

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO

FINANCIAL REPORT

DECEMBER 31, 2023



THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
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AS AT DECEMBER 31, 2023

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THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The accompanying financial statements of the The Corporation of the Township of Adjala-Tosorontio ("the Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian public sector accounting standards, established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management. Council meets with management and the external auditor to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval.

The financial statements have been audited by Baker Tilly SGB LLP, independent external auditor appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's financial statements.

B. Andreychuk

Director of Finance/Treasurer
August 14, 2024

Eric Wargal

Acting Chief Administrative Officer
August 14, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Adjala-Tosorontio:

Opinion

We have audited the financial statements of the The Corporation of the Township of Adjala-Tosorontio ("the Municipality"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, change in net financial assets, cash flow and remeasurement gains and losses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2023, and its results of operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Baker Tilly SGB LLP

Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
August 14, 2024

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
	(Note 19)		
Revenues			
Taxation (Note 20)	10,726,463	10,863,593	8,787,373
Government grants - Federal	8,210	6,553	309,930
Government grants - Provincial	1,409,259	1,930,507	1,070,805
Government grants - Other	-	16,003	-
User fees and service charges	1,194,035	1,443,546	1,275,560
Contributed tangible capital assets (Note 15)	-	1,816,700	-
Other (Note 21)	2,180,510	4,294,626	2,803,874
	<u>15,518,477</u>	<u>20,371,528</u>	<u>14,247,542</u>
Expenses			
General government	3,538,358	2,409,968	2,318,514
Protection services	3,678,054	4,112,173	3,569,297
Transportation services	4,337,454	4,732,296	4,879,777
Environmental services	1,713,607	1,840,948	1,574,810
Health services	8,000	8,392	6,900
Recreation and cultural services	184,869	239,881	199,084
Planning and development	646,398	360,583	522,145
	<u>14,106,740</u>	<u>13,704,241</u>	<u>13,070,527</u>
Annual surplus	1,411,737	6,667,287	1,177,015
Accumulated surplus at beginning of year	52,001,684	52,001,684	50,824,669
Accumulated surplus at end of year (Note 17)	<u>53,413,421</u>	<u>58,668,971</u>	<u>52,001,684</u>

See accompanying notes to the financial statements

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31

	Budget 2023	Actual 2023	Actual 2022
	\$ (Note 19)	\$	\$
Annual surplus	1,411,737	6,667,287	1,177,015
Acquisition of tangible capital assets	-	(2,824,057)	(3,679,465)
Amortization of tangible capital assets	-	1,928,221	1,649,254
Loss on disposal of tangible capital assets	-	138,682	104,326
Asset retirement obligations	-	(609,409)	-
Contributed tangible capital assets	-	(1,816,700)	-
Change in prepaid expenses and inventory	-	(337,451)	(37,905)
	<u>1,411,737</u>	<u>3,146,573</u>	<u>(786,775)</u>
Change in accumulated remeasurement gains	-	28,103	-
	<u>1,411,737</u>	<u>3,174,676</u>	<u>(786,775)</u>
Net financial assets at beginning of year, as originally stated	13,798	13,798	800,573
Adjustment on adoption of the financial instruments standard (Note 2)	-	(100,670)	-
(Net debt) financial assets at beginning of year, as restated	<u>13,798</u>	<u>(86,872)</u>	<u>800,573</u>
Net financial assets at end of year	<u>1,425,535</u>	<u>3,087,804</u>	<u>13,798</u>

See accompanying notes to the financial statements

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31

	2023	2022
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus	6,667,287	1,177,015
Non-cash items:		
Amortization of tangible capital assets	1,928,221	1,649,254
Loss on disposal of tangible capital assets	138,683	104,326
Contributed tangible capital assets	(1,816,700)	-
Accretion of asset retirement obligations	18,282	-
Employee future benefits	(37,636)	(48,092)
	6,898,137	2,882,503
Change in		
Accounts receivable	306,532	335,504
Taxes receivable	(198,865)	131,554
Prepaid expenses and inventory	(337,452)	(37,905)
Developer deposits and other liabilities	136,730	(32,130)
Accounts payable and accruals	(497,854)	(475,903)
Deferred revenue	814,398	5,210,774
	7,121,626	8,014,397
Net change in cash from operations		
Capital activities		
Acquisition of tangible capital assets	(2,824,057)	(3,679,465)
Investing activities		
Change in investments	(15,533)	8,742
Financing activities		
Repayment of long-term liabilities	(326,694)	(270,726)
Acquisition of long-term liabilities	3,817,116	-
Net change in cash from financing	3,490,422	(270,726)
Net change in cash and cash equivalents	7,772,458	4,072,948
Cash and cash equivalents at beginning of year	7,588,683	3,515,735
Cash and cash equivalent at end of year	15,361,141	7,588,683

