
Consolidated financial statements of The Corporation of the Town of Ajax

December 31, 2022

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Independent Auditor's Report

To the Members of Council of
The Corporation of the Town of Ajax

Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Ajax (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2022, and the results of its operations, change in net financial assets, 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 ("Canadian GAAS"). 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 the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town'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 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 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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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.

The signature "Deloitte LLP" is written in a cursive, handwritten style.

Chartered Professional Accountants
Licensed Public Accountants
June 12, 2023

The Corporation of the Town of Ajax
Consolidated statement of financial position
As at December 31, 2022

	Notes	2022 \$	2021 \$
Financial assets			
Cash and cash equivalents	3	100,807,683	158,037,076
Investments	4	85,969,453	—
Inventories for resale		37,106	6,979
Taxes receivable		15,195,447	14,211,465
Accounts receivable		12,702,507	11,624,470
Loan receivable	6	1,827,486	1,756,522
Investment in government business enterprise	7	77,000,346	74,432,719
		293,540,028	260,069,231
Liabilities			
Accounts payable and other liabilities	8	35,304,252	31,220,926
Deferred revenue	9	57,942,635	45,981,931
Accrued interest on municipal debt		66,097	72,093
Long-term payable	10	511,403	511,403
Municipal debt	11	8,673,000	9,555,000
Employee benefits payable	12	8,907,575	8,604,601
Landfill post-closure liability	13	405,087	396,427
		111,810,049	96,342,381
Contingencies and commitments	15		
Net financial assets		181,729,979	163,726,850
Non-financial assets			
Tangible capital assets	17	583,203,044	591,266,677
Construction in progress	17	12,714,903	3,773,612
Inventories of supplies		495,943	315,600
Prepaid expenses		2,087,772	1,811,875
		598,501,662	597,167,764
Accumulated surplus	14	780,231,641	760,894,614

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

The Corporation of the Town of Ajax
Consolidated statement of operations
Year ended December 31, 2022

	Notes	Budget \$	2022 \$	2021 \$
		(Note 16)		
Revenue				
Net taxation	18	78,884,400	78,624,313	75,662,587
Taxation from other governments		579,400	776,281	785,317
User charges		16,878,800	14,386,526	12,581,433
Government grants		1,613,700	3,336,171	3,670,159
Gaming and casino revenue		4,000,000	5,102,103	2,774,163
Obligatory reserve funds earned	9	15,109,100	15,239,314	7,388,380
Investment income		1,988,100	4,959,845	1,735,172
Penalties and interest on taxes receivable		1,800,000	2,535,649	2,427,755
Donations and contributions from developers	17	—	11,682,945	5,077,981
Income from government business enterprise	7	2,056,200	4,624,136	3,817,717
Other		883,000	2,232,558	2,964,498
Gain (loss) on disposal of tangible capital assets		—	93,372	(326,932)
		123,792,700	143,593,213	118,558,230
Expenses				
General government	18	11,731,491	21,665,161	17,210,338
Protection to persons and property		27,965,920	24,551,451	23,948,937
Transportation services		27,807,215	22,455,249	23,091,463
Environmental services		3,983,100	6,034,408	4,729,136
Health, social and family services		100,800	141,118	110,880
Recreation and culture services		42,144,883	39,662,543	34,863,376
Planning and development		6,011,291	9,746,256	3,900,097
		119,744,700	124,256,186	107,854,227
Annual surplus		4,048,000	19,337,027	10,704,003
Accumulated surplus, beginning of year		760,894,614	760,894,614	750,190,611
Accumulated surplus, end of year		764,942,614	780,231,641	760,894,614

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

The Corporation of the Town of Ajax
Consolidated statement of change in net financial assets
Year ended December 31, 2022

	Budget	2022	2021
	\$	\$	\$
	(Note 16)		
Annual surplus	4,048,000	19,337,027	10,704,003
Acquisition of tangible capital assets	(41,324,100)	(17,238,404)	(18,851,946)
Amortization of tangible capital assets	25,906,000	25,258,237	24,879,604
(Gain) loss on disposal of tangible capital assets	—	(93,372)	326,932
Proceeds on disposal of tangible capital assets	—	137,172	12,191
	(11,370,100)	27,400,660	17,070,784
Additions to construction in progress	—	(9,599,508)	(1,959,653)
Transfer of construction in progress to tangible capital assets	—	636,231	2,460,868
Construction in progress expensed	—	21,986	763
	—	(8,941,291)	501,978
Acquisition inventory of supplies	—	(495,943)	(315,600)
Use/consumption of inventory of supplies	—	315,600	422,714
Acquisition of prepaid expenses	—	(2,087,772)	(1,811,875)
Use/consumption of prepaid expenses	—	1,811,875	1,091,951
	—	(456,240)	(612,810)
Net change in net financial assets	(11,370,100)	18,003,129	16,959,952
Net financial assets, beginning of year	163,726,850	163,726,850	146,766,898
Net financial assets, end of year	152,356,750	181,729,979	163,726,850

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

The Corporation of the Town of Ajax
Consolidated statement of cash flows
Year ended December 31, 2022

