

CORPORATION OF THE TOWNSHIP

OF MALAHIDE

Consolidated Financial Statements

December 31, 2018

CORPORATION OF THE TOWNSHIP OF MALAHIDE
Consolidated Financial Statements
For the Year Ended December 31, 2018

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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, 2018, and the consolidated statement of operations and accumulated surplus, 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 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, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for public sector entities.

Basis for Opinion

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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

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

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

St. Thomas, Ontario

June 20, 2019

Graham Scott Enns LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF MALAHIDE

Consolidated Statement of Financial Position December 31, 2018

	2018	2017
	<u>\$</u>	<u>\$</u>
FINANCIAL ASSETS		
Cash	2,156,745	1,792,602
Investments (Note 2)	3,700,260	4,203,505
Taxes receivable (Note 4)	1,187,648	1,556,668
Accounts receivable	<u>1,505,210</u>	<u>1,730,924</u>
Total financial assets	<u>8,549,863</u>	<u>9,283,699</u>
FINANCIAL LIABILITIES		
Temporary advances (Note 6)	2,509,832	-
Deferred revenue - obligatory reserve funds (Note 9)	827,346	730,607
Accounts payable and accrued liabilities	2,202,268	3,133,498
Net long-term liabilities (Note 7)	<u>702,253</u>	<u>802,156</u>
Total financial liabilities	<u>6,241,699</u>	<u>4,666,261</u>
NET FINANCIAL ASSETS	<u>2,308,164</u>	<u>4,617,438</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	46,482,953	43,963,675
Inventories	163,606	77,744
Prepaid expenses	<u>19,080</u>	<u>112,718</u>
Total non-financial assets	<u>46,665,639</u>	<u>44,154,137</u>
TOTAL NET ASSETS	<u>48,973,803</u>	<u>48,771,575</u>
NET ASSETS IS COMPRISED OF:		
ACCUMULATED SURPLUS (NOTE 8)	48,911,618	48,656,636
ACCUMULATED REMEASUREMENT GAINS	<u>62,185</u>	<u>114,939</u>
	<u>48,973,803</u>	<u>48,771,575</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, 2018

	Budget (Note 13) <u>\$</u>	Actual 2018 <u>\$</u>	Actual 2017 <u>\$</u>
REVENUES			
Property taxation	6,995,313	6,944,450	6,790,445
Taxation from other governments	839,967	841,809	849,031
User charges, licenses, permits	1,895,915	2,144,877	1,862,831
Local improvement levies and development charges	189,492	195,868	319,057
Government transfers:			
Federal	290,000	290,000	460,809
Provincial	1,210,740	1,291,228	1,256,932
Other municipalities	1,152,029	1,146,432	1,105,593
Investment income	85,849	86,253	92,434
Penalties and interest on taxes	190,000	213,894	194,445
Other, fines and donations	67,970	53,378	51,145
Gain (loss) on disposal of tangible capital assets	-	(139,358)	73,036
Total revenues	<u>12,917,275</u>	<u>13,068,831</u>	<u>13,055,758</u>
EXPENSES			
General government	1,354,372	1,378,809	1,286,706
Fire and police protection	2,147,024	2,122,393	2,068,711
Other protective services	528,968	542,579	402,474
Transportation services	5,457,293	5,522,150	5,136,420
Waterworks and sewer	879,548	802,550	838,024
Garbage collection and disposal	542,732	529,373	519,566
Health services	45,623	33,795	41,247
Recreation and cultural services	1,342,271	1,248,362	1,236,464
Planning and zoning	270,356	193,597	174,690
Agriculture	462,255	440,241	391,527
Total expenses (Note 14)	<u>13,030,442</u>	<u>12,813,849</u>	<u>12,095,829</u>
ANNUAL SURPLUS (DEFICIT)	(113,167)	254,982	959,929
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>48,656,636</u>	<u>48,656,636</u>	<u>47,696,707</u>
ACCUMULATED SURPLUS, END OF YEAR (NOTE 8)	<u>48,543,469</u>	<u>48,911,618</u>	<u>48,656,636</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, 2018**