See accompanying notes to the financial statements

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
FOR THE YEAR ENDED DECEMBER 31

	2023
	\$
Accumulated remeasurement gains at beginning of year	-
Adjustment on adoption of the financial instruments standard (Note 2)	<u>(100,670)</u>
Unrealized gains (losses) attributed to:	
Short-term investments	2,970
Long-term investments	<u>25,133</u>
Net change in remeasurement losses	<u>28,103</u>
Accumulated remeasurement losses at end of year	<u>(72,567)</u>

See accompanying notes to the financial statements

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

Nature of operations

The Corporation of the Township of Adjala-Tosorontio ("the Municipality") is a lower-tier municipality located in the County of Simcoe, Province of Ontario, Canada. 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 the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the municipality and the changes thereto. The statement of financial position includes all of the assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Basis of accounting

Sources of revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term, highly liquid financial instruments with a maturity of three months or less at acquisition.

(c) Revenue recognition

Included in user fees are wastewater and water usage fees. These fees are recognized as revenue when the service is rendered. Other user fees are recognized on an accrual basis as they become available and measurable.

Investment income (other than on obligatory funds) is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

Other revenues are recognized on an accrual basis as they become available and measurable.

(d) Deferred revenue - obligatory reserve funds

Revenue restricted by legislation, regulation, or agreement and not available for general municipal purposes is reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations in the year in which it is used for the specified purpose.

(e) Deferred revenue - other

Funds received for services but not earned within the year are reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations in the year in which it is used for the specified purpose.

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

1. Summary of significant accounting policies (continued)

(f) Financial instruments

The financial instruments of the municipality consist of cash and cash equivalents, accounts receivable, investments, accounts payable, developer deposits, and long-term liabilities. All financial instruments are recognized at cost, amortized cost, or fair value.

Cash and cash equivalents are recognized at cost. Accounts receivable, accounts payable and long-term liabilities (excluding derivative financial instruments) are recognized at amortized cost.

Investments include government and corporate bonds. Investments are subsequently recorded at fair market value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured at cost or amortized cost.

Unrealized gains and losses from the change in fair value of these financial instruments are reflected in the statement of remeasurement gains and losses until disposition. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

1. Summary of significant accounting policies (continued)

(g) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

(g.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 Municipality capitalizes interest costs associated with the construction of a tangible capital 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:

Buildings	- 30 to 50 years
Equipment	- 5 to 20 years
Roads	- 40 to 85 years
Water and Wastewater	- 10 to 100 years
Bridges	- 80 to 100 years
Communications	- 5 to 10 years
Vehicles	- 5 to 15 years
Furniture	- 10 years
Computer hardware & software	- 3 to 7 years

Work in process

Work in process assets are recorded at cost. When construction is completed, the tangible capital assets under construction will be transferred to tangible capital assets and amortized based on its classification.

(g.ii) Contributed tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(h) County and school boards

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

(i) Inventory

Inventory is recorded at the lower of actual cost and net realizable value. The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(j) Government grants

Government grants are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Conditional government grants are recognized to the extent the conditions imposed on them have been fulfilled. Unconditional government grants are recognized when monies are receivable. Government grants for acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made. Grants are recognized as deferred revenue when transfer stipulations give rise to a liability. Grant revenue is recognized in the statement of operations as the stipulation liabilities are settled.

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

1. Summary of significant accounting policies (continued)

(k) 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 expenses during the period. Significant estimates exist in tangible capital assets with regard to historical costs and useful lives. Other significant estimates include employee future benefits.

In addition, the Municipality's implementation of *PS3280 Asset Retirement Obligations* has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from those estimates.

(l) Segment disclosures

Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Municipal taxation revenue is allocated based on the percentage of total budgeted expenses.

