

**CORPORATION OF THE TOWNSHIP  
OF MALAHIDE**

**Consolidated Financial Statements**

**December 31, 2023**

**CORPORATION OF THE TOWNSHIP OF MALAHIDE**

**Consolidated Financial Statements**

**For The Year Ended December 31, 2023**

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

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

These consolidated financial statements include:

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

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

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

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



Mr. Nathan Dias  
Chief Administrative Officer



Mr. Adam Boylan  
Director of Finance

Aylmer, Ontario  
July 4, 2024

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Council, Inhabitants, and Rate Payers of **Corporation of the Township of Malahide**:

### **Opinion**

We have audited the consolidated financial statements of **Corporation of the Township of Malahide**, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net assets, consolidated statement of remeasurement gains and losses, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated 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 Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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



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**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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

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

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

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

**St. Thomas, Ontario**

**July 4, 2024**

*Graham Scott Enns LLP*

**CHARTERED PROFESSIONAL ACCOUNTANTS**

**Licensed Public Accountants**

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

## Consolidated Statement of Financial Position As At December 31, 2023

	2023	2022
	<u>\$</u>	<u>\$</u>
<b>FINANCIAL ASSETS</b>		
Cash	2,393,495	5,428,773
Investments (Note 4)	11,130,346	7,039,829
Taxes receivable (Note 5)	1,608,800	1,173,245
Accounts receivable (Note 6)	<u>2,724,038</u>	<u>1,349,021</u>
<b>Total financial assets</b>	<u>17,856,679</u>	<u>14,990,868</u>
<b>FINANCIAL LIABILITIES</b>		
Deferred revenue - obligatory reserve funds (Note 11)	3,070,164	2,521,314
Accounts payable and accrued liabilities	2,876,353	2,329,390
Net long-term liabilities (Note 9)	<u>3,125,430</u>	<u>3,369,509</u>
<b>Total financial liabilities</b>	<u>9,071,947</u>	<u>8,220,213</u>
<b>NET FINANCIAL ASSETS</b>	<u>8,784,732</u>	<u>6,770,655</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 8)	47,177,472	45,606,904
Inventories	229,820	206,793
Prepaid expenses	<u>260,592</u>	<u>43,974</u>
<b>Total non-financial assets</b>	<u>47,667,884</u>	<u>45,857,671</u>
<b>TOTAL NET ASSETS</b>	<u>56,452,616</u>	<u>52,628,326</u>
<b>NET ASSETS IS COMPRISED OF:</b>		
<b>ACCUMULATED SURPLUS (NOTE 10)</b>	55,955,288	52,603,401
<b>ACCUMULATED REMEASUREMENT GAINS</b>	<u>497,328</u>	<u>24,925</u>
	<u>56,452,616</u>	<u>52,628,326</u>

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

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

	Budget (Note 15) \$	Actual 2023 \$	Actual 2022 \$
<b>REVENUES</b>			
Property taxation	8,367,374	8,387,859	7,924,329
Taxation from other governments	753,500	751,066	738,187
User charges, licenses, permits	3,099,765	3,209,344	2,771,240
Local improvement levies and development charges	900,205	1,052,942	565,389
Government transfers:			
Federal	307,510	223,399	970,100
Provincial	1,963,119	2,077,143	1,711,653
Other municipalities	1,445,079	1,530,710	1,512,195
Investment income	85,308	454,581	225,295
Penalties and interest on taxes	188,000	183,646	177,181
Contributed tangible capital assets	-	1,544,606	-
Other, fines and donations	3,000	5,960	13,862
Gain (loss) on disposal of tangible capital assets	-	(98,093)	(277,075)
Total revenues	<u>17,112,860</u>	<u>19,323,163</u>	<u>16,332,356</u>
<b>EXPENSES</b>			
General government	1,409,350	1,446,200	1,288,669
Fire and police protection	2,382,474	2,429,592	2,491,205
Other protective services	661,371	602,706	575,959
Transportation services	5,698,092	5,951,923	6,048,251
Waterworks and sewer	1,685,191	1,705,731	1,518,733
Garbage collection and disposal	758,345	766,280	736,764
Health services	48,410	49,305	48,425
Recreation and cultural services	1,784,737	1,790,553	1,694,621
Planning and zoning	259,018	211,264	205,218
Agriculture	<u>1,033,166</u>	<u>1,017,722</u>	<u>925,354</u>
Total expenses (Note 16)	<u>15,720,154</u>	<u>15,971,276</u>	<u>15,533,199</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	1,392,706	3,351,887	799,157
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>52,603,401</u>	<u>52,603,401</u>	<u>51,804,244</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (NOTE 10)</b>	<u>53,996,107</u>	<u>55,955,288</u>	<u>52,603,401</u>