	Notes	2022 \$	2021 \$
Operating activities			
Annual surplus		19,337,027	10,704,003
Items not involving cash			
Income from investment in government business enterprise	7	(4,624,136)	(3,817,717)
Amortization of tangible capital assets		25,258,237	24,879,604
Loss on sale of land held for resale		—	599,769
(Gain) loss on disposal of tangible capital assets		(93,372)	326,932
Value of contributed tangible capital assets recognized as revenue		(11,682,945)	(5,077,981)
		28,194,811	27,614,610
Changes in non-cash assets and liabilities			
Inventories for resale		(30,127)	228
Taxes receivable		(983,982)	(874,439)
Accounts receivable		(1,078,037)	(486,611)
Loan receivable	6	(70,964)	(68,208)
Accounts payable and other liabilities		4,083,326	2,205,931
Deferred revenue		11,960,704	19,960,727
Inventories of supplies		(180,343)	107,114
Prepaid expenses		(275,897)	(719,924)
Employee benefits payable		302,974	333,254
Landfill post-closure liability		8,660	(132)
		41,931,125	48,072,550
Capital transactions			
Acquisition of tangible capital assets (net of contributed tangible capital assets)		(5,555,459)	(13,773,965)
(Increase) decrease in construction in progress		(8,941,291)	501,978
Proceeds from disposal of land held for resale		—	341,006
Proceeds on disposal of tangible capital assets		137,172	12,191
		(14,359,578)	(12,918,790)
Investing activities			
Purchase of investments	4	(85,969,453)	—
Dividend from investment in government business enterprise	7	2,056,509	2,484,026
		(83,912,944)	2,484,026
Financing activities			
Municipal debt repaid		(882,000)	(1,556,071)
Increase in long-term payable		—	511,403
Decrease in accrued interest on municipal debt		(5,996)	(22,258)
		(887,996)	(1,066,926)
Net change in cash		(57,229,393)	36,570,860
Cash, beginning of year		158,037,076	121,466,216
Cash, end of year	3	100,807,683	158,037,076

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

1. Summary of significant accounting of policies

Management responsibility

The consolidated financial statements (the “financial statements”) of Corporation of the Town of Ajax (the “Town”) are the representations of management prepared in accordance with accounting policies and standards established by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada (CPA Canada).

Basis of accounting

The focus of these consolidated financial statements is on the financial position of the Town and the changes thereto. The consolidated statement of financial position includes all the financial assets and liabilities of the Town as well as non-financial assets. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Net financial assets form a part of the financial position and are the difference between financial assets and liabilities. This provides information about the municipality’s overall future revenue requirements and its ability to finance activities and meet its obligations. Non-financial assets are normally used to deliver services. Their value lies with their service potential rather than their ability to generate future cash inflows. They form part of the financial position as they provide resources that the government can employ in the future to meet its objectives. The accumulated surplus is made up of the combination of net financial assets and non-financial assets.

Significant accounting policies adopted by the Town are as follows:

(a) Reporting entity

(i) Consolidated financial statements

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of the activities of all committees of Council, the Town of Ajax Public Library Board, the Ajax Downtown Business Improvement Area and the Pickering Village Business Improvement Area which are controlled by the Town.

All material inter-fund transactions and balances are eliminated on consolidation.

(ii) Investment in Elexicon Corporation

The Town’s investment in Elexicon Corporation is accounted for on a modified equity basis, consistent with generally accepted accounting principles as recommended by PSAB for investments in government business enterprises. Under the modified equity basis, Elexicon Corporation’s accounting policies are not adjusted to conform to those of the Town and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual earnings or loss of Elexicon Corporation in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Dividends that the Town may receive from Elexicon Corporation and other capital transactions are reflected as adjustments in the investment asset account.

(iii) Operations of School Boards and the Region of Durham

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the Region of Durham are not reflected in these consolidated financial statements.

1. Summary of significant accounting of policies (continued)

Basis of accounting (continued)

(b) Basis of accounting

(i) Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(ii) Tax revenue

Tax revenue is recognized on all taxable properties within the Town included in the tax roll provided by the Municipal Property Assessment Corporation, using property values included in the tax roll or property values that can be reasonably estimated by the Town as it relates to supplementary or omitted assessments using tax rates authorized by Council for the Town's own purposes in the period for which the tax is levied.

(iii) Government transfers

Government transfers are recognized as revenue by the Town in the period during which the transfer is authorized and any eligibility criteria are met, unless they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

(iv) Cash and cash equivalents

Temporary investments consist of investments in high interest savings accounts recorded at face value and guaranteed investment certificates which are recorded at amortized cost. Accrued interest is included in accounts receivable.

(v) Investments

Investments consist of pooled fund units not available in an active market. Investments are carried at cost. Interest income is recorded as it accrues or is earned. When the value of any portfolio investment is significantly impaired, the carrying amount is adjusted to the estimated realizable amount and any adjustments are included in investment income in the period the impairment is recognized.

(vi) Inventory

Inventory is valued at cost which is determined on a weighted-average basis.

