landfill is expected to reach capacity                      | 2028                 | 2020                |
| Estimated remaining capacity at December 31, 2022 (cubic metres) | 1602                 | 0                   |
| Inflation rate   | 3.27%                | 2.0%                |
| Discount rate  | 2.17%                | 3.0%                |
| Estimate closure costs   | \$68,834             | \$25,000            |
| Estimated post-closure costs                                     | \$683,242            | \$-                 |

The estimated liability of \$292,827 (2021 - \$195,976) represents the sum of the discounted future cash flows for closure and post-closure care activities discounted at the Municipality's current long term borrowing rate of 2.17%. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill. At year end this reserve was \$354,160 (2021 - \$293,161). The Metcalfe site has been closed and it now being monitored as per the post closure agreement.

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

### 9. TANGIBLE CAPITAL ASSETS

December 31, 2022

| Cost                                  | Opening           | Additions        | Disposals        | Ending            |
|---------------------------------------|-------------------|------------------|------------------|-------------------|
| <b><u>Infrastructure</u></b>          |                   |                  |                  |                   |
| Land                                  | 317,500           | -                | -                | 317,500           |
| Buildings                             | 261,360           | -                | -                | 261,360           |
| Machinery and Equipment               | 2,722,624         | 10,048           | -                | 2,732,672         |
| Linear - Roadways                     | 21,729,842        | 157,373          | -                | 21,887,215        |
| Linear - Water Services               | 1,210,000         | -                | -                | 1,210,000         |
| Linear - Waste Water                  | 3,929,000         | -                | -                | 3,929,000         |
| <b>Infrastructure Total</b>           | <u>30,170,326</u> | <u>167,421</u>   | <u>-</u>         | <u>30,337,747</u> |
| <b><u>General</u></b>                 |                   |                  |                  |                   |
| Land                                  | 55,503            | -                | -                | 55,503            |
| Land Improvements                     | 83,940            | -                | -                | 83,940            |
| Building                              | 838,837           | 537,589          | -                | 1,376,426         |
| Machinery and Equipment               | 599,749           | 62,169           | -                | 661,918           |
| Vehicle                               | 1,386,571         | -                | (144,830)        | 1,241,741         |
| <b>General Total</b>                  | <u>2,964,600</u>  | <u>599,758</u>   | <u>(144,830)</u> | <u>3,419,528</u>  |
| Work In Progress                      | 523,646           | 264,123          | (501,779)        | 285,990           |
| <b>Total Cost</b>                     | <u>33,658,572</u> | <u>1,031,302</u> | <u>(646,609)</u> | <u>34,043,265</u> |
| <b>Accumulated Amortization</b>       |                   |                  |                  |                   |
|                                       | Opening           | Amortization     | Disposal         | Ending            |
| <b><u>Infrastructure</u></b>          |                   |                  |                  |                   |
| Buildings                             | 200,311           | 4,106            | -                | 204,417           |
| Machinery and Equipment               | 1,748,139         | 63,326           | -                | 1,811,465         |
| Linear - Roadways                     | 9,662,386         | 734,481          | -                | 10,396,867        |
| Linear - Water Services               | 241,995           | 16,133           | -                | 258,128           |
| Linear - Waste Water                  | 673,057           | 52,387           | -                | 725,444           |
| <b>Infrastructure Total</b>           | <u>12,525,888</u> | <u>870,433</u>   | <u>-</u>         | <u>13,396,321</u> |
| <b><u>General</u></b>                 |                   |                  |                  |                   |
| Land Improvements                     | 57,888            | 4,140            | -                | 62,028            |
| Building                              | 266,544           | 16,252           | -                | 282,796           |
| Machinery and Equipment               | 503,881           | 19,158           | -                | 523,039           |
| Vehicle                               | 681,046           | 48,693           | (144,830)        | 584,909           |
| <b>General Total</b>                  | <u>1,509,359</u>  | <u>88,243</u>    | <u>(144,830)</u> | <u>1,452,772</u>  |
| <b>Total Accumulated Amortization</b> | <u>14,035,247</u> | <u>958,676</u>   | <u>(144,830)</u> | <u>14,849,093</u> |
| <b>Net Book Value</b>                 |                   |                  |                  |                   |
|                                       | Opening           |                  |                  | Ending            |
| <b><u>Infrastructure</u></b>          |                   |                  |                  |                   |
| Land                                  | 317,500           |                  |                  | 317,500           |
| Buildings                             | 61,049            |                  |                  | 56,943            |
| Machinery and Equipment               | 974,485           |                  |                  | 921,207           |
| Linear - Roadways                     | 12,067,456        |                  |                  | 11,490,348        |
| Linear - Water Services               | 968,005           |                  |                  | 951,872           |
| Linear - Waste Water                  | 3,255,943         |                  |                  | 3,203,556         |
|                                       | <u>17,644,438</u> |                  |                  | <u>16,941,426</u> |
| <b><u>General</u></b>                 |                   |                  |                  |                   |
| Land                                  | 55,503            |                  |                  | 55,503            |
| Land improvements                     | 26,052            |                  |                  | 21,912            |
| Building                              | 572,293           |                  |                  | 1,093,630         |
| Machinery and Equipment               | 95,868            |                  |                  | 138,879           |
| Vehicles                              | 705,525           |                  |                  | 656,832           |
|                                       | <u>1,455,241</u>  |                  |                  | <u>1,966,756</u>  |
| Work In Progress                      | 523,646           |                  |                  | 285,990           |
| <b>Total Net Book Value</b>           | <u>19,623,325</u> |                  |                  | <u>19,194,172</u> |