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

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

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	Budget (Note 15) \$	Actual 2023 \$	Actual 2022 \$
<b>ANNUAL SURPLUS</b>	1,392,706	3,351,887	799,157
Acquisition of tangible capital assets	(3,194,362)	(3,194,362)	(1,576,368)
Amortization of tangible capital assets	3,070,307	3,070,307	2,595,587
Proceeds on disposal of tangible capital assets	-	-	10,450
Contributed tangible capital assets	-	(1,544,606)	-
Change in inventories and prepaid expenses	-	(239,645)	(69,096)
Loss on disposal of tangible capital assets	-	98,093	277,075
Change in accumulated remeasurement gains	<u>-</u>	<u>472,403</u>	<u>(516,341)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	1,268,651	2,014,077	1,520,464
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>6,770,655</u>	<u>6,770,655</u>	<u>5,250,191</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u><u>8,039,306</u></u>	<u><u>8,784,732</u></u>	<u><u>6,770,655</u></u>

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



**CORPORATION OF THE TOWNSHIP OF MALAHIDE**

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

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	<b>2023</b>	<b>2022</b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
<b>ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF YEAR</b>	<b>24,925</b>	541,266
Unrealized gains (loss) attributable to investments	<b>472,403</b>	(533,078)
Amounts reclassified to statement of operations through realization of (gain) loss on sale	<u>-</u>	<u>16,737</u>
Change in accumulated remeasurement gains	<u><b>472,403</b></u>	<u>(516,341)</u>
<b>ACCUMULATED REMEASUREMENT GAINS, END OF YEAR</b>	<u><b>497,328</b></u>	<u>24,925</u>
Accumulated remeasurement gains is comprised of:		
Investments	<u><b>497,328</b></u>	<u>24,925</u>

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

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

	2023 <u>\$</u>	2022 <u>\$</u>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	3,351,887	799,157
<b>Add (deduct) items not involving cash:</b>		
Amortization of tangible capital assets	3,070,307	2,595,587
Loss on disposal of investments	-	16,737
Contributed tangible capital assets	(1,544,606)	-
Loss (gain) on disposal of tangible capital assets	<u>98,093</u>	<u>277,075</u>
	4,975,681	3,688,556
Change in non-cash assets and liabilities related to operations (Note 16 [b])	<u>(954,404)</u>	<u>475,336</u>
	<u>4,021,277</u>	<u>4,163,892</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(3,618,114)	(3,213,659)
Redemption of investments	<u>-</u>	<u>165,000</u>
	<u>(3,618,114)</u>	<u>(3,048,659)</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(3,194,362)	(1,576,368)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>10,450</u>
	<u>(3,194,362)</u>	<u>(1,565,918)</u>
<b>FINANCING ACTIVITIES</b>		
Long-term debt repayment	<u>(244,079)</u>	<u>(235,815)</u>
<b>NET CHANGE IN CASH</b>	(3,035,278)	(686,500)
<b>CASH, BEGINNING OF YEAR</b>	<u>5,428,773</u>	<u>6,115,273</u>
<b>CASH, END OF YEAR</b>	<u><u>2,393,495</u></u>	<u><u>5,428,773</u></u>

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

# **CORPORATION OF THE TOWNSHIP OF MALAHIDE**

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

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

### **1. CHANGE IN ACCOUNTING POLICIES**

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

- PS 3280 - Asset Retirement Obligations - require reporting of any asset retirement obligations as tangible capital assets and their liabilities and associated policies. It is managements opinion that no asset retirement obligations exist as at December 31, 2023. This change has been applied prospectively.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **Reporting Entity**

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

#### **Consolidated Entities**

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

#### **Proportionate Consolidation**

The East Elgin Community Complex, a joint local board with the Town of Aylmer, is consolidated on a proportionate basis. Operation of the facility is shared equally between the two municipalities.

The Aylmer Area Secondary Water Supply System and the Port Burwell Area Secondary Water Supply System have been consolidated on a proportionate basis, based upon the water flow used by the Municipality in proportion to the total water flow provided by the joint boards.

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

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

#### Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. Revenues are recognized as they are earned 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.