(vii) Loans receivable

Loans receivable are recorded at cost less any amount for valuation allowance. A valuation allowance would be made if collection is in doubt. Interest on loans receivable is accrued in accordance with the terms of the agreements, to the extent that it is considered collectible.

1. Summary of significant accounting of policies (continued)

Basis of accounting (continued)

(b) Basis of accounting (continued)

(viii) Tangible capital assets ("TCA")

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly related to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on the straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for use as follows:

Land improvements	15–40 years
Buildings	20–50 years
Computer hardware/software	5 years
Vehicles and rolling equipment	7–20 years
Furniture fixtures and equipment	5–20 years
Road network	20–75 years
Storm water network	25–75 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use. Land is not amortized.

Tangible capital assets received as contributions, excluding road allowances, are recorded at their fair value at the date contributed, and that amount is also recorded as revenue. Contributed road allowances are recorded at nominal value.

(ix) Intangible assets

Intangible assets are not recognized as assets in the consolidated financial statements.

(x) Liability for contaminated sites

A liability for the remediation of a contaminated site is recognized as the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Town is either directly responsible or accepts responsibility, it is expected that the future economic benefit will be given up, and a reasonable estimate of the amount is determinable. If the likelihood of the Town's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the consolidated financial statements.

(xi) Deferred revenue

Deferred revenue represents user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed. In addition, any contributions received with external restrictions are deferred until the related expenditures are made.

1. Summary of significant accounting of policies (continued)

Basis of accounting (continued)

(b) Basis of accounting (continued)

(xii) Post-employment benefits

The present value of the cost of providing employees with future benefit programs is recognized as employees earn these entitlements through service. Actuarial gains and losses are amortized over the estimated average remaining service life ("EARSLS").

The Town is an employer member of the Ontario Municipal Employee Retirement Fund ("OMERS"), which is a multi-employer, defined benefit pension plan (the "Plan"). The OMERS Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Town uses defined contribution plan accounting principles for this Plan. The Town records as pension expense the amount paid to OMERS for the year plus any amounts owing to OMERS at the end of the year.

(xiii) 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 in the financial statements and accompanying notes. Accounts involving significant estimates include allowance for doubtful accounts, accrued liabilities, employee benefits payable, landfill post-closure liability, liability for contaminated sites and estimates relating to tangible capital assets. Actual results could differ from these estimates.

2. Operations of school boards and the Region of Durham

Further to Note 1 (a) (iii) requisitions are made by the Region of Durham and School Boards requiring the Town to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized as follows:

	Region \$	School board \$
Taxation	136,318,424	47,687,636
Payments in lieu of taxes	715,375	412,201
	<u>137,033,799</u>	<u>48,099,837</u>

3. Cash and cash equivalents

	2022	2021
	\$	\$
Unrestricted		
Cash	18,736,536	109,491,415
High Interest Savings Accounts	45,744,855	—
	64,481,391	109,491,415
Restricted (Note 5)		
Cash	26,237,830	48,546,233
High Interest Savings Accounts	10,088,462	—
	36,326,292	48,546,233
	100,807,683	158,037,648

Cash is held on deposit and in High Interest Savings Accounts ("HISA") with the Royal Bank and ONE Fund. Cash earns interest on a monthly basis at an interest rate based on average balances, and will fluctuate based on the bank's prime rate, the rate of return on the HISA accounts ranged from 0.715% to 4.85% in 2022.

4. Investments

	2022	2021
	\$	\$
Unrestricted		
Pooled funds - bonds	27,373,362	
Pooled funds - equity	35,485,157	—
	62,858,519	—
Restricted (Note 5)		
GICs	23,110,934	—
	23,110,934	—
	85,969,453	—

The Corporation holds two Guaranteed Investment Certificates purchased from the Royal Bank. The rate of return on the GICs currently held is 5.22% in 2022. Pooled investment fund units have a market value of \$63,411,162 as at December 31, 2022 (nil in 2021).

5. Restricted assets

	2022	2021
	\$	\$
Cash (Note 3)	36,326,292	48,546,233
Investments (Note 4)	23,110,934	—
Interest receivable	174,215	19,437
Due to own municipality	(4,070,456)	(4,699,039)
	55,540,985	43,866,631

Restricted assets represent assets of obligatory reserve funds and certain deferred grants (Note 9).

6. Loan receivable

The Town of Ajax holds a loan receivable of \$1,827,486 (\$1,756,522 in 2021) bearing interest at 4%. The loan, including interest, was initially due on August 31, 2019 and is secured by a registered first mortgage. As at December 31, 2022, the loan remains outstanding and the Town anticipates it will be collectible. Given that the loan is secured against real property, the value of which is expected to be adequate to cover the amount outstanding, the Town does not anticipate any collectability issues with the balance.