	Budget (Note 13) <u>\$</u>	Actual 2018 \$	Actual 2017 <u>\$</u>
ANNUAL SURPLUS	(113,167)	254,982	959,929
Acquisition of tangible capital assets	(5,433,087)	(5,433,087)	(3,364,732)
Amortization of tangible capital assets	2,380,249	2,380,249	2,313,477
Proceeds on disposal of tangible capital assets	-	394,202	107,038
Realized loss on disposal of investments	-	8,775	-
Change in inventories and prepaid expenses	-	7,776	(40,125)
Loss (gain) on disposal of tangible capital assets	-	139,358	(73,036)
Change in accumulated remeasurement gains	<u>-</u>	<u>(61,529)</u>	<u>72,449</u>
CHANGE IN NET FINANCIAL ASSETS	(3,166,005)	(2,309,274)	(25,000)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>4,617,438</u>	<u>4,617,438</u>	<u>4,642,438</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>1,451,433</u></u>	<u><u>2,308,164</u></u>	<u><u>4,617,438</u></u>

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, 2018

	2018	2017
	<u>\$</u>	<u>\$</u>
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	114,939	42,490
Unrealized gains (losses) attributable to investments	(61,529)	72,449
Amounts reclassified to statement of operations through realization of (gain) loss on sale	<u>8,775</u>	<u>-</u>
Change in accumulated remeasurement gains	<u>(52,754)</u>	<u>72,449</u>
ACCUMULATED REMEASUREMENT GAINS, END OF YEAR	<u>62,185</u>	<u>114,939</u>
Accumulated remeasurement gains is comprised of:		
Investments	<u>62,185</u>	<u>114,939</u>

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, 2018

	2018	2017
	<u>\$</u>	<u>\$</u>
OPERATING ACTIVITIES		
Annual surplus	254,982	959,929
Add (deduct) items not involving cash:		
Amortization of tangible capital assets	2,380,249	2,313,477
Realized loss on disposal of investments	8,775	-
Gain on disposal of tangible capital assets	<u>139,358</u>	<u>(73,036)</u>
	2,783,364	3,200,370
Change in non-cash assets and liabilities related to operations (Note 14 [b])	<u>(231,981)</u>	<u>1,488,255</u>
	<u>2,551,383</u>	<u>4,688,625</u>
INVESTING ACTIVITIES		
Purchase of investments	(58,283)	(2,051,856)
Redemption of investments	<u>500,000</u>	<u>-</u>
	<u>441,717</u>	<u>(2,051,856)</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(5,433,087)	(3,364,732)
Proceeds on disposal of tangible capital assets	<u>394,202</u>	<u>107,038</u>
	<u>(5,038,885)</u>	<u>(3,257,694)</u>
FINANCING ACTIVITIES		
Short-term debt financing issued for tangible capital assets	2,509,832	-
Long-term debt repayment	<u>(99,904)</u>	<u>(110,522)</u>
	<u>2,409,928</u>	<u>(110,522)</u>
NET CHANGE IN CASH	364,143	(731,447)
CASH, BEGINNING OF YEAR	<u>1,792,602</u>	<u>2,524,049</u>
CASH, END OF YEAR	<u>2,156,745</u>	<u>1,792,602</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, 2018

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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.

CORPORATION OF THE TOWNSHIP OF MALAHIDE

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-Financial Assets

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

i) Tangible capital assets

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

Land improvements	10 to 50 years
Buildings	10 to 95 years
Equipment	2 to 10 years
Vehicles	7 to 20 years
Transportation infrastructure	20 to 50 years
Water system infrastructure	15 to 100 years
Wastewater infrastructure	50 to 100 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.

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.

CORPORATION OF THE TOWNSHIP OF MALAHIDE

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

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

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.

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.

CORPORATION OF THE TOWNSHIP OF MALAHIDE

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Revenues

In 2018 the Municipality received \$7,786,259 (2017 - \$7,639,476) 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.).

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.

CORPORATION OF THE TOWNSHIP OF MALAHIDE

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of financial assets and liabilities

The Municipality's financial assets and liabilities are measured as follows:

- [i] Cash at fair value
- [ii] Portfolio investments at fair value
- [iii] Accounts receivable at amortized cost
- [iv] Accounts payable and accrued liabilities at amortized cost
- [v] Debt at amortized cost

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the consolidated statement of remeasurement gains and losses. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as deferred revenue.