#### Non-Financial Assets

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

##### i) Tangible capital assets

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

Transportation infrastructure	20 to 50 years
Water system infrastructure	15 to 100 years
Wastewater infrastructure	50 to 100 years
Land improvements	10 to 50 years
Buildings	10 to 95 years
Machinery and equipment	2 to 10 years
Vehicles	7 to 20 years

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

# **CORPORATION OF THE TOWNSHIP OF MALAHIDE**

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

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Non-Financial Assets (continued)**

##### **iii) Inventories**

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

##### **iv) Works of art and cultural and historic assets**

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

#### **Deferred Revenue**

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

#### **Accounting for County and School Board Transactions**

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

#### **Government Transfers**

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

In addition, the Municipality periodically receives senior government capital funding in the form of infrastructure grants and receives ongoing funding from both senior levels of government as a result of an allocation of the gas tax funds.

# **CORPORATION OF THE TOWNSHIP OF MALAHIDE**

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

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Employee Benefit Plans**

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

#### **Tax Revenues**

In 2023 the Municipality received \$9,138,925 (2022 - \$8,662,516) in property tax revenues for municipal purposes. The authority to levy and collect property taxes is established under the Municipal Act 2001, the Assessment Act, the Education Act, and other legislation.

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

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

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

# **CORPORATION OF THE TOWNSHIP OF MALAHIDE**

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

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Investment Income**

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

#### **Financial Instruments**

The Municipality, upon initial recognition, classifies it's financial instruments into two categories:

- i. fair value or;
- ii. cost or amortized cost;

Long-term debt is initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method. Transaction costs related to the issuance of long-term debt are capitalized and amortized over the term of the debt.

Other financial instruments including cash, accounts receivable, accounts payable and accrued liabilities are initially measured at fair value and subsequently measured at cost.

Investments are initially recorded at fair value and subsequently measured at fair value with the fair value determined as follows:

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

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

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



# **CORPORATION OF THE TOWNSHIP OF MALAHIDE**

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

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### **2. 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, 2023 there were no properties that the Municipality was responsible to remedy and as such no liability has been accrued.

#### **Use of Estimates**

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. In addition, the Municipality's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets. These estimates and assumptions are based on the best information and judgment and may differ significantly from actual results.

#### **Related Party Transactions**

Related parties exist when one party has the ability to control or has shared control over another party. Individuals that are key management personnel or close family members may also be related parties.

Disclosure is made when the transaction or events between related parties occur at a value different from what would have been recorded if they were not related and the transaction could have a material financial impact on the consolidated financial statements.

#### **Asset Retirement Obligations**

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



# **CORPORATION OF THE TOWNSHIP OF MALAHIDE**

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

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Inter-Entity Transactions**

Transactions between related parties are recorded at carrying amounts with the exception of the following:

- i. Transactions in the normal course of business or with fair consideration are recorded at exchange amount;
- ii. Transfer of an asset or liability at nominal amounts or no consideration are recorded by the provider at carrying amounts and the recipient has the choice of either carrying amount or fair value;
- iii. Cost allocations are reported using the exchange amounts and revenues and expenses are reported on a gross basis;
- iv. Unallocated costs for the provision of goods or services may be recorded by the provider at cost, fair value or another amount dictated by policy, accountability structure or budget practice.

#### **Future Accounting Pronouncements**

##### PS 3400 - Revenue

Management is currently evaluating the impact of this accounting standard on future financial statements. This standard establishes a framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. This standard is effective for fiscal years beginning on or after April 1, 2023 which for the Municipality is the December 31, 2024 year end.

# **CORPORATION OF THE TOWNSHIP OF MALAHIDE**

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

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### **3. FINANCIAL INSTRUMENT RISKS**

#### Risks and Concentrations

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

#### Market Risk

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

#### Interest Rate Risk

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

#### Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Municipality is exposed to price risk through its investments in quoted One Fund investments. The following details the Municipality's portfolio sensitivity to a 1.0% increase or decrease in the market prices. At December 31, 2023, if market prices had a 1% increase or decrease with all other variables remaining the same the increase or decrease in accumulated remeasurement gains and losses on the investments for the year would have totaled \$105,000 (2022 - \$68,700).

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

#### Liquidity Risk

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

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

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### 3. FINANCIAL INSTRUMENT RISKS (CONTINUED)

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Municipality's main credit risks relate to its accounts receivable and taxes receivable. The Municipality manages this risk by monitoring active receivable balances and forces tax sale on properties considered unrecoverable.

At year end, the Municipality had approximately \$196,000 (2022 - \$308,000) in accounts receivable over 90 days of which the Municipality has deemed no allowance is necessary. The balances of taxes and utility receivables (water and sewer) are normally collectible from the property owner and the Municipality is able to force tax sale on properties to recover. In some instances the property owner may challenge property values which will in impact future recovery of taxes and potential repayments to the property owners. The Municipality actively monitors these assessment challenges and provides provisions when reasonable estimates can be made. At year end the Municipality has provided an allowance of \$nil (2022 - \$nil) for these assessment challenges and \$nil (2022 - \$nil) in potential uncollectible tax assessments.