(m) Pension plan

The Municipality offers a pension plan for its full-time employees through the Ontario Municipal Employee Retirement System ("OMERS"). OMERS is a multi-employer, contributory, public sector pension fund established for employees of municipalities, local boards and school boards in Ontario. Participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Municipality accounts for its participation in OMERS as a defined contribution plan and recognizes the expense related to this plan as contributions are made, even though OMERS is itself a defined benefit plan.

(n) Other post-employment benefits

Employee future benefits other than pension provided by the Municipality include medical, dental and life insurance benefits. These plans provide benefits to employees when they are no longer providing active service. Employee future benefit expense is recognized in the period in which the employees render services on an accrual basis.

The accrued benefit obligations and the current service costs are calculated using the projected benefit method, prorated on service, and based on assumptions that reflect management's best estimates. The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period. Past service costs arising from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. The excess of the net actuarial gains or losses over 10% of the accrued benefit obligation is amortized to expense over the average remaining service period of active employees to full eligibility.

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

1. Summary of significant accounting policies (continued)

(o) Taxation and related revenues

Municipal tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by the Municipal Council, incorporating amounts to be raised for local services. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessments and the related property taxes are subject to appeal. Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For municipal taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of allowance for anticipated uncollectible amounts.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(p) Asset retirement obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the amortization accounting policies outlined in Note 1(g).

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

2. Changes in accounting policies

(a) PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation

On January 1, 2023, the Municipality adopted Public Accounting Standards *PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation*. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Municipality's accounting policy choices (see Note 1(f)).

In accordance with the provisions of this new standard, the Municipality reflected the following adjustments at January 1, 2023:

- A decrease of \$100,670 to net surplus and an increase of \$100,670 to accumulated remeasurement losses due to the unrealized loss of the Municipality's investments previously classified as held-to-maturity being reclassified to fair value.

(b) PS 3280 – Asset Retirement Obligations

On January 1, 2023, the Municipality also adopted Public Accounting Standard *PS 3280 – Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings owned by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section *PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability*. The standard was adopted on the prospective basis at the date of adoption. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

On January 1, 2023, the Municipality recognized an asset retirement obligation relating to a wastewater treatment plant owned by the Municipality, representing the decommissioning costs of the plant. The buildings had an expected useful life of 30 to 50 years, and the estimate has not changed since purchase.

On January 1, 2023, the Municipality recognized an additional asset retirement obligation relating to several buildings owned by the Municipality that may contain asbestos. The buildings had an expected useful life of 30 to 50 years, and the estimate has not changed since purchase.

In accordance with the provisions of this new standard, the Municipality reflected the following adjustments at January 1, 2023:

- Wastewater treatment plant
 - An increase of \$300,000 to the Buildings capital asset account and asset retirement obligation.
- Asbestos obligation
 - An increase of \$309,409 to the Buildings capital asset account and asset retirement obligation.

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

3. Cash and cash equivalents

Cash and cash equivalents consists of the following:

	2023	2022
	\$	\$
Unrestricted	7,652,213	694,153
Restricted	7,708,928	6,894,530
	15,361,141	7,588,683

The Municipality's bank accounts are held at one financial institution. The bank accounts earn interest at variable rates calculated on the daily balances.

The Municipality has received Letters of Credit as described in Note 4. The Municipality also has a credit facility agreement with the bank as described in Note 14.

Restricted funds relate to obligatory reserve funds and other deferred revenue, as described in Note 13 and Schedule 1.

4. Letters of credit

As part of various developments, the Municipality has received letters of credit to cover the costs of completing these projects. Letters of credit held by the Municipality at December 31, 2023 were \$71,589,700 (2022 - \$71,589,700).

5. Investments

Investments comprise the following:

	2023	2022
	\$	\$
Government and corporate bonds, with effective yield rates ranging from 1.25% to 7.05%, maturing from May 2024 to December 2051.	704,169	761,203

The market value of the investments are \$704,169 (2022 - \$660,532). The nature of the above investments is such that the original cost of the bonds will be recovered when held to maturity, and may not result in any realized losses.