7. Investment in government business enterprise

(a) *The Town has a 21.828% interest in Elexicon Corporation.*

Elexicon Corporation serves as the electrical distribution utility for a number of communities and conducts non-regulated utility service ventures through its subsidiaries. Elexicon Corporation, as a government business enterprise, is accounted for on the modified equity basis in these consolidated financial statements. The following table provides condensed supplementary consolidated financial information for the corporation and its subsidiaries for the year ended December 31. The amounts are disclosed in thousands of dollars:

	2021 (000's) \$	2021 (000's) \$
Assets		
Current	106,273	104,266
Capital and intangibles	661,146	584,949
Other	1,505	341
Total assets	768,924	689,556
Regulatory balances	58,573	44,905
Total assets and regulatory balances	827,497	734,461
Liabilities		
Current	316,892	85,153
Long-term debt	89,209	258,526
Other	148,489	132,520
Total liabilities	554,590	476,199
Shareholders' equity		
Share capital	97,692	97,692
Contributed capital	25	25
2019 Contributed Surplus	79,301	79,301
Accumulated other comprehensive loss	3,130	(1,257)
Retained earnings	82,730	75,354
Total equity	262,878	251,115
Regulatory balances	10,029	7,147
Total liabilities, equity and regulatory balances	827,497	734,461
Comprehensive Income		
Commodity revenue	430,139	417,285
Commodity expenses	(434,592)	(426,225)
Distribution revenue	84,574	84,070
Operating expenses	(75,016)	(69,322)
Other expense	909	(1,560)
Accumulated other comprehensive loss	4,387	558
Net movements in regulatory balances, net of tax	10,783	12,684
Total comprehensive income for the year	21,184	17,490

7. Investment in Elexicon Corporation (continued)

(b) Equity in Elexicon Corporation

The Town's equity in Elexicon Corporation is as follows at the end of 2022:

	2022	2021
	\$	\$
Balance, beginning of year	74,432,719	73,099,028
Equity share of net earnings for the year from Elexicon Corporation	4,624,136	3,817,717
Dividend received	(2,056,509)	(2,484,026)
Balance, end of year	77,000,346	74,432,719

(c) Promissory notes receivable

The following promissory notes are receivable and form part of the investment in government business enterprise:

	2022	2021
	\$	\$
Elexicon Corporation	5,550,000	5,550,000
Elexicon Connections Inc.	14,060,000	14,060,000
	19,610,000	19,610,000

The notes issued by Elexicon Corporation and Elexicon Connections Inc. are due on demand. The Town has agreed not to demand repayment of the notes prior to December 31, 2022.

Commencing April 1, 2019 for a ten-year period, interest on the notes will be determined based on the deemed long-term interest rate prescribed by the Ontario Energy Board in its most recent cost of capital parameter update ("OEB rate"). As of April 1, 2019, the OEB rate was determined at 4.13%.

On the tenth year anniversary of the notes, the interest rate will be adjusted to the OEB rate in effect at that time. Thereafter, the interest rate will be adjusted to the OEB rate in effect at the earlier of:

- (i) The five year anniversary of the most recent interest rate adjustment of these notes, and
- (ii) The date on which Elexicon Energy Inc. files a cost of service application with the Ontario Energy Board.

The Town may demand full or partial repayment with sixty days' notice of the principal and accrued interest.

7. Investment in Elexicon Corporation (continued)

(d) *Contingencies and guarantees of Elexicon Corporation (the "Corporation") as disclosed in their financial statements are as follows:*

(i) *Insurance claims*

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE") which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE provides general liability insurance to member electric utilities. MEARIE also provides vehicle and property insurance to the Corporation.

Insurance premiums charged to each member utility consist of a levy per \$1,000 of service revenue subject to a credit or surcharge based on each electric utility's claims experience. The maximum coverage is \$40,000,000 per occurrence for liability insurance, \$21,000,000 for vehicle insurance and \$206,572,000 for property insurance, plus \$12,000,000 excess coverage on top of the regular liability and vehicle coverage.

(ii) *Contractual obligation – Hydro One Networks Inc.*

The Corporation's subsidiary, Elexicon Energy Inc. ("EEI"), is party to a connection and cost recovery agreement with Hydro One related to the construction by Hydro One of a transformer station designated to meet VCI's anticipated electricity load growth. Construction of the project was completed during 2007 and VCI connected to the transformer station during 2008.

To the extent that the cost of the project is not recoverable from future transformation connection revenues, EEI is obliged to pay a capital contribution equal to the difference between these revenues and the construction costs allocated to EEI. The construction costs allocated to EEI for the project are \$19,950,000.

Hydro One has performed a true-up based on actual load at the end of the tenth anniversary of the in-service date and the Corporation has paid \$nil in 2022 (nil in 2021) to Hydro One and recognized the same as an intangible asset. Hydro One is expected to perform another true-up based on actual load at the end of the fifteenth anniversary of the in-service date.

(iii) *Prudential Support*

Purchasers of electricity in Ontario, through the Independent Electricity System Operator ("IESO"), are required to provide security to mitigate the risk of default based on their expected activity in the market. The IESO could draw on this security if the Corporation fails to make the payment required on a default notice issued by the IESO. The Corporation has provided a \$64,000,000 guarantee to the IESO on behalf of EEI.

(iv) *General claims*

From time to time, the Corporation is involved in various lawsuits, claims and regulatory proceedings in the normal course of business. In the opinion of management, the outcome of such matters will not have a material adverse effect on the Corporation's consolidated financial position and results of operations or cash flows.