### 4. INVESTMENTS

Investments are comprised of the following:

	2023		2022	
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	Cost	Market	Cost	Market
One pooled bond securities funds	5,486,769	5,314,462	4,178,605	3,902,615
One pooled equity securities funds	2,803,888	3,483,244	2,654,355	2,971,605
One pooled high interest savings funds	1,600,000	1,600,000	-	-
Consolidated - One pooled bond	<u>742,638</u>	<u>732,640</u>	<u>180,505</u>	<u>165,609</u>
	<u>10,633,295</u>	<u>11,130,346</u>	<u>7,013,465</u>	<u>7,039,829</u>

During the year, the Municipality earned \$257,694 (2022 - \$182,723) of income in the investments and reported unrealized gain of \$472,403 (2022 - loss of \$(533,078)) on the schedule of remeasurement gains (losses) and a realized gain (loss) of \$nil (2022 - loss of \$16,737) on the statement of operations.

All of the above investments are valued as Level 1 investments.

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

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### 5. TAXES RECEIVABLE

	2023	2022
	<u>\$</u>	<u>\$</u>
Current taxes receivable	853,611	570,831
Arrears taxes receivable	593,680	495,551
Penalties and interest	172,736	117,166
Allowance for doubtful accounts	<u>(11,227)</u>	<u>(10,303)</u>
	<u>1,608,800</u>	<u>1,173,245</u>

### 6. ACCOUNTS RECEIVABLE

	2023	2022
	<u>\$</u>	<u>\$</u>
Accounts receivable - trade and other	423,019	521,764
Government grants and funding - municipal, provincial, federal	1,021,646	348,284
Water and sewer receivables	298,947	306,513
Drainage and grants receivable	665,362	-
Government remittances	<u>315,064</u>	<u>172,460</u>
	<u>2,724,038</u>	<u>1,349,021</u>

### 7. TEMPORARY ADVANCES

The Municipality has available \$3,025,000 of short-term financing, with interest at a variable rate, for specific capital asset purchases with the Royal Bank of Canada. At year end, the balance drawn on this facility was \$nil (2022 - \$nil).

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

### 8. TANGIBLE CAPITAL ASSETS

December 31, 2023

Cost	Opening	Additions	Disposals and Adjustments	Ending
<b><u>Infrastructure</u></b>				
Transportation infrastructure	47,035,914	1,682,609	(253,064)	<b>48,465,459</b>
Water system infrastructure	5,363,936	2,177,838	(9,151)	<b>7,532,623</b>
Wastewater system infrastructure	<u>3,969,627</u>	<u>-</u>	<u>-</u>	<u><b>3,969,627</b></u>
<b>Infrastructure Total</b>	<u>56,369,477</u>	<u>3,860,447</u>	<u>(262,215)</u>	<u><b>59,967,709</b></u>
<b><u>General</u></b>				
Land	747,882	-	-	<b>747,882</b>
Land improvements	4,854,376	79,529	(114,927)	<b>4,818,978</b>
Buildings	15,507,828	59,283	-	<b>15,567,111</b>
Machinery and equipment	3,220,060	195,933	(115,139)	<b>3,300,854</b>
Vehicles	<u>6,664,328</u>	<u>560,528</u>	<u>-</u>	<u><b>7,224,856</b></u>
<b>General Total</b>	<u>30,994,474</u>	<u>895,273</u>	<u>(230,066)</u>	<u><b>31,659,681</b></u>
Work in Progress	<u>175,151</u>	<u>45,420</u>	<u>(62,171)</u>	<u><b>158,400</b></u>
<b>Total Cost</b>	<u><u>87,539,102</u></u>	<u><u>4,801,140</u></u>	<u><u>(554,452)</u></u>	<u><u><b>91,785,790</b></u></u>