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

For financial instruments measure using amortized cost, the effective interest rate method is used to determine interest revenue or expenses. Transaction costs are a component of cost for financial instruments measured using cost or amortized costs. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred. The purchase and sale of cash equivalents and portfolio investments are accounted for using trade-date accounting. The Municipality does not use foreign currency contracts or any other type of derivative financial instruments of trading or speculative purposes.

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, 2018 there were no properties that the Municipality was responsible to remedy and as such no liability has been accrued.

CORPORATION OF THE TOWNSHIP OF MALAHIDE

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian accounting standards for public sector entities requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and 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.

2. INVESTMENTS

Investments are comprised of the following:

	2018		2017	
	<u>\$</u> Cost	<u>\$</u> Market	<u>\$</u> Cost	<u>\$</u> Market
One pooled bond securities funds	2,638,073	2,586,521	3,088,565	3,056,326
One pooled equity securities funds	<u>1,000,002</u>	<u>1,113,739</u>	<u>1,000,002</u>	<u>1,147,179</u>
	<u>3,638,075</u>	<u>3,700,260</u>	<u>4,088,567</u>	<u>4,203,505</u>

During the year, the Municipality earned \$58,284 (2017 - \$50,301) of income in the One Investment Program and reported unrealized gain (loss) of (\$61,529) (2017 - \$72,449) on the schedule of remeasurement gains and a realized gain (loss) of (\$8,775) (2017 - \$nil) on the statement of operations.

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

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

CORPORATION OF THE TOWNSHIP OF MALAHIDE

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2018

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, 2018, 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 \$37,000.

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, 2018

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 \$60,000 (2017 - \$221,000) in trade 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 for these assessment challenges and \$22,120 in potential uncollectible tax assessments.

4. TAXES RECEIVABLE

	2018	2017
	<u>\$</u>	<u>\$</u>
Current taxes receivable	336,949	410,630
Arrears taxes receivable	783,486	988,822
Penalties and interest	89,333	157,216
Allowance for doubtful accounts	<u>(22,120)</u>	<u>-</u>
	<u>1,187,648</u>	<u>1,556,668</u>

The Municipality makes annual estimates and allowances for potential exposure to property tax appeals, reassessments, environmental and collection issues. Included in the taxes receivable is approximately \$61,000 (2017 - \$380,000) of taxes, penalties and interest that is due from specific gas pipeline properties that are under going various appeals and financial restructuring. The Municipality's exposure to loss on these balances is estimated to be between 25% to 30% if it is determined that nothing is recoverable from these properties. At year end, the Municipality made an assessment of the exposure based on current information and made a \$22,120 allowances for these amounts in the financial statements.

CORPORATION OF THE TOWNSHIP OF MALAHIDE

**Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2018**

5. TANGIBLE CAPITAL ASSETS

December 31, 2018 Cost	Opening	Additions	Disposals and Adjustments	Ending
<u>Infrastructure</u>				
Linear - Roadways	41,465,917	1,642,603	38,860	43,147,380
Linear - Water Services	5,237,474	11,271	-	5,248,745
Linear - Waste Water Services	<u>3,959,395</u>	<u>-</u>	<u>-</u>	<u>3,959,395</u>
Infrastructure Total	<u>50,662,786</u>	<u>1,653,874</u>	<u>38,860</u>	<u>52,355,520</u>
<u>General</u>				
Land	1,181,735	4,180	-	1,185,915
Land Improvements	2,202,578	137,510	-	2,340,088
Buildings	11,261,742	3,186,508	-	14,448,250
Machinery and Equipment	2,193,749	294,074	(1,566)	2,486,257
Vehicles	<u>6,765,775</u>	<u>938,316</u>	<u>(1,330,654)</u>	<u>6,373,437</u>
General Total	23,605,579	4,560,588	(1,332,220)	26,833,947
Work in Progress	<u>1,002,405</u>	<u>6,502</u>	<u>(787,877)</u>	<u>221,030</u>
Total Cost	<u>75,270,770</u>	<u>6,220,964</u>	<u>(2,081,237)</u>	<u>79,410,497</u>