7. Investment in Elexicon Corporation (continued)

(d) *Contingencies and guarantees of Elexicon Corporation (the "Corporation") as disclosed in their financial statements are as follows: (continued)*

(v) *Regulatory Balances – Other Movements*

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year and includes restatements for regulatory balances to be refunded to customers in the future.

Regulatory balances can arise out of the rate-making process and result in accounting treatments that differ from IFRS for enterprises operating in a non-regulated environment and regulated entities that did not adopt IFRS 14.

The debit balance relates to the deferral of costs or variances associated with lost revenue from the impact of conservation programs, OEB assessment costs, collection of account charges, as well as regulatory changes affecting the changes in estimated useful lives.

The credit balance primarily relates to the regulatory balance that arose from the revenue requirement impact of accelerated capital cost allowance deductions from the Accelerated Investment Incentive tax measure which received Royal Assent on June 21, 2019. This credit balance also includes the pole attachment revenue variance.

(e) *Lease commitments*

Future minimum lease payment obligations under operating leases are as follows:

	\$
2023	177,000
2024	124,000
2025	95,000
2026	71,000
2027	45,000
thereafter	—
	<u>512,000</u>

As at December 31, 2022, a lease obligation of \$177,000 (\$217,000 in 2021) is recorded as a current liability and \$335,000 (\$511,000 in 2021) is recorded as a non-current liability.

8 Liability for contaminated site

The Town has recorded an unfunded liability of \$647,000 (\$647,000 in 2021) in accounts payable and accrued liabilities for the estimated remediation costs associated with a Town owned site with identified contaminants in the soil. The liability estimate for the site identified was based on an environmental assessment conducted by a third party engineering firm. At this time, the Town does not anticipate obtaining any recoveries in respect of the estimated liability.

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9. Deferred revenue

The obligatory reserve funds and other deferred revenue balances are summarized below:

	2022	2021
	\$	\$
Obligatory reserve funds		
Development Charges	34,710,272	26,179,486
Canada Community-Building Fund (FGT)	12,906,422	11,418,813
Recreational Land	5,307,041	4,248,104
Cash-in-lieu of Parking	7,436	7,266
Community Benefits Charges	36,144	—
Building Approvals	3,182,827	2,928,527
	56,150,142	44,782,196
Other unearned revenues	1,792,493	1,199,735
	57,942,635	45,981,931

A new Community Benefits Charges reserve fund was added in 2022. The other changes during the 2022 year in obligatory reserve funds which are reflected directly in the deferred revenue balance are analyzed as follows:

	Development Charges Act	Canada Community Building Fund (Gas Tax)	Recreational land	Cash-in-lieu of parking	Community benefis charges	Building approvals	2022 Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	26,179,486	11,418,813	4,248,104	7,266	—	2,928,527	44,782,196
Restricted funds received/receivable	20,340,461	3,795,574	1,132,767	—	36,000	—	25,304,802
Interest earned	889,194	293,748	119,202	170	144	—	1,302,458
Revenue recognized	(12,698,870)	(2,601,713)	(193,031)	—	—	254,300	(15,239,314)
Closing balance	34,710,271	12,906,422	5,307,042	7,436	36,144	3,182,827	56,150,142

	Development Charges Act	Gas Tax	Recreational land	Cash-in-lieu of parking	Building approvals	2021 Total
	\$	\$	\$	\$	\$	\$
Opening balance	10,561,499	9,054,078	3,220,222	7,219	1,987,427	24,830,445
Restricted funds received/receivable	18,645,277	7,444,367	1,004,369	—	—	27,094,013
Interest earned	150,099	72,459	23,513	47	—	246,118
Revenue recognized	(3,177,389)	(5,152,091)	—	—	941,100	(7,388,380)
Closing balance	26,179,486	11,418,813	4,248,104	7,266	2,928,527	44,782,196

10. Long-term payable

The Town has an interest-free long-term obligation payable in 2025 to a third party in relation to a development agreement.

11. Municipal debt

	2022 \$	2021 \$
The municipality has assumed responsibility for the payment of principal and interest charges on certain debt issued by the Regional Municipality of Durham and internally. At the end of the year, the outstanding principal was		
Amount to be recovered from future revenue	13,250,000	14,995,000
Less: amount owed to operating fund	(4,577,000)	(5,440,000)
Net municipal debt	8,673,000	9,555,000

The above long-term debt has interest rates ranging from 1.95% to 5.12% per annum and maturity dates in, 2020, 2022, 2028 and 2034. The annual required payment expected for 2023 is \$1,168,324 (\$1,168,745 in 2022) including principal and interest, and the timing of principal repayments are as follows to be paid from general municipal revenues:

	\$
2023	907,000
2024	934,000
2025	963,000
2026	992,000
2027	1,024,000
2028 to 2032	2,875,000
2033 and beyond	978,000
	8,673,000

The above debt issued in the name of the Town has been approved by by-law as required by legislation. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing. Interest paid or payable in 2022 and included in expenses is \$286,745 (\$314,922 in 2021).