Accumulated Amortization

	Opening	Amortization	Disposals and Adjustments	Ending
<b><u>Infrastructure</u></b>				
Transportation infrastructure	26,530,689	1,565,071	(196,120)	<b>27,899,640</b>
Water system infrastructure	1,814,813	318,249	(5,796)	<b>2,127,266</b>
Wastewater system infrastructure	<u>870,206</u>	<u>39,669</u>	<u>-</u>	<u><b>909,875</b></u>
<b>Infrastructure Total</b>	<u>29,215,708</u>	<u>1,922,989</u>	<u>(201,916)</u>	<u><b>30,936,781</b></u>
<b><u>General</u></b>				
Land improvements	1,818,816	129,934	(79,484)	<b>1,869,266</b>
Buildings	4,867,260	402,221	-	<b>5,269,481</b>
Machinery and equipment	2,232,628	199,612	(112,787)	<b>2,319,453</b>
Vehicles	<u>3,797,786</u>	<u>415,551</u>	<u>-</u>	<u><b>4,213,337</b></u>
<b>General Total</b>	<u>12,716,490</u>	<u>1,147,318</u>	<u>(192,271)</u>	<u><b>13,671,537</b></u>
<b>Total Accumulated Amortization</b>	<u><u>41,932,198</u></u>	<u><u>3,070,307</u></u>	<u><u>(394,187)</u></u>	<u><u><b>44,608,318</b></u></u>

Net Book Value

	Opening	Ending
<b><u>Infrastructure</u></b>		
Transportation infrastructure	20,505,225	<b>20,565,819</b>
Water system infrastructure	3,549,123	<b>5,405,357</b>
Wastewater system infrastructure	<u>3,099,421</u>	<u><b>3,059,752</b></u>
	27,153,769	<b>29,030,928</b>
<b><u>General</u></b>		
Land	747,882	<b>747,882</b>
Land improvements	3,035,560	<b>2,949,712</b>
Buildings	10,640,568	<b>10,297,630</b>
Machinery and equipment	987,432	<b>981,401</b>
Vehicles	<u>2,866,542</u>	<u><b>3,011,519</b></u>
	18,277,984	<b>17,988,144</b>
Work in progress	<u>175,151</u>	<u><b>158,400</b></u>
<b>Total Net Book Value</b>	<u><u>45,606,904</u></u>	<u><u><b>47,177,472</b></u></u>

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

### 8. TANGIBLE CAPITAL ASSETS (CONTINUED)

December 31, 2022

Cost	Opening	Additions	Disposals and Adjustments	Ending
<b><u>Infrastructure</u></b>				
Transportation infrastructure	46,369,795	889,616	(223,497)	<b>47,035,914</b>
Water system infrastructure	5,360,039	3,897	-	<b>5,363,936</b>
Wastewater system infrastructure	<u>3,969,627</u>	<u>-</u>	<u>-</u>	<u><b>3,969,627</b></u>
<b>Infrastructure Total</b>	<u>55,699,461</u>	<u>893,513</u>	<u>(223,497)</u>	<u><b>56,369,477</b></u>
<b><u>General</u></b>				
Land	747,882	-	-	<b>747,882</b>
Land improvements	4,818,399	44,582	(8,605)	<b>4,854,376</b>
Buildings	15,482,143	25,685	-	<b>15,507,828</b>
Machinery and equipment	3,166,673	116,424	(63,037)	<b>3,220,060</b>
Vehicles	<u>6,490,064</u>	<u>362,571</u>	<u>(188,307)</u>	<u><b>6,664,328</b></u>
<b>General Total</b>	<u>30,705,161</u>	<u>549,262</u>	<u>(259,949)</u>	<u><b>30,994,474</b></u>
Work in progress	<u>236,443</u>	<u>133,593</u>	<u>(194,885)</u>	<u><b>175,151</b></u>
<b>Total Cost</b>	<u><u>86,641,065</u></u>	<u><u>1,576,368</u></u>	<u><u>(678,331)</u></u>	<u><u><b>87,539,102</b></u></u>

Accumulated Amortization

	Opening	Amortization	Disposals and Adjustments	Ending
<b><u>Infrastructure</u></b>				
Transportation infrastructure	25,368,931	1,297,348	(135,590)	<b>26,530,689</b>
Water system infrastructure	1,724,693	90,120	-	<b>1,814,813</b>
Wastewater system infrastructure	<u>821,225</u>	<u>48,981</u>	<u>-</u>	<u><b>870,206</b></u>
<b>Infrastructure Total</b>	<u>27,914,849</u>	<u>1,436,449</u>	<u>(135,590)</u>	<u><b>29,215,708</b></u>
<b><u>General</u></b>				
Land improvements	1,701,614	121,074	(3,872)	<b>1,818,816</b>
Buildings	4,649,535	406,032	(188,307)	<b>4,867,260</b>
Machinery and equipment	1,967,472	328,193	(63,037)	<b>2,232,628</b>
Vehicles	<u>3,493,947</u>	<u>303,839</u>	<u>-</u>	<u><b>3,797,786</b></u>
<b>General Total</b>	<u>11,812,568</u>	<u>1,159,138</u>	<u>(255,216)</u>	<u><b>12,716,490</b></u>
<b>Total Accumulated Amortization</b>	<u><u>39,727,417</u></u>	<u><u>2,595,587</u></u>	<u><u>(390,806)</u></u>	<u><u><b>41,932,198</b></u></u>