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

### 9. TANGIBLE CAPITAL ASSETS (CONTINUED)

December 31, 2021

| Cost                                  | Opening           | Additions        | Disposals        | Ending            |
|---------------------------------------|-------------------|------------------|------------------|-------------------|
| <b><u>Infrastructure</u></b>          |                   |                  |                  |                   |
| Land                                  | 317,500           | -                | -                | 317,500           |
| Buildings                             | 261,360           | -                | -                | 261,360           |
| Machinery and Equipment               | 2,722,624         | -                | -                | 2,722,624         |
| Linear - Roadways                     | 20,574,780        | 1,155,062        | -                | 21,729,842        |
| Linear - Water Services               | 1,210,000         | -                | -                | 1,210,000         |
| Linear - Waste Water                  | 3,929,000         | -                | -                | 3,929,000         |
| <b>Infrastructure Total</b>           | <u>29,015,264</u> | <u>1,155,062</u> | <u>-</u>         | <u>30,170,326</u> |
| <b><u>General</u></b>                 |                   |                  |                  |                   |
| Land                                  | 55,503            | -                | -                | 55,503            |
| Land Improvements                     | 83,940            | -                | -                | 83,940            |
| Building                              | 859,337           | -                | (20,500)         | 838,837           |
| Machinery and Equipment               | 561,501           | 53,107           | (14,859)         | 599,749           |
| Vehicle                               | 1,032,147         | 354,424          | -                | 1,386,571         |
| <b>General Total</b>                  | <u>2,592,428</u>  | <u>407,531</u>   | <u>(35,359)</u>  | <u>2,964,600</u>  |
| Work In Progress                      | 243,269           | 523,646          | (243,269)        | 523,646           |
| <b>Total Cost</b>                     | <u>31,850,961</u> | <u>2,086,239</u> | <u>(278,628)</u> | <u>33,658,572</u> |
| <b>Accumulated Amortization</b>       |                   |                  |                  |                   |
| <b><u>Infrastructure</u></b>          |                   |                  |                  |                   |
| Buildings                             | 196,205           | 4,106            | -                | 200,311           |
| Machinery and Equipment               | 1,642,329         | 105,810          | -                | 1,748,139         |
| Linear - Roadways                     | 8,981,195         | 681,191          | -                | 9,662,386         |
| Linear - Water Services               | 225,862           | 16,133           | -                | 241,995           |
| Linear - Waste Water                  | 620,670           | 52,387           | -                | 673,057           |
| <b>Infrastructure Total</b>           | <u>11,666,261</u> | <u>859,627</u>   | <u>-</u>         | <u>12,525,888</u> |
| <b><u>General</u></b>                 |                   |                  |                  |                   |
| Land Improvements                     | 53,748            | 4,140            | -                | 57,888            |
| Building                              | 254,392           | 16,252           | (4,100)          | 266,544           |
| Machinery and Equipment               | 485,477           | 18,404           | -                | 503,881           |
| Vehicle                               | 641,339           | 39,707           | -                | 681,046           |
| <b>General Total</b>                  | <u>1,434,956</u>  | <u>78,503</u>    | <u>(4,100)</u>   | <u>1,509,359</u>  |