12. Employee benefits payable

The Town provides certain employee benefits which will require funding in the future.

	2022 \$	2021 \$
Vacation payable	1,995,823	1,916,731
Post-employment benefits	6,655,952	6,502,770
Council severance	255,800	185,100
	8,907,575	8,604,601
Less: amount already funded from operations to mitigate the future impact of these obligations	(542,163)	(489,511)
Unfunded portion	8,365,412	8,115,090

(a) Vacation payable

Vacation pay owing at December 31, 2022 has been partially funded from operations and is included in employee benefits payable in these consolidated financial statements.

12. Employee benefits payable (continued)

(b) Post-employment benefits

The Town sponsors a defined benefit plan for retirement benefits other than pensions for substantially all of its employees and Councillors. The plan provides extended health and dental as well as vision coverage to full-time employees and Councillors. The plan is unfunded and requires no contribution from employees or Councillors. Total employer contribution to retiree benefits during the year were \$470,157 (\$521,479 in 2021).

Actuarial valuations for accounting purposes are performed triennially using the projected benefit method prorated on services. An actuarial valuation was completed as at December 31, 2019 and an accrued benefit obligation of \$5,708,032 is based on an extrapolation from that valuation to December 31, 2022.

The post-employment benefit liability at December 31, 2022 includes the following components:

	2022	2021
	\$	\$
Actuarially determined accrued benefit obligation	5,708,032	7,045,547
Unamortized actuarial gains (losses)	947,920	(542,777)
	<u>6,655,952</u>	<u>6,502,770</u>

The current actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases, and employee turnover and mortality. The assumptions used reflect the Town's best estimates; however actual experience may vary from these estimates. The main actuarial assumptions employed for the valuation and current year extrapolation are as follows:

Expected inflation rate	2.50%
Discount rate	5.00%
Medical cost increases	
First year	6.50%
Decreasing over 8 years to	4.00%
Expected rate of dental cost increase	4.00%
Estimated average remaining service life of the employee group	13.2 years

The post-employment benefit expense is reported on the consolidated statement of operations in the various functional categories. Composition of the amount is as follows:

	2022	2021
	\$	\$
Current year benefit cost	369,723	409,279
Amortization of actuarial losses	43,757	113,372
Interest on post-employment benefit liability	209,859	191,905
	<u>623,339</u>	<u>714,556</u>

12. Employee benefits payable (continued)

(c) Pension agreement

The Town makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), a multi-employer pension 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 service and rates of pay. The Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services 559,000 active and retired members and over 1,000 employers.

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 that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 million. As OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2022 was \$4,296,031 (\$4,020,174 in 2021).

(d) Council severance

Part of the remuneration package includes eligibility of all Councillors to receive a severance payment of one month salary per year of continuous service, with a minimum of four years of continuous service, to a maximum payment of 18 months should they not be re-elected. The estimated liability based on service and salary levels as at December 31, 2022 totaling \$255,800 (\$185,100 in 2021) has been fully funded from operations and included in employee benefits payable in these consolidated financial statements.

13. Landfill post-closure liability

The Town owns one closed landfill site requiring post-closure care including monitoring of ground and surface water, leachate and gas, as well as ongoing maintenance and annual reporting to comply with environmental legislation. Municipalities are required to recognize liabilities for all of these future costs as the sites are filled, therefore all post-closure costs must be estimated and recognized fully for closed sites. This liability is unfunded and is therefore shown as a separate component of accumulated surplus (Note 14).

In 2013, an environmental consulting firm was engaged to provide an updated estimate post-closure costs. The estimate was based on assumptions regarding the nature and amount of annual expenses, an inflation factor of 2%, a 40-year future monitoring requirement and discounted at 3.75%. Actual experience may vary from these assumptions and as new information becomes available. Based on an extrapolation of that valuation, the estimated present value of costs as at December 31, 2022 is \$405,087 (\$396,427 in 2021). Composition of the liability is as follows:

	2022	2021
	\$	\$
Liability, beginning of the year	396,427	396,559
Expenses	(11,448)	(12,212)
Cost adjustment to account for inflation	20,108	12,080
	405,087	396,427

14. Accumulated surplus

	2022	2021
	\$	\$
Surplus - BIAs and Library	990,530	1,484,574
Reinvested Income	1,695,019	—
Invested in tangible capital assets (Note 17)	583,203,045	591,266,677
Invested in construction in progress (Note 17)	12,714,903	3,773,612
Municipal debt and long-term obligation (Notes 10 and 11)	(9,184,403)	(10,066,403)
Internal debt - owing to operating fund (Note 11)	(4,577,000)	(5,440,000)
Internal capital fund	11,878,585	5,020,743
Reserve/reserve fund balances	115,928,115	109,581,209
Equity in government business enterprise (Note 7)	77,000,347	74,432,719
Liability for contaminated sites (Note 8)	(647,000)	(647,000)
Employee benefits payable (Note 12)	(8,365,412)	(8,115,090)
Landfill post-closure liability (Note 13)	(405,087)	(396,427)
	780,231,642	760,894,614

15. Contingencies and commitments

(a) Capital project commitments

The Town has committed to many capital projects expected to be completed over several years including Rossland Road Widening from Church to Westney and reconstruction of Admiral Road from Parry Road to Roosevelt Avenue. As at December 31, 2022, the Town had awarded contracts in the amount of \$53,768,069 (\$44,106,135 in 2021) and \$35,483,690 (\$22,509,428 in 2021) of those awarded amounts have been spent. The remaining contractual commitments of \$17,785,232 (\$21,596,707 in 2021) will be incurred as capital expenditures as the work is completed. Funding for the completion costs is expected to include use of funds from various discretionary and obligatory reserve funds.

