

CORPORATION OF THE TOWN OF AYLMER
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

**CORPORATION OF THE TOWN OF AYLMER
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

-1-	Independent Auditor's Report
-3-	Consolidated Statement of Financial Position
-4-	Consolidated Statement of Operations and Accumulated Surplus
-5-	Consolidated Statement of Cash Flows
-6-	Consolidated Statement of Change in Net Financial Assets
-7-	Notes to the Consolidated Financial Statements
-16-	Schedule 1 - Consolidated Schedule of Tangible Capital Assets
-17-	Schedule 2 - Consolidated Schedule of Segmented Information

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Aylmer

Opinion

We have audited the accompanying consolidated financial statements of Corporation of the Town of Aylmer (the "Town"), which comprise the Consolidated Statement of Financial Position as at December 31, 2022, and Consolidated Statements of Operations and Accumulated Surplus, Cash Flows and Change in Net Financial Assets for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Corporation of the Town of Aylmer as at December 31, 2022 and its financial performance and its cash flows and change in net assets for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the 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 Town'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 Town'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 Town 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.

June 7, 2023
London, Canada

Scrimgeour & Company
LICENSED PUBLIC ACCOUNTANT

CORPORATION OF THE TOWN OF AYLMER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and short-term investments (note 1.i)	\$ 15,376,332	\$ 12,065,207
Taxes receivable	481,756	429,890
Accounts receivable	1,362,655	1,421,400
Loan receivable (note 3)	2,263,500	2,263,500
Investment in EARTH Corporation (note 5)	5,319,126	4,904,348
Land held for resale	1,904,487	1,904,487
	26,707,856	22,988,832
LIABILITIES		
Accounts payable and accrued liabilities	1,439,279	1,365,511
Other current liabilities	738,441	414,936
Deferred revenue (note 8)	3,011,412	2,056,242
Employee post-retirement benefit liabilities (note 7)	1,341,000	1,323,100
Net long-term liabilities (note 9.a)	422,809	497,438
	6,952,941	5,657,227
NET FINANCIAL ASSETS	19,754,915	17,331,605
NON-FINANCIAL ASSETS		
Tangible capital assets - Schedule 1 (note 1.c)	65,076,675	63,045,442
Capital work in progress	1,056,705	2,828,982
Prepaid supplies	103,926	83,309
	66,237,306	65,957,733
ACCUMULATED SURPLUS (NOTE 10)	\$ 85,992,221	\$ 83,289,338

The accompanying notes are an integral part of the financial statements

CORPORATION OF THE TOWN OF AYLMER
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget 2022	Actual 2022	Actual 2021
REVENUE			
Property taxation	\$ 6,124,820	\$ 6,176,134	\$ 5,933,196
User charges	5,191,138	5,984,127	5,175,941
Government grants (note 16)	2,321,278	2,274,458	2,149,159
Investment income	264,000	549,548	373,494
Penalty and interest on taxes	65,000	68,640	66,560
Other revenue	-	40,044	-
	13,966,236	15,092,951	13,698,350
EXPENDITURES			
General government	1,605,748	1,472,986	1,452,801
Protection to persons and property	3,635,605	3,816,217	3,574,930
Transportation services	1,087,041	1,701,707	1,422,260
Environmental services	4,229,821	4,933,543	4,863,882
Health services	18,000	18,000	18,000
Recreation and cultural development	1,860,782	1,191,066	1,086,379
Planning and development	432,712	352,586	381,606
	12,869,709	13,486,105	12,799,858
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER	1,096,527	1,606,846	898,492
OTHER			
Government transfers related to capital	168,151	109,332	106,570
Developer and other contributions related to capital	1,532,683	341,727	1,643,887
Investment increase (decrease) in EARTH Corporation	-	414,778	441,834
Gain (loss) on disposal of tangible capital assets	-	248,100	608,527
Net (increase) decrease in post-retirement benefits	-	(17,900)	(11,300)
	1,700,834	1,096,037	2,789,518
EXCESS OF REVENUE OVER EXPENDITURES	2,797,361	2,702,883	3,688,010
ACCUMULATED SURPLUS, BEGINNING OF YEAR	83,289,338	83,289,338	79,601,328
ACCUMULATED SURPLUS, END OF YEAR	\$ 86,086,699	\$ 85,992,221	\$ 83,289,338