| <b>Total Accumulated Amortization</b> | <u>13,101,217</u> | <u>938,130</u>   | <u>(4,100)</u>   | <u>14,035,247</u> |
| <b>Net Book Value</b>                 |                   |                  |                  |                   |
| <b><u>Infrastructure</u></b>          |                   |                  |                  |                   |
| Land                                  | 317,500           |                  |                  | 317,500           |
| Buildings                             | 65,155            |                  |                  | 61,049            |
| Machinery and Equipment               | 1,080,295         |                  |                  | 974,485           |
| Linear - Roadways                     | 11,593,585        |                  |                  | 12,067,456        |
| Linear - Water Services               | 984,138           |                  |                  | 968,005           |
| Linear - Waste Water                  | 3,308,330         |                  |                  | 3,255,943         |
|                                       | <u>17,349,003</u> |                  |                  | <u>17,644,438</u> |
| <b><u>General</u></b>                 |                   |                  |                  |                   |
| Land                                  | 55,503            |                  |                  | 55,503            |
| Land improvements                     | 30,192            |                  |                  | 26,052            |
| Building                              | 604,945           |                  |                  | 572,293           |
| Machinery and Equipment               | 76,024            |                  |                  | 95,868            |
| Vehicles                              | 390,808           |                  |                  | 705,525           |
|                                       | <u>1,157,472</u>  |                  |                  | <u>1,455,241</u>  |
| Work In Progress                      | 243,269           |                  |                  | 523,646           |
| <b>Total Net Book Value</b>           | <u>18,749,744</u> |                  |                  | <u>19,623,325</u> |

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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### 10. ACCUMULATED SURPLUS

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

|  | <u>2022</u>              | 2021                     |
|--|--------------------------|--------------------------|
|  | <u>\$</u>                | <u>\$</u>                |
| <b>SURPLUS</b>                                       |                          |                          |
| General revenue fund                                 | 2,289,836                | 3,431,490                |
| Invested in tangible capital assets                  | 19,194,172               | 19,623,325               |
| Reserves set aside for a specific purpose            | 1,139,641                | 462,875                  |
| Reserve funds set aside for a specific purpose       | <u>7,493,965</u>         | <u>5,378,249</u>         |
|  | 30,117,614               | 28,895,939               |
| <b>AMOUNTS TO BE RECOVERED</b>                       |                          |                          |
| Unfunded landfill closure and post-closure liability | (292,827)                | (195,976)                |
| Net long-term debt                                   | <u>(308,036)</u>         | <u>(292,718)</u>         |
| <b>ACCUMULATED SURPLUS</b>                           | <u><u>29,516,751</u></u> | <u><u>28,407,245</u></u> |

### 11. 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, 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 financial statements.

The total amount contributed for pension purposes for 2022 was \$82,620 (2021 - \$75,862) and is included as an expense on the Statement of Operations and Accumulated Surplus.