(b) Legal matters

The Town has been named in litigation matters, the outcome of which is undeterminable and accordingly, no provision has been provided for any potential liability in these financial statements. Should any loss result from these claims, which is not covered by insurance, such loss would be charged to operations in the year of resolution or earlier if the loss is likely and measurable.

(c) Participation in Durham Municipal Insurance Pool

The Town is a member of the Durham Municipal Insurance Pool ("DMIP"), which was created in July 2000. DMIP provides insurance coverage to seven member municipalities.

(c) Participation in Durham Municipal Insurance Pool (continued)

The annual contributions from each member municipality are based on the value of its insured assets, claims experience, population and risk management philosophy. Future levies depend on the experience of the pool. Beyond the \$10,000 Town deductible, DMIP covers eligible insurance claims up to \$500,000. DMIP has outside coverage in place for claims over \$500,000.

Because DMIP is a multi-municipality insurance pool, surpluses or deficits are a joint responsibility of the member municipalities through future levies. The Town does not recognize any share of the DMIP surplus or deficit, but has made provision for estimated deductible amounts of \$135,000 (\$175,000 in 2021) for all outstanding Town claims.

16. Budget figures

The 2022 Budget adopted by Council on February 28, 2022, was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures treated all tangible capital asset additions as expenses and did not include amortization expense on tangible capital assets, post-employment benefits or landfill costs. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets represent the budget adopted by Council on February 28, 2022 with adjustments as follows:

	2022 budget adopted by council	Non TCA expenditures from capital	Amortization/ post emp ben/ landfill costs	2022 budget presented in statements
	\$	\$	\$	\$
Revenue				
Taxation	79,463,800	—	—	79,463,800
Obligatory reserve funds earned	15,109,100	—	—	15,109,100
Other	29,219,800	—	—	29,219,800
	123,792,700	—	—	123,792,700
Expenses				
General government	9,170,091	1,345,600	1,215,800	11,731,491
Protection to persons and property	26,047,920	901,500	1,016,500	27,965,920
Transportation services	18,563,115	162,000	9,082,100	27,807,215
Environmental services	590,100	515,000	2,878,000	3,983,100
Health, social and family services	100,800	—	—	100,800
Recreation and culture services	33,738,383	322,000	8,084,500	42,144,883
Planning and development	5,715,391	270,000	25,900	6,011,291
	93,925,800	3,516,100	22,302,800	119,744,700
Annual surplus	29,866,900	(3,516,100)	(22,302,800)	4,048,000
Capital expenditures	29,410,600			
Transfers to (from)				
reserve/reserve funds	32,100			
Transfer GBE dividends	(2,056,200)			
Debt proceeds				
Debt repayment	1,745,000			
Budgeted use of prior year surplus	735,400			
Consists of				
Ajax Public Library	735,400			
	735,400			

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17. Tangible capital assets

	Land	Land improv.	Buildings	Vehicles & rolling equipment	Computer hardware & software	General assets Furniture, fixtures & equipment	Land	Road network	Storm water network	Vehicles & rolling equipment	Infrastructure assets Furniture, fixtures & equipment	2022 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	131,853,499	85,397,210	165,697,177	16,780,588	2,503,280	21,977,497	14,971,013	328,979,652	123,737,917	7,173,903	102,412	899,174,148
Additions	4,247,992	1,073,087	307,536	508,563	207,424	1,260,676	9	4,752,175	4,179,635	701,307	—	17,238,404
Disposals	—	(112,358)	(103,289)	(872,501)	(134,762)	(671,516)	—	(820,902)	(1,012,227)	(424,978)	—	(4,152,533)
Cost, end of year	136,101,491	86,357,939	165,901,424	16,416,650	2,575,942	22,566,657	14,971,022	332,910,925	126,905,325	7,450,232	102,412	912,260,019
Accumulated amortization, beginning of year	—	42,063,171	47,995,939	10,115,040	1,108,487	11,924,285	—	143,601,969	46,359,574	4,650,851	88,155	307,907,471
Amortization	—	3,836,663	4,373,028	941,891	475,217	1,901,647	—	9,742,333	3,552,525	429,032	5,901	25,258,237
Disposals	—	(112,358)	(59,489)	(872,501)	(134,762)	(671,516)	—	(820,902)	(1,012,227)	(424,978)	—	(4,108,733)
Accumulated amortization, end of year	—	45,787,476	52,309,478	10,184,430	1,448,942	13,154,416	—	152,523,400	48,899,872	4,654,905	94,056	329,056,975
Net book value, beginning of year	131,853,499	43,334,039	117,701,238	6,665,548	1,394,793	10,053,212	14,971,013	185,377,683	77,378,343	2,523,052	14,257	591,266,677
Net book value, end of year	136,101,491	40,570,463	113,591,946	6,232,220	1,127,000	9,412,241	14,971,022	180,387,525	78,005,453	2,795,327	8,356	583,203,044