Accumulated Amortization	Opening	Amortization	Disposals and Adjustments	Ending
<u>Infrastructure</u>				
Linear - Roadways	20,079,712	1,315,375	38,860	21,433,947
Linear - Water Services	1,330,319	98,585	-	1,428,904
Linear - Waste Water Services	<u>662,747</u>	<u>39,567</u>	<u>-</u>	<u>702,314</u>
Infrastructure Total	<u>22,072,778</u>	<u>1,453,527</u>	<u>38,860</u>	<u>23,565,165</u>
<u>General</u>				
Land Improvements	1,313,760	76,295	-	1,390,055
Buildings	3,522,633	270,099	-	3,792,732
Machinery and Equipment	1,187,486	199,369	(1,566)	1,385,289
Vehicles	<u>3,210,438</u>	<u>380,959</u>	<u>(797,094)</u>	<u>2,794,303</u>
General Total	<u>9,234,317</u>	<u>926,722</u>	<u>(798,660)</u>	<u>9,362,379</u>
Total Accumulated Amortization	<u>31,307,095</u>	<u>2,380,249</u>	<u>(759,800)</u>	<u>32,927,544</u>

Net Book Value	Opening	Ending
<u>Infrastructure</u>		
Linear - Roadways	21,386,205	21,713,433
Linear - Water Services	3,907,155	3,819,841
Linear - Waste Water Services	<u>3,296,648</u>	<u>3,257,081</u>
	28,590,008	28,790,355
<u>General</u>		
Land	1,181,735	1,185,915
Land Improvements	888,818	950,033
Buildings	7,739,109	10,655,518
Machinery and Equipment	1,006,263	1,100,968
Vehicles	<u>3,555,337</u>	<u>3,579,134</u>
	14,371,262	17,471,568
Work in Progress	<u>1,002,405</u>	<u>221,030</u>
Total Net Book Value	<u>43,963,675</u>	<u>46,482,953</u>

CORPORATION OF THE TOWNSHIP OF MALAHIDE

**Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2018**

5. TANGIBLE CAPITAL ASSETS (CONTINUED)

December 31, 2017 Cost	Opening	Additions	Disposals and Adjustments	Ending
<u>Infrastructure</u>				
Linear - Roadways	40,216,783	1,271,090	(21,956)	41,465,917
Linear - Water Services	5,237,455	259	(240)	5,237,474
Linear - Waste Water Services	3,959,395	-	-	3,959,395
Infrastructure Total	<u>49,413,633</u>	<u>1,271,349</u>	<u>(22,196)</u>	<u>50,662,786</u>
<u>General</u>				
Land	711,263	493,558	(23,086)	1,181,735
Land Improvements	2,083,370	126,704	(7,496)	2,202,578
Buildings	11,233,552	28,190	-	11,261,742
Machinery and Equipment	2,010,938	230,196	(47,385)	2,193,749
Vehicles	6,460,226	446,517	(140,968)	6,765,775
General Total	<u>22,499,349</u>	<u>1,325,165</u>	<u>(218,935)</u>	<u>23,605,579</u>
Work in Progress	234,187	795,969	(27,751)	1,002,405
Total Cost	<u>72,147,169</u>	<u>3,392,483</u>	<u>(268,882)</u>	<u>75,270,770</u>

Accumulated Amortization	Opening	Amortization	Disposals and Adjustments	Ending
<u>Infrastructure</u>				
Linear - Roadways	18,850,344	1,251,324	(21,956)	20,079,712
Linear - Water Services	1,232,439	98,000	(120)	1,330,319
Linear - Waste Water Services	623,180	39,567	-	662,747
Infrastructure Total	<u>20,705,963</u>	<u>1,388,891</u>	<u>(22,076)</u>	<u>22,072,778</u>
<u>General</u>				
Land Improvements	1,246,170	71,338	(3,748)	1,313,760
Buildings	3,253,039	269,594	-	3,522,633
Machinery and Equipment	1,044,523	190,348	(47,385)	1,187,486
Vehicles	2,951,052	393,306	(133,920)	3,210,438
General Total	<u>8,494,784</u>	<u>924,586</u>	<u>(185,053)</u>	<u>9,234,317</u>
Total Accumulated Amortization	<u>29,200,747</u>	<u>2,313,477</u>	<u>(207,129)</u>	<u>31,307,095</u>