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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### 12. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF MIDDLESEX

During 2022, requisitions were made by the School Boards and the County of Middlesex 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<br>Boards<br>2022<br>\$ | County<br>2022<br>\$    | School<br>Boards<br>2021<br>\$ | County<br>2021<br>\$    |
|------------------------------------|--------------------------------|-------------------------|--------------------------------|-------------------------|
| Taxation                           | 1,667,128                      | 2,481,426               | 1,682,875                      | 2,486,267               |
| Share of payments in lieu of taxes | <u>467</u>                     | <u>22,597</u>           | <u>467</u>                     | <u>22,597</u>           |
| Amounts requisitioned              | <u><u>1,667,595</u></u>        | <u><u>2,504,023</u></u> | <u><u>1,683,342</u></u>        | <u><u>2,508,864</u></u> |

### 13. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$56,748 (2021 - \$1,901) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations and Accumulated Surplus.

### 14. 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.

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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### 15. SUPPLEMENTARY INFORMATION:

|   | 2022                    | 2021                    |
|---|-------------------------|-------------------------|
|   | <u>\$</u>               | <u>\$</u>               |
| <b>[a] Classification of expenses by object:</b>                            |                         |                         |
| Salaries, wages and employee benefits                                       | 1,419,587               | 1,191,246               |
| Long-term debt interest   | 12,689                  | 13,778                  |
| Materials   | 1,495,892               | 1,604,965               |
| Contracted services   | 1,265,748               | 1,203,683               |
| Amortization  | 958,676                 | 938,130                 |
| Transfer to others  | <u>57,037</u>           | <u>52,992</u>           |
| Total expenses by object  | <u><u>5,209,629</u></u> | <u><u>5,004,794</u></u> |
| <b>[b] Change in non-cash assets and liabilities related to operations:</b> |                         |                         |
| Taxes receivable  | 542,541                 | (112,240)               |
| Accounts receivable   | (6,065)                 | 38,753                  |
| Inventories and prepaid expenses  | 6,469                   | (28,595)                |
| Accounts payable and accrued liabilities                                    | (238,621)               | 113,782                 |
| Deferred revenue  | <u>(240,906)</u>        | <u>163,595</u>          |
|   | <u><u>63,418</u></u>    | <u><u>175,295</u></u>   |

### 16. COMPARATIVE FIGURES

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

# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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### 17. BUDGET FIGURES

The budget approved by Council on March 15, 2021 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<br>Budget<br>\$ | Adjustments<br>\$  | PSAB<br>Budget<br>\$ |
|--|--------------------------|--------------------|----------------------|
| <b>REVENUES</b>                          |                          |                    |                      |
| Property taxation                        | 4,992,062                | -                  | 4,992,062            |
| Taxation from other governments          | 92,000                   | -                  | 92,000               |
| User charges                             | 398,265                  | -                  | 398,265              |
| Local improvement levies                 | 151,350                  | -                  | 151,350              |
| Government transfers                     |                          |                    |                      |
| Provincial                               | 748,982                  | -                  | 748,982              |
| Other municipalities                     | 18,000                   | -                  | 18,000               |
| Investment income                        | 22,050                   | -                  | 22,050               |
| Penalties and interest on taxes          | 80,000                   | -                  | 80,000               |
| Other                                    | <u>12,000</u>            | <u>-</u>           | <u>12,000</u>        |
| Total revenues                           | <u>6,514,709</u>         | <u>-</u>           | <u>6,514,709</u>     |
| <b>EXPENSES</b>                          |                          |                    |                      |
| General government                       | 1,499,749                | (725,385)          | 774,364              |
| Fire and police protection               | 849,388                  | (54,876)           | 794,512              |
| Other protective services                | 152,358                  | -                  | 152,358              |
| Transportation services                  | 2,456,463                | 90,872             | 2,547,335            |
| Waterworks and sewers                    | 589,905                  | (397,449)          | 192,456              |
| Garbage collection and disposal          | 353,756                  | (23,153)           | 330,603              |
| Health services                          | 11,968                   | -                  | 11,968               |
| Recreation and cultural services         | 472,286                  | (93,468)           | 378,818              |
| Planning and zoning                      | 26,000                   | -                  | 26,000               |
| Agriculture                              | <u>102,836</u>           | <u>-</u>           | <u>102,836</u>       |
| Total expenses                           | <u>6,514,709</u>         | <u>(1,203,459)</u> | <u>5,311,250</u>     |
| <b>BUDGETED ANNUAL SURPLUS (DEFICIT)</b> | <u>-</u>                 | <u>1,203,459</u>   | <u>1,203,459</u>     |