Net Book Value

	Opening	Ending
<b><u>Infrastructure</u></b>		
Transportation infrastructure	21,000,864	<b>20,505,225</b>
Water system infrastructure	3,635,346	<b>3,549,123</b>
Wastewater system infrastructure	<u>3,148,402</u>	<u><b>3,099,421</b></u>
	<u>27,784,612</u>	<u><b>27,153,769</b></u>
<b><u>General</u></b>		
Land	747,882	<b>747,882</b>
Land improvements	3,116,785	<b>3,035,560</b>
Buildings	10,832,608	<b>10,640,568</b>
Machinery and equipment	1,199,201	<b>987,432</b>
Vehicles	<u>2,996,117</u>	<u><b>2,866,542</b></u>
	<u>18,892,593</u>	<u><b>18,277,984</b></u>
Work in progress	<u>236,443</u>	<u><b>175,151</b></u>
<b>Total Net Book Value</b>	<u><u>46,913,648</u></u>	<u><u><b>45,606,904</b></u></u>

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

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### 9. NET LONG-TERM LIABILITIES

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

	<b>2023</b>	2022
	<b><u>\$</u></b>	<u>\$</u>
Total long-term liabilities incurred by the Municipality and outstanding at the end of the year	<b>3,125,430</b>	3,375,520
Tile drainage loans assumed by the individual	<u>-</u>	<u>(6,011)</u>
Total long-term liabilities at the end of the year	<b><u>3,125,430</u></b>	<u>3,369,509</u>

- b) Principal repayments are summarized as follows:

	Development Charges	Tax Revenue	User Charges	Total
2024	113,927	138,710	-	252,637
2025	113,927	138,890	-	252,817
2026	69,776	82,476	-	152,252
2027	69,776	87,251	-	157,027
2028	69,776	92,177	-	161,953
Beyond	<u>1,046,640</u>	<u>1,102,104</u>	<u>-</u>	<u>2,148,744</u>
Total	<u>1,483,822</u>	<u>1,641,608</u>	<u>-</u>	<u>3,125,430</u>

- c) Interest rates range from 2.74% to 4.06%. Interest expense on long-term liabilities in 2023 amounted to \$104,424 (2022 - \$113,027).
- d) The Municipality is contingently liable for municipal debt with respect to tile drainage loans. The total amount outstanding as at December 31, 2023 is \$- (2022 - \$6,011) and is not recorded on the Consolidated Statement of Financial Position.
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# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

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### 10. ACCUMULATED SURPLUS

The accumulated surplus consists of individual fund surplus and reserves as follows:

	2023 \$	2022 \$
<b>SURPLUS</b>		
General revenue fund	(18,674)	291,127
Consolidated water boards reserves	934,998	795,787
Consolidated East Elgin Community Centre Complex reserve	101,958	81,547
Benefiting land owners	(290,896)	(726,851)
Invested in tangible capital assets	47,177,472	45,606,904
Cemetery care and maintenance	7,261	7,261
Funded (unfunded) capital projects	-	(96,327)
Reserves	<u>11,168,599</u>	<u>10,013,462</u>
	59,080,718	55,972,910
<b>AMOUNTS TO BE RECOVERED</b>		
Net long-term debt	<u>(3,125,430)</u>	<u>(3,369,509)</u>
<b>ACCUMULATED SURPLUS</b>	<u>55,955,288</u>	<u>52,603,401</u>
<b>RESERVES</b>		
Reserves set aside for specific purposes by council:		
Working capital	1,348,238	1,314,038
Contingencies	402,160	417,572
Roadway purposes	415,577	224,774
Water and sewer purposes	1,195,736	1,247,361
Asset replacement purposes	7,438,411	6,445,927
Other municipal services	<u>368,477</u>	<u>363,790</u>
Total reserves	<u>11,168,599</u>	<u>10,013,462</u>



# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

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### 11. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	<b>2023</b>	<b>2022</b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
Development charges and parkland	<b>700,480</b>	654,820
Canada Community Building Fund	<b>1,177,278</b>	1,033,744
OCIF	<b>548,828</b>	115,348
Building department funds	<b>625,326</b>	637,528
Other	<b><u>18,252</u></b>	<b><u>79,874</u></b>
	<b><u>3,070,164</u></b>	<b><u>2,521,314</u></b>

### 12. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year, an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits the members have earned to date. The most recent actuarial valuation of the Plan was conducted December 31, 2023, and the results of this valuation disclosed actuarial liabilities of \$136.2 billion in respect of benefits accrued for service with actuarial assets at that date of \$136 billion leaving an actuarial deficit of \$4.2 billion.