The accompanying notes are an integral part of the financial statements

**CORPORATION OF THE TOWN OF AYLMER
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenue over expenditures (page 4)	\$ 2,702,883	\$ 3,688,010
Non-cash changes to operations		
Amortization	1,727,251	1,685,440
Net change in investment in Erie Thames Power Corporation	(414,778)	(441,834)
Net change in working capital other than cash (A)	1,377,222	(2,932,665)
	5,392,578	1,998,951
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(3,843,242)	(3,266,063)
Decrease (increase) in capital work in progress	1,772,277	849,647
Loss (gain) on disposal of tangible capital assets	84,758	230,997
Decrease (increase) in prepaid expenditures	(20,617)	168,477
	(2,006,824)	(2,016,942)
FINANCING ACTIVITIES		
Advances (repayments) of long-term liabilities	(74,629)	(92,562)
	(74,629)	(92,562)
Net change in cash and cash equivalents during the year	3,311,125	(110,553)
Cash and cash equivalents, beginning of year	12,065,207	12,175,760
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 15,376,332	\$ 12,065,207

(A) Net change in working capital other than cash includes the net change in taxes receivable, accounts receivable, loan receivable, land held for resale, accounts payable and accrued liabilities, other current liabilities, deferred revenue and employee post-retirement liabilities.

The accompanying notes are an integral part of the financial statements

CORPORATION OF THE TOWN OF AYLMER
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget 2022	Actual 2022	Actual 2021
Excess of revenue over expenditures (page 4)	\$ 2,797,361	\$ 2,702,883	\$ 3,688,010
Amortization of tangible capital assets	-	1,727,251	1,685,440
Acquisition of tangible capital assets	(4,376,200)	(3,843,242)	(3,266,063)
Loss (gain) on disposal of tangible capital assets	-	84,758	230,997
Decrease (increase) in works in progress	-	1,772,277	849,647
Decrease (increase) in prepaid expenditures	-	(20,617)	168,477
Increase (decrease) in net financial assets	(1,578,839)	2,423,310	3,356,508
NET FINANCIAL ASSETS, BEGINNING OF YEAR	17,331,605	17,331,605	13,975,097
NET FINANCIAL ASSETS, END OF YEAR	\$ 15,752,766	\$ 19,754,915	\$ 17,331,605

The accompanying notes are an integral part of the financial statements

CORPORATION OF THE TOWN OF AYLMER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

1. Significant accounting policies

The consolidated financial statements of the Corporation of the Town of Aylmer are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the CPA Canada.

The focus of PSAB financial statements is on the financial position of the Town and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Net financial assets represent the financial position of the Town and is the difference between financial assets and liabilities. This information explains the Town's overall future revenue requirements and its ability to finance activities and meet its obligations.

Significant aspects of the accounting policies adopted by the Town are as follows:

a. Reporting entity

These consolidated financial statements reflect the tangible capital assets, liabilities, revenue, expenditures and accumulated surplus of the reporting entity. The reporting entity includes the activities of all local boards, joint local boards, municipal enterprises and committees of Council including the following:

Aylmer Business Improvement Area
 Aylmer Police Services
 East Elgin Community Complex (Town's portion only - 50%)
 EARTH Corporation (ERTH) (modified equity method) (note 5)
 Aylmer Area Secondary Water System (note 12.b)

All interfund assets and liabilities, and revenue and expenditures have been eliminated.

The following are local boards, joint local boards, municipal enterprises and utilities which are not consolidated:

Elgin Area Primary Water Supply System (note 12.a)

b. Revenue recognition

Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Government grants and transfers are recognized in the consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

CORPORATION OF THE TOWN OF AYLMER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. Significant accounting policies continued

c. 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 is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 to 80 years
Buildings	30 to 50 years
Fleet	4 to 25 years
Equipment	7 to 45 years
Bridges and other structures	50 to 80 years
Infrastructure - water	60 to 100 years
Infrastructure - sewer	60 to 100 years
Infrastructure - transportation	40 to 60 years
Infrastructure - storm sewers	80 years

Amortization is charged for a half year in the year of acquisition and in the year of disposal.