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# CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE

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

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### 18. SEGMENTED DISCLOSURE

The Municipality is a lower-tier municipal government that provides a wide range of services to its citizens. For management reporting purposes the Municipality's operations and activities are organized and reported by departments, and the departments have been separately disclosed in the Schedule of Segment Disclosure. A description of each major department and the activities each provide are as follows:

#### General government

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

#### Protection services

Protection services include fire, police, conservation authority, building inspection and animal control.

#### Transportation services

Transportation services include the maintenance of roads and bridges throughout the Municipality in accordance with minimum maintenance standards.

#### Environmental services

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

#### Health services

Health services are comprised of public health services and cemeteries.

#### Recreation services

Recreation services include the development and upkeep of community parks and recreation facilities.

#### Planning and development

Planning and development services include land use planning and amendments according to the Official Plan, plans of subdivision, economic development and tourism, municipal drainage, and tree cutting 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. Taxation revenue is allocated to segments based on budgeted amounts. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.



**CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE**

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

|  | General<br>Government<br>\$ | Protection<br>Services<br>\$ | Transportation<br>Services<br>\$ | Environmental<br>Services<br>\$ | Health<br>Services<br>\$ | Recreation<br>Services<br>\$ | Planning and<br>Development<br>Services<br>\$ | Total<br>\$                    |
|--|-----------------------------|------------------------------|----------------------------------|---------------------------------|--------------------------|------------------------------|---|--------------------------------|
| <b>REVENUES</b>                          |                             |                              |                                  |                                 |                          |                              |   |                                |
| Taxation and local improvements          | 1,028,819                   | 710,892                      | 1,743,237                        | 669,672                         | 8,493                    | 335,159                      | 91,430  | <b>4,587,702</b>               |
| User charges                             | 13,045                      | 158,611                      | 7,030                            | 418,065                         | -                        | 525                          | 58,345  | <b>655,621</b>                 |
| Government transfers                     | 412,543                     | 871                          | 12,063                           | -                               | -                        | -                            | 197,904                                       | <b>623,381</b>                 |
| Other                                    | 193,646                     | 1,720                        | -                                | -                               | -                        | -                            | 232,785                                       | <b>428,151</b>                 |
| Gain on sale of capital                  | <u>23,889</u>               | <u>-</u>                     | <u>391</u>                       | <u>-</u>                        | <u>-</u>                 | <u>-</u>                     | <u>-</u>                                      | <b><u>24,280</u></b>           |
|  | <u>1,671,942</u>            | <u>872,094</u>               | <u>1,762,721</u>                 | <u>1,087,737</u>                | <u>8,493</u>             | <u>335,684</u>               | <u>580,464</u>                                | <b><u>6,319,135</u></b>        |
| <b>EXPENSES</b>                          |                             |                              |                                  |                                 |                          |                              |   |                                |
| Salaries, wages and employees benefits   | 678,588                     | 176,387                      | 552,450                          | 12,162                          | -                        | -                            | -   | <b>1,419,587</b>               |
| Long-term debt interest                  | -                           | -                            | -                                | 12,689                          | -                        | -                            | -   | <b>12,689</b>                  |
| Materials and supplies                   | 155,166                     | 121,874                      | 1,094,387                        | 79,931                          | -                        | 21,307                       | 23,227  | <b>1,495,892</b>               |
| Contracted services, rents and financial | 205,648                     | 514,107                      | -                                | 390,682                         | 6,767                    | 91,928                       | 56,616  | <b>1,265,748</b>               |
| External transfers                       | -                           | 57,037                       | -                                | -                               | -                        | -                            | -   | <b>57,037</b>                  |
| Amortization                             | <u>15,364</u>               | <u>71,244</u>                | <u>784,920</u>                   | <u>79,627</u>                   | <u>-</u>                 | <u>7,521</u>                 | <u>-</u>                                      | <b><u>958,676</u></b>          |
|  | <u>1,054,766</u>            | <u>940,649</u>               | <u>2,431,757</u>                 | <u>575,091</u>                  | <u>6,767</u>             | <u>120,756</u>               | <u>79,843</u>                                 | <b><u>5,209,629</u></b>        |
| <b>ANNUAL SURPLUS (DEFICIT)</b>          | <u><u>617,176</u></u>       | <u><u>(68,555)</u></u>       | <u><u>(669,036)</u></u>          | <u><u>512,646</u></u>           | <u><u>1,726</u></u>      | <u><u>214,928</u></u>        | <u><u>500,621</u></u>                         | <b><u><u>1,109,506</u></u></b> |