6. Accounts receivable

Accounts receivable consists of the following:

	2023	2022
	\$	\$
Water receivables	222,266	227,649
HST receivable	194,131	533,357
Government receivables	34,332	46,855
Other receivables and cost acknowledgements	1,625,437	1,574,837
	2,076,166	2,382,698
Less: allowance for doubtful accounts	(403,338)	(403,338)
	1,672,828	1,979,360

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

7. Asset retirement obligations

The Municipality's asset retirement obligations consist of:

(a) Wastewater treatment plant obligation

The Municipality owns and operates a wastewater treatment plant. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 – Asset Retirement Obligation. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the site. The wastewater treatment plant has an estimated remaining useful life of 3 years. At December 31, 2023, estimated undiscounted asset retirement obligations were \$327,818. These costs were discounted to December 31, 2023 using a discount rate of 3.00% per annum.

(b) Asbestos obligation

The Municipality owns and operates several buildings that may contain asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. The presence of asbestos is not a current health hazard, and there is no requirement to remove asbestos in these buildings as long as the asbestos is contained and does not pose a public health risk. According to the Canadian Centre of Occupational Health and Safety (CCOHS), there are no significant health risks if the materials containing asbestos in your home or place of work are:

- Tightly bound in the original product, and it is in good condition
- Sealed behind walls and floorboards
- Isolated in an attic
- Left undisturbed

The Municipality assesses spaces for the presence of asbestos prior to any construction or renovation taking place. If any asbestos present would be disturbed due to these activities, it is appropriately abated in a manner that is compliant with relevant legislation and regulations. Remediation activities also occur upon the disposal of a building.

The Municipality's asset retirement obligations represent management's best estimate of the present value of the costs that are expected to be incurred for the remediation of asbestos present in some of the Municipality's buildings. Following the adoption of PS3280 – Asset retirement obligations, the Municipality recognized an obligation relating to the removal and post-removal care of the asbestos in these building as estimated at January 1, 2023. The buildings had an estimated useful life of 30 to 50 years. Post-closure care is estimated to extend for up to a year post the closure of the building, while demolition and construction continues. At December 31, 2023, estimated undiscounted asset retirement obligations were \$369,542. The Municipality used a discount rate of 3.00% which represented the estimated inflation rate.

Changes to the asset retirement obligation in the year are as follows:

	Wastewater Treatment Plant	Asbestos Removal	Balance at December 31, 2023
	\$	\$	\$
Asset retirement obligation (ARO)			
Asset retirement obligation balance at beginning of the year	-	-	-
Asset retirement obligation additions (Note 2)	300,000	309,409	609,409
Accretion expense	9,000	9,282	18,282
Asset retirement obligation balance at end of the year	<u>309,000</u>	<u>318,691</u>	<u>627,691</u>

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

8. Credit facility

The Municipality has a credit facility available from TD Bank, to be used for day to day operations, in the amount of \$3,000,000. Interest is charged at the bank's prime lending rate less 0.75%.

At December 31, 2023 the balance of this facility was \$NIL (2022 - \$NIL).

9. Contingencies

In the ordinary course of business, various claims and lawsuits are brought against the Municipality. It is the opinion of management that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any additional payment made by the Municipality pursuant to claims, lawsuits or expropriations will be charged in the year of settlement.

10. Commitments

The Municipality entered into an agreement with the Ontario Clean Water Agency to manage, operate and maintain the Municipality's water and wastewater treatment facilities. The agreement stipulated a base price of \$640,582 per year increasing yearly based on the consumer price index. The term of the agreement is January 1, 2022 to December 31, 2026.

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
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11. Employee future benefits

The Municipality pays certain post-retirement benefits on behalf of its retired employees for extended health, dental benefits and life insurance. The Municipality recognizes these post-retirement costs in the period in which the employees render the services. The accrued benefit obligation at December 31, 2023 is based on actuarial reports dated January 25, 2023 for the Municipality's employees. Actuarial valuations will be prepared every third year or when there are significant changes to the workforce. The current year expense is included in departmental expenses on a basis proportionate to the base accrued benefit obligation of each department.