The Town has a capitalization threshold of \$10,000 so that individual assets of lesser value are expensed unless they are pooled because collectively they have a significant value. Tangible capital assets are recorded based on the reporting entity as described in note 1.a.

d. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expense as incurred.

e. 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 or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenditures are incurred, services performed or the tangible capital assets are acquired.

f. 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, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**CORPORATION OF THE TOWN OF AYLMER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

1. Significant accounting policies continued

g. Employee benefit plans

The costs of retirement benefits are actuarially determined using the projected benefit method prorated on services and management's best estimate of retirement ages of employees and salary escalation.

h. Financial instruments

Financial instruments of the Town consist mainly of cash, accounts receivable and taxes receivable. The carrying values of these financial assets approximate their fair values unless otherwise disclosed.

i. Short-term investments

Portfolio investments are recorded at cost, unless there has been a decline in the market value, which is other than temporary in nature, in which case the investments are written down to market value. At December 31, 2022, the market value approximates cost.

2. Tax revenue

Property tax billings are prepared by the Town based on an assessment roll prepared by the Municipal Property Assessment Corporation. All assessed property values in the Town were reviewed and new values established based on a common valuation date which was used by the Town in computing the 2022 property tax bills. Property tax revenue and tax receivables are subject to appeals which may not have been heard yet. Any supplementary billing adjustments made necessary by the determination of such appeals will be recognized in the fiscal year they are determined and the effect shared with the County of Elgin and the appropriate school boards.

3. Loan receivable

The Town entered into a loan arrangement for \$2,263,500 with ERTB on September 1, 2000 as a result of the restructuring of the former Aylmer Public Utilities Commission under Bill 35. The loan is receivable from ERTB with no specific terms of repayment, bearing interest at a rate of 7.25% commencing on January 1, 2003. In 2022, \$164,104 (2021 - \$164,104) interest was received on this loan. The loan is convertible to Class B shares of ERTB.

4. Operations of School Boards and the County of Elgin

Further to note 2, the Town's share of taxation revenue of the School Boards and County of Elgin are comprised of the following:

	School Boards	County
Taxation and user charges	\$ 1,591,674	\$ 4,511,625
Requisitions	\$ 1,591,674	\$ 4,511,625

CORPORATION OF THE TOWN OF AYLMER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

5. Investment in EARTH Corporation

As at December 31, 2022, the Town owns 15.02% valued at \$5,319,126 (2021 - 15.02% \$4,904,348) of EARTH. As a government business enterprise of the Town, it is accounted for on a Modified Equity basis in these consolidated financial statements, which are prepared according to International Financial Reporting Standards. The following table provides condensed supplementary financial information for EARTH for the year ended December 31, 2022 from their audited financial statements:

	2022	2021
Financial Position		
Total net assets	\$ 35,407,087	\$ 32,646,092
Results of Operations		
Total revenue	98,335,547	96,543,343
Total operating and other expenditures	95,574,552	92,622,245
Total net income	\$ 2,760,995	\$ 3,921,098

EARTH declared a dividend of \$920,000 in 2022 (2021 - \$980,000) of which the Town's share was \$138,210 (2021 - \$147,223).

6. Pension agreements

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members 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 services and rates of pay. The amount contributed to OMERS for 2022 was \$412,290 (2021 - \$384,711) for current service and is included as an expenditure on the Consolidated Statement of Operations and Accumulated Surplus. The Town has no obligation, as of December 31, 2022, under the past service provisions. The OMERS funding ratio for 2022 is 95.0% (2021 - 97.0%).

CORPORATION OF THE TOWN OF AYLMER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

7. Employee post-retirement benefit liability

Employee post-retirement benefits represents the Town's share of the cost to provide employees with extended benefits on retirement. This liability will require funding in future periods. The accrued benefit obligation and the net periodic benefit cost were determined by an actuarial valuation updated as at December 31, 2021 in accordance with the financial reporting guideline of PSAB 3250 established by the Public Sector Accounting Board of CPA Canada.

	2022	2021
Post-employment benefits		
Town	\$ 204,500	\$ 221,000
Police Services	1,136,500	1,102,100
Total post-retirement benefit liability	\$ 1,341,000	\$ 1,323,100

Significant assumptions for the year ending December 31, 2022 are as follows:

General inflation	2.50%
Discount rate	2.50%
Rate of compensation increase	3.00%
Dental cost increase	6.00%
Healthcare, life insurance and travel cost increase	4.00% to 8.00%

8. Deferred revenue - obligatory reserve funds

A requirement of the public sector accounting standards 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 Town are summarized as follows:

	2022	2021
Safe Restart Fund	\$ -	\$ 124,865
OCIF	671,645	148,350
Building code	180,978	97,579
Gas tax	641,451	433,692
Development charges	1,517,338	1,251,756
	\$ 3,011,412	\$ 2,056,242

**CORPORATION OF THE TOWN OF AYLMER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

9. Long-term liabilities

a. Composition of long-term liabilities

The balance of long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following:

	2022	2021
Total long-term incurred by the municipality outstanding at the end of the year amount to	\$ 422,809	\$ 497,438
	\$ 422,809	\$ 497,438

b. Principal repayments

Of the net long-term liabilities reported in note 9.a, \$292,397 in principal payments are payable from 2023 to 2027 and \$130,412 from 2027 to 2029 and are recoverable from general tax revenue.

c. Approval

Approval of the Ontario Municipal Board has been obtained for those pending issues of long term liabilities and commitments to be financed by revenue beyond the term of Council and approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The principal and interest payments required to service these pending issues and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

d. Interest

Interest paid during the year, on net long-term liabilities, was \$14,884 (2021 - \$18,083).

CORPORATION OF THE TOWN OF AYLMER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

10. Accumulated Surplus

The accumulated surplus on the Consolidated Statement of Financial Position at the end of the year is comprised of the following:

	2022	2021
Operations - surplus		
Town	\$ -	\$ -
Business Improvement Area	32,447	31,033
	32,447	31,033
Reserves set aside for specific purpose:		
acquisition of capital assets	3,256,773	3,532,129
replacement of lagoons, sanitary and storm sewers	2,203,755	1,490,377
replacement of water systems	3,443,563	2,352,006
replacement of sidewalks	31,910	31,435
council initiatives	352,654	225,541
industrial development	745,190	435,061
parks development	81,767	92,012
police services	480,995	481,305
arena development	301,921	301,844
property taxes	656,014	646,265
contingencies	79,870	78,683
	11,634,412	9,666,658
Reserves set aside for working capital	303,000	303,000
Future employee post-retirement benefits	(1,341,000)	(1,323,100)
Investment in tangible capital assets	67,780,736	67,443,899
Investment in EARTH Corporation	7,582,626	7,167,848
ACCUMULATED SURPLUS	\$ 85,992,221	\$ 83,289,338

11. Budget figures

The Town's Council completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2022 is reflected on the Consolidated Statement of Operations and Accumulated Surplus.

CORPORATION OF THE TOWN OF AYLMER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

12. Commitments

a. Elgin Area Primary Water Supply System

In accordance with a transfer order from the Ministry of the Environment, the Elgin Area Primary Water Supply System is operated by an outside party. The Town is obligated to meet its share of the operating costs and deficits and repay its share of the long-term liabilities related to these projects. The Town's share (10.62%) is based on its water consumption relative to that of other participating municipalities and the costs associated with this consumption are reflected in the Consolidated Statement of Operations and Accumulated Surplus.

The charges relating to operating costs and debt servicing are recovered through the water rates levied by the Town.

Information received from the City of London as at December 31, 2022 indicates the Town's share is as follows:

	Accumulated Surplus
Primary Water Supply System	\$ 7,749,935

The accumulated surplus indicated above is not reflected in the accompanying Consolidated Financial Statements as the Town does not have controlling interest in the System.

b. Aylmer Area Secondary Water System

In accordance with a transfer order with the Ministry of the Environment, the Aylmer Area Secondary Water System is operated by an outside party. The Town is obligated to meet its share of the operating costs and deficits related to these projects. The Town's share - 97.48% (2021 - 97.55%) is based on its water consumption relative to that of other participating municipalities.

The charges relating to operating costs are recovered through the water rates levied by the Town. The cost of the water purchases are reflected in these Consolidated Financial Statements.

The Town's share of the tangible capital assets and related amortization are included on Schedule 1 and the accumulated surplus.

13. Public sector salary disclosure

There are fifteen employees paid a salary, as defined in the Public Sector Disclosure Act, 1996 of \$100,000 or more.

**CORPORATION OF THE TOWN OF AYLMER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

14. Segmented Information

Segmented information is presented on Schedule 2. The Town is a diversified municipality and provides a wide range of services to its citizens including police, fire, protective services, transportation, environmental, including water, wastewater, waste disposal and storm management, and community services, including recreation and planning. The general government segment includes such functions as finance and information services, council and administrative offices.