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

The amount contributed to OMERS for 2023 was \$248,000 (2022 - \$244,000).

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

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### 13. OPERATIONS OF THE SCHOOL BOARDS AND COUNTY OF ELGIN

During 2023, requisitions were made by the School Boards and the County of Elgin requiring the Municipality to collect taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

	School Boards \$	County \$
Taxation	2,204,803	7,450,511
Share of payments in lieu of taxes	<u>35,818</u>	<u>874,506</u>
Amounts requisitioned	<u>2,240,621</u>	<u>8,325,017</u>

### 14. CONTINGENT LIABILITIES

From time to time, the Municipality is subject to claims and lawsuits that arise in the ordinary course of business. These claims may be covered by the Municipality's insurance up to a maximum amount per occurrence. In the opinion of management, any litigation, if successful would not have a material impact on the financial position of the Municipality.

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 reasonably determined. Claim provisions are reported as a liability in the consolidated statement of financial position.

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

### 15. BUDGET FIGURES

The operating budget approved by the council of the Municipality for 2023 is reflected on the consolidated statement of operations. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. These adjustments include reserve transfers, capital expenditures, amortization and debt financing and repayment.

	Approved Budget \$	Adjustments \$	PSAB Budget \$
<b>REVENUES</b>			
Property taxation	8,367,374	-	8,367,374
Taxation from other governments	753,500	-	753,500
User charges	2,355,670	744,095	3,099,765
Local improvement levies	6,372	893,833	900,205
Government transfers			
Federal	307,510	-	307,510
Provincial	1,963,119	-	1,963,119
Other municipalities	1,157,335	287,744	1,445,079
Investment income	40,000	45,308	85,308
Penalties and interest on taxes	188,000	-	188,000
Other	3,000	-	3,000
Reserve transfers and long-term debt proceeds	<u>1,289,697</u>	<u>(1,289,697)</u>	<u>-</u>
Total revenues	<u>16,431,577</u>	<u>681,283</u>	<u>17,112,860</u>
<b>EXPENSES</b>			
General government	4,504,640	(3,095,290)	1,409,350
Fire and police protection	2,106,305	276,169	2,382,474
Other protective services	649,637	11,734	661,371
Transportation services	3,830,337	1,867,755	5,698,092
Waterworks and sewers	1,372,695	312,496	1,685,191
Garbage collection and disposal	758,345	-	758,345
Health services	48,410	-	48,410
Recreation and cultural services	1,003,262	781,475	1,784,737
Planning and zoning	251,789	7,229	259,018
Agriculture	163,960	869,206	1,033,166
Capital	<u>1,742,197</u>	<u>(1,742,197)</u>	<u>-</u>
Total expenses	<u>16,431,577</u>	<u>(711,423)</u>	<u>15,720,154</u>
<b>BUDGETED ANNUAL SURPLUS</b>	<u><u>-</u></u>	<u><u>1,392,706</u></u>	<u><u>1,392,706</u></u>

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

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### 16. SUPPLEMENTARY INFORMATION:

	2023	2022
	<u>\$</u>	<u>\$</u>
<b>[a] Current fund expenditures by object:</b>		
Contracted services	4,944,897	5,440,536
Salaries, wages and employee benefits	4,537,800	4,278,940
Amortization	3,070,307	2,595,587
Materials	3,140,106	2,940,499
Transfer to others	173,742	164,610
Long-term debt interest	<u>104,424</u>	<u>113,027</u>
	<u>15,971,276</u>	<u>15,533,199</u>
<b>[b] Change in non-cash assets and liabilities related to operations:</b>		
Taxes receivable	(435,555)	363,508
Accounts receivable	(1,375,017)	737,646
Inventories and prepaid expenses	(239,645)	(69,096)
Accounts payable and accrued liabilities	546,963	(709,599)
Deferred revenue - obligatory reserve funds	<u>548,850</u>	<u>152,877</u>
	<u>(954,404)</u>	<u>475,336</u>

# **CORPORATION OF THE TOWNSHIP OF MALAHIDE**

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

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### **17. SEGMENTED INFORMATION**

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

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

#### **General government**

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

#### **Protection services**

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

#### **Transportation services**

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

#### **Environmental services**

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

#### **Health services**

Health services are comprised of public health services and cemeteries.