Information about the Municipality's defined post-retirement benefit plan is as follows:

	2023	2022
	\$	\$
Accrued plan liability at beginning of year	517,974	566,066
Current service cost	848	781
Interest cost	23,740	19,188
Amortization of actuarial loss	14,996	22,754
Benefits paid for the year	(77,220)	(90,815)
Accrued plan liability at end of year	480,338	517,974
Unrecognized actuarial (gain) loss	(19,974)	95,796
Accrued benefit obligation at end of year	460,364	613,770

The main actuarial assumptions employed for the valuations were as follows:

- (i) General inflation - The obligation as at December 31, 2023 of the present value of future liabilities and the expenses was determined using an annual discount rate of 5.0% (2022 - 3.0%).
- (i) Salary levels - Future general salary and wage levels were assumed to increase at 3.0% per year.
- (ii) Interest (discount) rate - The obligation as at December 31, 2023, of the present value of future liabilities and the expense was determined using an annual discount rate of 5.0% (2022 - 2.5%).
- (iii) Health care costs - Health care costs were assumed to be 6.0% in 2023, decreasing by 0.3333% per year to 4.0% in 2029 and thereafter.
- (iv) Dental costs - Dental costs were assumed to increase at a rate of 4.0% in 2023 and thereafter.

12. Contributions to unconsolidated joint boards

The Municipality is part of a joint board for the Rosemont Fire Department which provides fire protection services to a portion of the Municipality. Contributions of \$96,667 (2022 - \$91,560) were made during the year. The Municipality is contingently liable for its share of any accumulated deficits as at the end of the year. Any deficits would be covered by additional levies charged to the municipalities of the joint board. As of December 31, 2023 there were no such deficits.

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
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13. Deferred revenue - obligatory reserve funds

A requirement of 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 be refunded. Further details are reported on Schedule 1.

The net change during the year in the restricted deferred revenue balance is comprised of the following:

	2023	2022
	\$	\$
Deferred revenue at beginning of year	6,894,530	1,683,756
New deposits:		
Government grants	743,938	987,791
Private sources (developer monies for subdivisions)	188,508	4,984,216
Investment income	357,691	94,496
Transfers to capital	(475,739)	(814,696)
Transfers to operations	-	(41,033)
	7,708,928	6,894,530

Included in obligatory reserves are the following:

Development charges

Revenue recognition for development charges occurs after the funds have been collected and when the Municipality has approved the expenditures for the capital work for which the development charges were raised. These funds have been set aside, as required by the Development Charges Act, to defray the cost of growth-related capital projects associated with new developments.

Recreational land

This reserve fund has been segregated as required by Provincial legislation which restricts how these funds may be used and, under certain circumstances, how these funds may be refunded.

Canada community-building fund

The use of the funding is established by a funding agreement between the Municipality and the government. Funding may be used towards designated community energy, water, wastewater, solid waste and capacity building projects as specified in the funding agreements.

OCIF

Ontario Community Infrastructure Fund (OCIF) is grant funding provided by the Ontario government to be spent on capital expenditures on core infrastructure projects (such as roads, bridges, water and wastewater, including sanitary and stormwater facilities) that are part of an asset management plan.

Trillium grant funding

Trillium grant funding is to be spent on creating accessible parking, repairing baseball diamonds, installing accessible playground equipment and retrofitting soccer fields for year-round use at Haley Park.

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
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14. Long-term liabilities

Long-term liabilities consist of the following:

	2023	2022
	\$	\$
(a) Ontario Infrastructure Projects Corporation, 4.61% interest, blended semi-annual payments of \$192,696 due December 2029 (Note 16)	2,000,170	2,283,519
(b) Ontario Infrastructure Projects Corporation, 4.29% interest, blended semi-annual payments of \$125,205 due February 2048	3,773,771	-
	5,773,941	2,283,519

Payments for the next 5 years and thereafter are as follows:

	Principal	Interest	Total
	\$	\$	\$
2024	386,027	249,774	635,801
2025	403,734	232,067	635,801
2026	422,256	213,545	635,801
2027	441,627	194,174	635,801
2028	461,889	173,912	635,801
Thereafter	3,658,408	1,609,953	5,268,361
	5,773,941	2,673,425	8,447,366

The above long-term liabilities issued in the name of the Municipality 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.

15. Tangible capital assets

Schedules 2 and 3 provide information on the tangible capital assets of the Municipality by major asset class and functional segment, as well as accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

- (a) Work in progress
Work in progress with a value of \$621,965 (2022 - \$212,488) has not been amortized. Amortization of these assets will commence when put into service.
- (b) Contributed tangible capital assets
Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$1,816,700 (2022 - \$NIL).
- (c) Tangible capital assets disclosed at nominal values
Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

16. Water and wastewater system

The Ontario Clean Water Act (OCWA) requires that water and wastewater rates be set so that the systems are self-sustaining. The amounts shown in Note 14(a) for long-term liabilities relate to financing of water systems. In addition to these amounts, other reserves funded \$4,225,071 (water \$3,448,130 and wastewater \$776,941) for annual principal and interest payments and any annual deficits in the water and wastewater departments. At the end of the year the discretionary reserve fund for water and wastewater was overdrawn by \$569,578 (see Schedule 1).