15. Liability for contaminated sites

PSAB 3260 requires a municipality to accrue the present value of the expected remediation costs for known contaminated sites the municipality owns. This requirement is effective for years ending December 31, 2015 and after. The Town has evaluated the properties and has determined that no accrual is required for future remediation costs.

16. Significant event

In March 2020, the Province of Ontario declared a state of emergency in response to the COVID-19 virus. The Town has followed the Provincial orders regarding essential services and as a result, has closed some of its services as required under these orders during 2021 and 2020. It is unclear the total financial impact the COVID-19 virus will have on the Town. Council and staff continue to monitor the situation. During the year ending December 31, 2022, the Town recognized \$124,136 (2021 - \$72,852) of government grants under the Safe Restart Program.

CORPORATION OF THE TOWN OF AYLMER
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Land	Land Improvements	Buildings	Fleet	Equipment	Linear Assets	2022 Total	2021 Total
COST								
Balance, beginning of year	\$ 3,082,857	\$ 1,899,170	\$ 14,918,141	\$ 3,528,017	\$ 1,239,915	\$ 73,458,240	\$ 98,126,340	\$ 95,511,846
Add:								
Additions during the year	-	-	607,467	209,624	45,915	2,980,236	3,843,242	3,266,063
Less:								
Disposals during the year	-	-	(18,307)	(219,688)	-	(186,469)	(424,464)	(651,569)
Balance, end of year	3,082,857	1,899,170	15,507,301	3,517,953	1,285,830	76,252,007	101,545,118	98,126,340
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	1,189,017	5,796,690	1,917,059	497,330	25,680,802	35,080,898	33,816,030
Add:								
Amortization during the year	-	54,861	311,287	156,971	72,810	1,131,322	1,727,251	1,685,440
Less:								
Disposals during the year	-	-	(9,535)	(219,688)	-	(110,483)	(339,706)	(420,572)
Balance, end of year	-	1,243,878	6,098,442	1,854,342	570,140	26,701,641	36,468,443	35,080,898
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 3,082,857	\$ 655,292	\$ 9,408,859	\$ 1,663,611	\$ 715,690	\$ 49,550,366	\$ 65,076,675	\$ 63,045,442

This schedule is provided for information purposes only.

CORPORATION OF THE TOWN OF AYLMER
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Government	Protective Services	Transportation	Environmental	Health	Recreation and Culture	Planning and Development	Total
REVENUE								
Taxation	\$ 6,176,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,176,134
User fees	54,940	183,976	30,288	5,418,284	-	236,916	59,723	5,984,127
Government grants operating	1,654,237	293,415	23,096	171,095	-	132,615	-	2,274,458
Investment income	549,548	-	-	-	-	-	-	549,548
Penalty and interest on taxes	68,640	-	-	-	-	-	-	68,640
Other	40,044	-	-	-	-	-	-	40,044
	8,543,543	477,391	53,384	5,589,379	-	369,531	59,723	15,092,951
EXPENDITURES								
Salaries and benefits	1,072,588	2,893,783	652,558	350,126	-	478,948	201,303	5,649,306
Materials, goods and services	385,357	740,695	480,472	3,826,329	18,000	515,847	142,848	6,109,548
Amortization	15,041	181,739	568,677	757,088	-	196,271	8,435	1,727,251
	1,472,986	3,816,217	1,701,707	4,933,543	18,000	1,191,066	352,586	13,486,105
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) BEFORE OTHER	7,070,557	(3,338,826)	(1,648,323)	655,836	(18,000)	(821,535)	(292,863)	1,606,846
OTHER								
Government transfers related to capital	107,151	-	-	2,181	-	-	-	109,332
Developer and other contributions	-	90,026	149,176	102,525	-	-	-	341,727
Investment in EARTH Corporation	414,778	-	-	-	-	-	-	414,778
Gain (loss) on disposal of tangible capital assets	(8,771)	194	(22,217)	(53,769)	2,798	-	329,865	248,100
Post retirement benefits	16,500	(34,400)	-	-	-	-	-	(17,900)
	529,658	55,820	126,959	50,937	2,798	-	329,865	1,096,037
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	\$ 7,600,215	\$ (3,283,006)	\$ (1,521,364)	\$ 706,773	\$ (15,202)	\$ (821,535)	\$ 37,002	\$ 2,702,883

This schedule is provided for information purposes only.