Net Book Value	Opening	Ending
<u>Infrastructure</u>		
Linear - Roadways	21,366,439	21,386,205
Linear - Water Services	4,005,016	3,907,155
Linear - Waste Water Services	3,336,215	3,296,648
	<u>28,707,670</u>	<u>28,590,008</u>
<u>General</u>		
Land	711,263	1,181,735
Land improvements	837,200	888,818
Buildings	7,980,513	7,739,109
Machinery and Equipment	966,415	1,006,263
Vehicles	3,509,174	3,555,337
	<u>14,004,565</u>	<u>14,371,262</u>
Work in Progress	234,187	1,002,405
Total Net Book Value	<u>42,946,422</u>	<u>43,963,675</u>

CORPORATION OF THE TOWNSHIP OF MALAHIDE

**Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2018**

6. TEMPORARY ADVANCES

The Municipality has available \$3,025,000 of short-term financing, with interest at a variable rate, for specific capital asset purchases. At year end, the balance drawn on this facility was \$2,509,832. The Municipality paid \$31,750 of interest during the year on this debt. Subsequent to the year end, the Municipality converted \$2,188,000 of this debt into long-term debt with interest at 3.26%, repayable in monthly payments of \$12,421 due February 2039.

7. NET LONG-TERM LIABILITIES

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

	2018	2017
	<u>\$</u>	<u>\$</u>
Total long-term liabilities incurred by the municipality and outstanding at the end of the year	729,095	833,490
Tile drainage loans assumed by the individual	<u>(26,842)</u>	<u>(31,334)</u>
Total long-term liabilities at the end of the year	<u>702,253</u>	<u>802,156</u>

- b) Principal repayments are summarized as follows:

	2019	2020	2021	2022	2023	Beyond	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Recoverable from:							
General tax revenue	90,019	93,623	97,360	101,249	105,294	214,708	702,253
User charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>90,019</u>	<u>93,623</u>	<u>97,360</u>	<u>101,249</u>	<u>105,294</u>	<u>214,708</u>	<u>702,253</u>

- c) Interest rates range from 2.74% to 4.06%. Interest expense on long-term liabilities in 2018 amounted to \$37,073 (2017 - \$47,501).
- d) The Municipality is contingently liable for municipal debt with respect to tile drainage loans. The total amount outstanding as at December 31, 2018 is \$26,842 (2017 - \$31,334) and is not recorded on the Consolidated Statement of Financial Position.
- e) Subsequent to the year, the Municipality converted \$2,188,000 of it's short-term financing into long-term debt with interest at 3.26%, repayable in monthly payments of \$12,421 due February 2039.
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CORPORATION OF THE TOWNSHIP OF MALAHIDE

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2018

8. ACCUMULATED SURPLUS

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

	2018	2017
	<u>\$</u>	<u>\$</u>
SURPLUS		
General revenue fund	(40,277)	(19,513)
Consolidated water boards reserves	330,827	227,137
Consolidated East Elgin Community Centre Complex reserve	37,831	30,090
Benefiting land owners	(303,542)	(204,461)
Invested in tangible capital assets	46,482,953	43,963,675
Cemetery care and maintenance	7,143	7,057
Funded (unfunded) capital projects	(2,860,656)	(495,854)
Reserves	<u>5,959,592</u>	<u>5,950,661</u>
	49,613,871	49,458,792
AMOUNTS TO BE RECOVERED		
Net long-term debt	<u>(702,253)</u>	<u>(802,156)</u>
ACCUMULATED SURPLUS	<u>48,911,618</u>	<u>48,656,636</u>
RESERVES		
Reserves set aside for specific purposes by council:		
Working capital	796,943	771,943
Contingencies	40,878	40,878
Roadway purposes	1,058,007	1,324,134
Water and sewer purposes	1,088,139	790,790
Asset replacement purposes	2,068,348	2,118,412
Other municipal services	<u>907,277</u>	<u>904,504</u>
Total reserves	<u>5,959,592</u>	<u>5,950,661</u>

CORPORATION OF THE TOWNSHIP OF MALAHIDE

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2018

9. 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:

	2018	2017
	<u>\$</u>	<u>\$</u>
Development charges	396,202	362,925
Federal gas tax	157,485	154,323
Building department funds	<u>273,659</u>	<u>213,359</u>
	<u>827,346</u>	<u>730,607</u>

10. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year, an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits the members have earned to date. The most recent actuarial valuation of the Plan was conducted December 31, 2018, and the results of this valuation disclosed actuarial liabilities of \$100.1 billion in respect of benefits accrued for service with actuarial assets at that date of \$95.9 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 2018 was \$232,106 (2017 - \$222,225).