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
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AS AT DECEMBER 31, 2023

17. Accumulated surplus

The Municipality segregates its accumulated surplus in the following categories:

	2023	2022
	\$	\$
Current fund surplus:		
General area taxation	4,034,124	(148,833)
Unfunded liability for asset retirement obligations	(627,691)	-
Unfunded employee future benefits	(480,338)	(517,974)
	2,926,095	(666,807)
Total current fund surplus		
Investment in tangible capital assets:		
Tangible capital assets - net	49,194,091	49,501,251
Reserves set aside for specific purposes by council:		
Reserves (Schedule 1)	7,085,264	3,705,305
Discretionary reserve funds (Schedule 1)	(536,479)	(538,065)
	6,548,785	3,167,240
Total reserves		
Total accumulated surplus	58,668,971	52,001,684

18. Pension agreement

The employees of the Corporation of the Township of Adjala-Tosorontio participate in the Ontario Municipal Employees Retirement Savings Plan ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Municipality cannot be identified. The Municipality has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. Amounts paid to OMERS during the year totaled \$207,678 (2022 - \$213,232).

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The most recent actuarial valuation of the Plan was conducted at December 31, 2023. The results of this valuation disclosed total actuarial liabilities of \$136.1 (2022 - \$130.3) billion in respect of benefits accrued for service with actuarial assets at that date of \$131.9 (2022 - \$123.6) billion, indicating a going concern actuarial deficit of \$4.2 (2022 - \$6.7) billion.

19. Budget amounts

The operating budget approved by Council for 2023 is reflected on the statement of operations. The budgets established for 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 the current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The budget figures have not been audited.

20. Net municipal taxation

Net municipal taxation consists of:

	2023	2022
	\$	\$
Taxation revenue	21,574,808	18,912,839
Amount levied and remitted to school boards	(3,892,276)	(3,763,373)
Amount levied and remitted to the County of Simcoe	(6,818,939)	(6,362,093)
	10,863,593	8,787,373
Net municipal taxation		

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

21. Other revenues

Other revenues consist of the following:

	2023	2022
	\$	\$
Administration fees	34,462	155,370
Penalties and interest	679,798	425,460
Licenses and permits	3,526,961	1,634,845
Miscellaneous and recoveries	53,405	588,199
	<hr/> 4,294,626	<hr/> 2,803,874

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

22.Segmented information

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, road, and water infrastructure. Distinguishable functional segments have been separately disclosed in the segmented information. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers are measured on the basis of cost.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

The nature of the segments and the activities they encompass are as follows:

(a) General government

General government is the governance of the Municipality. It is comprised of Council, corporate services, health and safety, human resources and general administration.

(b) Protection services

Protection is comprised of police services, fire protection and canine control. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers. Canine control ensures safety through the licensing of dogs.

(c) Transportation services

Transportation is responsible for maintaining and constructing roads and bridges in the Municipality.

(d) Environmental services

This service provides the Municipality's drinking water. They process and clean sewage and ensure the Municipality's water system meets all Provincial standards. It also consists of providing waste disposal to citizens.

(e) Health services

Health services oversees the care and maintenance of the cemetery. On Schedules 3 and 4 Health services is included in the Recreation and Cultural column.

(f) Recreation and cultural services

Recreation and cultural programs like swimming and skating lessons and English as a second language are provided at arenas, aquatic centres and community centres. Also, the Municipality provides library services to assist with its citizens' informational needs.