**CORPORATION OF THE TOWNSHIP OF ADELAIDE METCALFE**

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

|  | General<br>Government<br>\$ | Protection<br>Services<br>\$ | Transportation<br>Services<br>\$ | Environmental<br>Services<br>\$ | Health<br>Services<br>\$ | Recreation<br>Services<br>\$ | Planning and<br>Development<br>Services<br>\$ | Total<br>\$      |
|--|-----------------------------|------------------------------|----------------------------------|---------------------------------|--------------------------|------------------------------|---|------------------|
| <b>REVENUES</b>                          |                             |                              |                                  |                                 |                          |                              |   |                  |
| Taxation and local improvements          | 637,905                     | 1,225,049                    | 2,056,231                        | 439,974                         | 6,486                    | 261,827                      | 50,883  | 4,678,355        |
| User charges                             | 3,283                       | 91,894                       | 1,750                            | 273,677                         | -                        | 300                          | 59,075  | 429,979          |
| Government transfers                     | 575,901                     | 406                          | 75,764                           | -                               | -                        | -                            | 209,207                                       | 861,278          |
| Other                                    | <u>165,573</u>              | <u>1,330</u>                 | <u>-</u>                         | <u>-</u>                        | <u>-</u>                 | <u>-</u>                     | <u>2,065</u>                                  | <u>168,968</u>   |
|  | <u>1,382,662</u>            | <u>1,318,679</u>             | <u>2,133,745</u>                 | <u>713,651</u>                  | <u>6,486</u>             | <u>262,127</u>               | <u>321,230</u>                                | <u>6,138,580</u> |
| <b>EXPENSES</b>                          |                             |                              |                                  |                                 |                          |                              |   |                  |
| Salaries, wages and employees benefits   | 549,039                     | 207,245                      | 426,518                          | 8,444                           | -                        | -                            | -   | 1,191,246        |
| Long-term debt interest                  | -                           | -                            | -                                | 13,778                          | -                        | -                            | -   | 13,778           |
| Materials and supplies                   | 128,439                     | 113,938                      | 899,442                          | 78,143                          | -                        | 12,431                       | 372,572                                       | 1,604,965        |
| Contracted services, rents and financial | 200,279                     | 568,565                      | 3,370                            | 243,418                         | 4,554                    | 93,483                       | 90,014  | 1,203,683        |
| External transfers                       | -                           | 52,992                       | -                                | -                               | -                        | -                            | -   | 52,992           |
| Amortization                             | <u>11,503</u>               | <u>57,678</u>                | <u>781,664</u>                   | <u>79,763</u>                   | <u>-</u>                 | <u>7,522</u>                 | <u>-</u>                                      | <u>938,130</u>   |
|  | <u>889,260</u>              | <u>1,000,418</u>             | <u>2,110,994</u>                 | <u>423,546</u>                  | <u>4,554</u>             | <u>113,436</u>               | <u>462,586</u>                                | <u>5,004,794</u> |
| <b>ANNUAL SURPLUS (DEFICIT)</b>          | <u>493,402</u>              | <u>318,261</u>               | <u>22,751</u>                    | <u>290,105</u>                  | <u>1,932</u>             | <u>148,691</u>               | <u>(141,356)</u>                              | <u>1,133,786</u> |