CORPORATION OF THE TOWNSHIP OF MALAHIDE

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2018

11. OPERATIONS OF THE SCHOOL BOARDS AND COUNTY OF ELGIN

During 2018, 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	2,092,929	5,960,136
Share of payments in lieu of taxes	<u>22,441</u>	<u>386,722</u>
Amounts requisitioned	<u>2,115,370</u>	<u>6,346,858</u>

12. 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.

Management has identified a specific lawsuit that will not be covered by insurance. Subsequent to the year end, this lawsuit was settled for \$22,500. These lawsuits are vigorously defended and as such any additional costs related to these lawsuits will be expensed when incurred or when additional information becomes available.

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

CORPORATION OF THE TOWNSHIP OF MALAHIDE

**Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2018**

13. BUDGET FIGURES

The operating budget approved by the council of the Municipality for 2018 is reflected on the consolidated statement of operations. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. These adjustments include reserve transfers, capital expenditures, amortization and debt financing and repayment.

	Approved Budget \$	Adjustments \$	PSAB Budget \$
REVENUES			
Property taxation	6,995,313	-	6,995,313
Taxation from other governments	839,967	-	839,967
User charges	1,548,297	347,618	1,895,915
Local improvement levies	-	189,492	189,492
Government transfers			
Federal	290,000	-	290,000
Provincial	1,210,740	-	1,210,740
Other municipalities	1,152,029	-	1,152,029
Investment income	40,750	45,099	85,849
Penalties and interest on taxes	190,000	-	190,000
Other	67,970	-	67,970
Reserve transfers and long-term debt proceeds	<u>4,796,391</u>	<u>(4,796,391)</u>	<u>-</u>
Total revenues	<u>17,131,457</u>	<u>(4,214,182)</u>	<u>12,917,275</u>
EXPENSES			
General government	1,469,276	(114,904)	1,354,372
Fire and police protection	4,990,751	(2,843,727)	2,147,024
Other protective services	555,593	(26,625)	528,968
Transportation services	6,870,739	(1,413,446)	5,457,293
Waterworks and sewers	989,597	(110,049)	879,548
Garbage collection and disposal	545,732	(3,000)	542,732
Health services	49,073	(3,450)	45,623
Recreation and cultural services	1,240,992	101,279	1,342,271
Planning and zoning	285,421	(15,065)	270,356
Agriculture	<u>134,283</u>	<u>327,972</u>	<u>462,255</u>
Total expenses	<u>17,131,457</u>	<u>(4,101,015)</u>	<u>13,030,442</u>
BUDGETED ANNUAL SURPLUS	<u>-</u>	<u>(113,167)</u>	<u>(113,167)</u>

CORPORATION OF THE TOWNSHIP OF MALAHIDE

**Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2018**

14. SUPPLEMENTARY INFORMATION:

	2018	2017
	<u>\$</u>	<u>\$</u>
[a] Current fund expenditures by object:		
Salaries, wages and employee benefits	3,985,083	3,804,635
Long-term debt interest expense	37,073	47,501
Materials	2,507,245	2,161,637
Contracted services	3,724,559	3,602,831
Amortization	2,380,249	2,313,477
Transfer to others	<u>179,640</u>	<u>165,748</u>
	<u>12,813,849</u>	<u>12,095,829</u>
 [b] Change in non-cash assets and liabilities related to operations:		
(Increase) decrease in taxes receivable	369,020	172,393
(Increase) decrease in accounts receivable	225,714	661,591
(Increase) decrease in inventories and prepaid expenses	7,776	(40,125)
Increase (decrease) in accounts payable and accrued liabilities	(931,230)	496,204
Increase (decrease) in deferred revenue - obligatory reserve funds	<u>96,739</u>	<u>198,192</u>
	<u>(231,981)</u>	<u>1,488,255</u>

CORPORATION OF THE TOWNSHIP OF MALAHIDE

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2018

15. 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.