(g) Planning and development

This department provides a number of services including planning, maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO

SCHEDULE 1

SCHEDULE OF RESERVES AND RESERVE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Beginning of Year \$	Interest Earned \$	From Operations \$	Other \$	To Operations \$	To Capital \$	End of Year \$
Reserves							
Entrances	3,600	-	-	-	-	-	3,600
Capital acquisition	663,385	-	-	12,203	-	(214,769)	460,819
Building stabilization	306,058	-	2,759,242	-	-	(47,897)	3,017,403
Parks improvement	394,315	-	-	-	-	(118,820)	275,495
Police	510,191	-	219,358	-	-	(192,357)	537,192
Working funds	52,863	-	948,282	-	(425,076)	(252,831)	323,238
I.T hardware upgrades	30,358	-	8,150	-	-	(7,613)	30,895
Investment	66,006	-	-	-	-	-	66,006
Capital asset management	232,662	-	200,000	-	-	-	432,662
Fire department	81,560	-	300,000	3,741	-	(45,897)	339,404
Equipment	559,476	-	200,000	67,920	-	(484,726)	342,670
Winter maintenance	66,230	-	56,908	-	-	-	123,138
Operating equipment repairs	-	-	16,171	-	-	-	16,171
Insurance	143,888	-	-	-	(14,277)	-	129,611
Storm water management	61,023	-	-	-	-	-	61,023
Records management	35,000	-	-	-	-	-	35,000
Building assessments	188,130	-	105,000	-	-	-	293,130
Capital tax levy	122,072	-	200,000	-	-	(32,091)	289,981
Cemeteries	18,000	-	-	-	-	-	18,000
Election	21,861	-	17,000	100	-	-	38,961
Emergency event	-	-	15,192	-	-	-	15,192
Aggregate	121,284	-	-	85,289	-	-	206,573
Community grants and donations	-	-	7,600	-	-	-	7,600
Water	5,843	-	-	-	-	(5,843)	-
Accessibility	21,500	-	-	-	-	-	21,500
	3,705,305	-	5,052,903	169,253	(439,353)	(1,402,844)	7,085,264
Discretionary reserve funds							
Gravel pit rehabilitation	31,513	1,586	-	-	-	-	33,099
Water and wastewater systems (Note 20)	(569,578)	-	-	-	-	-	(569,578)
	(538,065)	1,586	-	-	-	-	(536,479)
Obligatory reserve funds (Note 13)							
Development charges	5,086,579	256,381	-	188,508	-	(38,435)	5,493,033
Recreational land	192,459	9,688	-	-	-	-	202,147
Canada community- building fund	971,272	50,093	-	363,207	-	-	1,384,572
OCIF	424,355	30,365	-	380,731	-	(206,275)	629,176
Trillium grant funding	219,865	11,164	-	-	-	(231,029)	-
	6,894,530	357,691	-	932,446	-	(475,739)	7,708,928

See accompanying notes to the financial statements

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
SCHEDULE 2
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31

	Land	Buildings	Equipment	Roads	Water and Wastewater	Bridges	Communi- -cations	Vehicles	Furniture	Computers	Work in Process	2023 Total	2022 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost													
Balance, beginning of year	3,654,200	5,669,801	3,802,179	38,652,899	12,403,388	15,754,630	175,627	4,749,884	82,229	641,452	212,488	85,798,777	82,439,372
Additions	1,816,700	-	1,396,843	81,245	117,974	5,000	-	621,103	-	6,978	594,914	4,640,757	3,679,465
Disposals	-	-	(350,502)	(6,480)	(20,279)	(10,000)	(97,080)	(33,130)	-	(14,032)	(113,584)	(645,087)	(320,060)
Transfers	-	-	71,853	-	-	-	-	-	-	-	(71,853)	-	-
Asset retirement obligations	-	609,409	-	-	-	-	-	-	-	-	-	609,409	-
Balance, end of year	5,470,900	6,279,210	4,920,373	38,727,664	12,501,083	15,749,630	78,547	5,337,857	82,229	634,398	621,965	90,403,856	85,798,777
Accumulated amortization													
Balance, beginning of year	-	3,059,842	2,091,063	14,998,052	6,273,959	4,142,100	160,674	2,842,005	79,513	366,799	-	34,014,007	32,580,487
Amortization	-	271,078	257,679	655,765	215,498	197,752	4,955	248,124	643	76,727	-	1,928,221	1,649,254
Disposals	-	-	(345,428)	(2,012)	(14,952)	(107)	(97,080)	(33,130)	-	(13,695)	-	(506,404)	(215,734)
Balance, end of year	-	3,330,920	2,003,314	15,651,805	6,474,505	4,339,745	68,549	3,056,999	80,156	429,831	-	35,435,824	34,014,007
Net book value, end of year	5,470,900	2,948,290	2,917,059	23,075,859	6,026,578	11,409,885	9,998	2,280,858	2,073	204,567	621,965	54,968,032	51,784,770