# **CORPORATION OF THE TOWNSHIP OF MALAHIDE**

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

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### **17. SEGMENTED INFORMATION (CONTINUED)**

#### **Recreation and cultural services**

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

#### **Planning and development**

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

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

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

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation Services \$	Planning and Development Services \$	Total \$
<b>REVENUES</b>								
Taxation and local improvements	2,329,538	1,933,333	3,521,101	391,351	48,410	728,203	186,989	9,138,925
Sales of services and regulatory fees	68,896	112,096	64,602	2,378,314	900	501,362	83,174	3,209,344
Government transfers	974,518	40,955	1,504,562	1,023,473	-	287,744	-	3,831,252
Other	594,419	105,391	-	1,594,374	-	47,346	900,205	3,241,735
Gain (loss) on disposal of tangible capital assets	-	(37,795)	(56,944)	(3,354)	-	-	-	(98,093)
	<u>3,967,371</u>	<u>2,153,980</u>	<u>5,033,321</u>	<u>5,384,158</u>	<u>49,310</u>	<u>1,564,655</u>	<u>1,170,368</u>	<u>19,323,163</u>
<b>EXPENSES</b>								
Salaries, wages and employees benefits	1,081,228	849,698	1,690,353	124,963	1,545	611,263	178,750	4,537,800
Long-term debt interest	-	59,670	401	-	-	43,992	361	104,424
Materials	147,242	305,110	1,715,590	172,094	31,321	759,261	9,488	3,140,106
Contracted services, rents and financial	187,396	1,235,956	667,626	1,734,928	15,832	75,773	1,027,386	4,944,897
External transfers	-	173,742	-	-	-	-	-	173,742
Amortization	<u>30,334</u>	<u>408,122</u>	<u>1,877,952</u>	<u>440,026</u>	<u>607</u>	<u>300,264</u>	<u>13,002</u>	<u>3,070,307</u>
	<u>1,446,200</u>	<u>3,032,298</u>	<u>5,951,922</u>	<u>2,472,011</u>	<u>49,305</u>	<u>1,790,553</u>	<u>1,228,987</u>	<u>15,971,276</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>2,521,171</u>	<u>(878,318)</u>	<u>(918,601)</u>	<u>2,912,147</u>	<u>5</u>	<u>(225,898)</u>	<u>(58,619)</u>	<u>3,351,887</u>

# CORPORATION OF THE TOWNSHIP OF MALAHIDE

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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation Services \$	Planning and Development Services \$	Total \$
<b>REVENUES</b>								
Taxation and local improvements	2,668,259	1,235,193	3,411,591	119,734	49,564	863,365	314,810	8,662,516
Sales of services and regulatory fees	77,092	94,190	56,234	2,152,055	1,175	366,036	24,459	2,771,241
Government transfers	983,532	38,214	2,723,546	131,217	-	272,504	44,935	4,193,948
Other	390,522	8,207	-	275,349	-	-	307,648	981,726
Gain (loss) on disposal of tangible capital assets	-	-	(277,075)	-	-	-	-	(277,075)
	<u>4,119,405</u>	<u>1,375,804</u>	<u>5,914,296</u>	<u>2,678,355</u>	<u>50,739</u>	<u>1,501,905</u>	<u>691,852</u>	<u>16,332,356</u>
<b>EXPENSES</b>								
Salaries, wages and employees benefits	996,884	812,720	1,545,314	120,586	1,432	518,409	283,595	4,278,940
Long-term debt interest	-	67,082	622	-	-	44,622	701	113,027
Materials	113,375	352,494	1,540,714	154,471	30,692	724,605	24,148	2,940,499
Contracted services, rents and financial	145,098	1,246,303	1,367,002	1,756,515	15,694	107,982	801,942	5,440,536
External transfers	-	164,610	-	-	-	-	-	164,610
Amortization	33,312	423,955	1,594,600	223,924	607	299,003	20,186	2,595,587
	<u>1,288,669</u>	<u>3,067,164</u>	<u>6,048,252</u>	<u>2,255,496</u>	<u>48,425</u>	<u>1,694,621</u>	<u>1,130,572</u>	<u>15,533,199</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>2,830,736</u>	<u>(1,691,360)</u>	<u>(133,956)</u>	<u>422,859</u>	<u>2,314</u>	<u>(192,716)</u>	<u>(438,720)</u>	<u>799,157</u>