Recreation and cultural services

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

CORPORATION OF THE TOWNSHIP OF MALAHIDE

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2018

15. SEGMENTED INFORMATION (CONTINUED)

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, 2018**

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation Services \$	Planning and Development Services \$	Total \$
REVENUES								
Taxation and local improvements	524,581	2,048,793	3,932,126	376,647	49,960	631,277	222,875	7,786,259
Sales of services and regulatory fees	185,535	76,247	20,344	1,390,574	1,325	435,289	35,563	2,144,877
Government transfers	976,435	18,015	1,457,183	196,934	-	4,902	74,191	2,727,660
Other	295,138	47,117	-	11,270	-	-	195,868	549,393
Gain(loss) on disposal of capital assets	-	(155,127)	15,769	-	-	-	-	(139,358)
	<u>1,981,689</u>	<u>2,035,045</u>	<u>5,425,422</u>	<u>1,975,425</u>	<u>51,285</u>	<u>1,071,468</u>	<u>528,497</u>	<u>13,068,831</u>
EXPENSES								
Salaries, wages and employees benefits	1,103,925	779,213	1,453,353	95,809	1,186	426,861	174,736	3,985,083
Long-term debt interest expense	-	8,903	1,447	243	-	20,308	6,372	37,073
Materials	124,142	355,271	1,386,991	112,854	6,637	459,670	61,730	2,507,245
Contracted services, rents and financial	103,896	1,141,129	1,098,131	954,621	8,364	49,984	368,434	3,724,559
External transfers	-	129,154	-	-	17,000	33,486	-	179,640
Amortization	46,846	301,552	1,582,226	168,397	607	258,053	22,568	2,380,249
	<u>1,378,809</u>	<u>2,664,972</u>	<u>5,522,148</u>	<u>1,331,924</u>	<u>33,794</u>	<u>1,248,362</u>	<u>633,840</u>	<u>12,813,849</u>
ANNUAL SURPLUS (DEFICIT)	<u>602,880</u>	<u>(629,927)</u>	<u>(96,726)</u>	<u>643,501</u>	<u>17,491</u>	<u>(176,894)</u>	<u>(105,343)</u>	<u>254,982</u>

CORPORATION OF THE TOWNSHIP OF MALAHIDE

**Consolidated Schedule of Segment Disclosure
For the Year Ended December 31, 2017**

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation Services \$	Planning and Development Services \$	Total \$
REVENUES								
Taxation and local improvements	1,965,961	1,959,988	2,751,826	376,647	49,960	631,277	222,875	7,958,534
Sales of services and regulatory fees	43,578	54,117	3,599	1,290,717	7,441	435,028	28,351	1,862,831
Government transfers	1,040,760	793	1,531,863	197,254	-	-	52,664	2,823,334
Other	289,145	41,212	-	7,666	-	-	-	338,023
Loss on disposal of capital assets	-	76,904	-	(120)	-	(3,748)	-	73,036
	<u>3,339,444</u>	<u>2,133,014</u>	<u>4,287,288</u>	<u>1,872,164</u>	<u>57,401</u>	<u>1,062,557</u>	<u>303,890</u>	<u>13,055,758</u>
EXPENSES								
Salaries, wages and employees benefits	1,118,942	641,775	1,365,044	105,233	218	433,983	139,440	3,804,635
Long-term debt interest expense	876	9,642	1,640	357	-	22,498	12,488	47,501
Materials	80,445	275,466	1,175,016	109,269	11,570	446,508	63,363	2,161,637
Contracted services, rents and financial	40,533	1,142,941	1,044,824	973,299	11,852	52,199	337,183	3,602,831
External transfers	-	115,262	-	-	17,000	33,486	-	165,748
Amortization	45,910	286,100	1,549,896	169,432	607	247,790	13,742	2,313,477
	<u>1,286,706</u>	<u>2,471,186</u>	<u>5,136,420</u>	<u>1,357,590</u>	<u>41,247</u>	<u>1,236,464</u>	<u>566,216</u>	<u>12,095,829</u>
ANNUAL SURPLUS (DEFICIT)	<u>2,052,738</u>	<u>(338,172)</u>	<u>(849,132)</u>	<u>514,574</u>	<u>16,154</u>	<u>(173,907)</u>	<u>(262,326)</u>	<u>959,929</u>