See accompanying notes to the financial statements

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
SCHEDULE 3
SCHEDULE OF SEGMENTED TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation Cultural and Health Services	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance, beginning of year	2,734,289	4,374,604	60,128,983	15,993,427	2,567,474	85,798,777
Additions	1,823,678	752,323	1,131,097	289,139	644,520	4,640,757
Disposals	(111,112)	(311,600)	(163,194)	(20,279)	(38,902)	(645,087)
Asset retirement obligations	-	303,723	5,686	300,000	-	609,409
Balance, end of year	4,446,855	5,119,050	61,102,572	16,562,287	3,173,092	90,403,856
Accumulated amortization						
Balance, beginning of year	1,449,595	2,339,099	22,069,080	7,508,427	647,806	34,014,007
Amortization	82,326	274,174	1,199,091	315,498	57,132	1,928,221
Disposals	(110,774)	(340,836)	(35,249)	(14,952)	(4,593)	(506,404)
Balance, end of year	1,421,147	2,272,437	23,232,922	7,808,973	700,345	35,435,824
Net book value, end of year	3,025,708	2,846,613	37,869,650	8,753,314	2,472,747	54,968,032

See accompanying notes to the financial statements

THE CORPORATION OF THE TOWNSHIP OF ADJALA-TOSORONTIO
SCHEDULE 4
SCHEDULE OF SEGMENTED REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31

	General Government		Protection Services		Transportation Services		Environmental Services		Recreation Cultural and Health Services		Planning and Development		2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues														
Taxation	2,933,170	2,196,843	3,041,806	2,548,338	3,910,893	3,251,328	217,272	87,874	217,272	175,748	543,180	527,242	10,863,593	8,787,373
Government grants - Federal	-	-	-	-	-	303,520	-	-	6,553	6,410	-	-	6,553	309,930
Government grants - Provincial	731,246	581,241	-	-	252,547	76,007	355,289	67,524	591,425	346,033	-	-	1,930,507	1,070,805
Grants - Other	-	-	-	-	-	-	-	-	-	-	16,003	-	16,003	-
User fees and service charges	35,545	31,694	71,677	47,199	11,850	12,200	1,181,724	1,042,780	8,050	4,350	134,700	137,337	1,443,546	1,275,560
Contributed tangible capital assets	1,816,700	-	-	-	-	-	-	-	-	-	-	-	1,816,700	-
Other	215,678	301,975	1,890,947	1,750,499	271,943	227,108	1,266,784	334,513	582,494	8,602	66,780	181,177	4,294,626	2,803,874
	5,732,339	3,111,753	5,004,430	4,346,036	4,447,233	3,870,163	3,021,069	1,532,691	1,405,794	541,143	760,663	845,756	20,371,528	14,247,542
Expenses														
Salaries, wages and employee benefits	1,215,495	1,198,108	1,068,168	946,295	1,359,947	1,347,294	78,329	53,476	16,793	16,672	196,549	301,964	3,935,281	3,863,809
Supplies and services	1,082,982	1,018,298	1,116,820	789,304	2,140,532	2,509,942	606,392	502,876	142,510	119,500	164,034	220,181	5,253,270	5,160,101
Interest	-	-	32,744	-	117,216	-	101,432	114,666	-	-	-	-	251,392	114,666
Fees and contracted services	-	-	1,603,396	1,607,996	-	-	683,501	643,382	30,898	31,319	-	-	2,317,795	2,282,697
Amortization	111,491	102,108	281,934	225,702	1,114,430	1,022,541	362,294	260,410	58,072	38,493	-	-	1,928,221	1,649,254
Accretion	-	-	9,111	-	171	-	9,000	-	-	-	-	-	18,282	-
	2,409,968	2,318,514	4,112,173	3,569,297	4,732,296	4,879,777	1,840,948	1,574,810	248,273	205,984	360,583	522,145	13,704,241	13,070,527
Annual surplus (deficit)	3,322,371	793,239	892,257	776,739	(285,063)	(1,009,614)	1,180,121	(42,119)	1,157,521	335,159	400,080	323,611	6,667,287	1,177,015

See accompanying notes to the financial statements