The Corporation of the Town of Ajax
Notes to the consolidated financial statements
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17. Tangible capital assets (continued)

	Land	Land improv.	Buildings	Vehicles & rolling equipment	Computer hardware & software	General assets Furniture, fixtures & equipment	Land	Road network	Storm water network	Vehicles & rolling equipment	Infrastructure assets Furniture, fixtures & equipment	2021 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	131,293,265	82,736,377	164,933,377	16,038,331	2,462,987	21,205,928	14,971,011	321,499,782	121,645,377	6,991,804	102,412	883,880,651
Additions	560,234	2,722,300	941,667	1,435,044	777,884	1,351,048	2	8,637,299	2,244,369	182,099	—	18,851,946
Disposals	—	(61,467)	(177,867)	(692,787)	(737,591)	(579,479)	—	(1,157,429)	(151,829)	—	—	(3,558,449)
Cost, end of year	131,853,499	85,397,210	165,697,177	16,780,588	2,503,280	21,977,497	14,971,013	328,979,652	123,737,917	7,173,903	102,412	899,174,148
Accumulated amortization, beginning of year	—	38,297,549	43,689,603	9,820,380	1,435,611	10,620,169	—	134,828,776	43,243,468	4,232,287	79,350	286,247,193
Amortization	—	3,827,091	4,415,442	987,447	410,467	1,883,595	—	9,660,258	3,267,935	418,564	8,805	24,879,604
Disposals	—	(61,469)	(109,106)	(692,787)	(737,591)	(579,479)	—	(887,065)	(151,829)	—	—	(3,219,326)
Accumulated amortization, end of year	—	42,063,171	47,995,939	10,115,040	1,108,487	11,924,285	—	143,601,969	46,359,574	4,650,851	88,155	307,907,471
Net book value, beginning of year	131,293,265	44,438,828	121,243,774	6,217,951	1,027,376	10,585,759	14,971,011	186,671,006	78,401,909	2,759,517	23,062	597,633,458
Net book value, end of year	131,853,499	43,334,039	117,701,238	6,665,548	1,394,793	10,053,212	14,971,013	185,377,683	77,378,343	2,523,052	14,257	591,266,677

17. Tangible capital assets (continued)

The net book value of tangible capital assets not being amortized because they are under construction is \$12,714,903 (\$3,773,612 in 2021).

Assets contributed to the Town in 2022, consisting of Land, Land Improvements, Road Network and Storm Water Network assets, had a fair market value of \$11,682,945 (\$5,077,981 in 2021).

The Town holds various works of art and historical treasures pertaining to the heritage and history of the Town of Ajax. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

Under agreement with Toronto Region Conservation Authority ("TRCA"), the Town has the right to use certain lands owned by TRCA for recreational purposes and enjoyment of the general public. Within the terms of the agreement, the Town is responsible for the full cost of construction and maintenance of assets which are situated on the property as well as maintenance and improvements to the land.

The following table summarizes the value of assets located on TRCA land.

	Buildings \$	Land improvement \$	Furniture, fixtures and equipment \$	Storm water network \$	Total \$
Cost, beginning of year	2,589,870	8,538,118	255,473	616,130	11,999,591
Additions	—	—	—	—	—
Disposals	—	—	—	—	—
Cost, end of year	2,589,870	8,538,118	255,473	616,130	11,999,591
Accumulated amortization, beginning of year	921,782	4,024,172	90,599	602,955	5,639,508
Amortization	52,106	350,108	25,547	8,784	436,545
Disposals	—	—	—	—	—
Accumulated amortization, end of year	973,888	4,374,280	116,146	611,739	6,076,053
Net book value, beginning of year	1,668,088	4,513,946	164,874	13,175	6,360,083
Net book value, end of year	1,615,982	4,163,838	139,327	4,391	5,923,538

18. Segmented information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General government

This item relates to revenues and expenses of the Town itself and cannot be directly attributed to specific segments.

Protection to persons and property

Protection includes fire services, animal control and building inspection/enforcement of building code to ensure the safety and protection of citizens and their property.

Transportation services

Transportation includes construction and maintenance of the Municipality's roadways, including snow removal, asphalt patching and sidewalk repairs.

Environmental services

Environmental services include urban storm water management costs, litter pickup and closed landfill site monitoring costs.

Health, social and family services

Health and social services for assistance or services for seniors.

Recreation and culture services

Recreation and cultural services are actively supported by the municipality and include recreation programs, current and new facilities, parks, maintenance and construction and library services.

Planning and development

Planning and development provides a number of services including municipal planning and review of all property development plans through its application processes.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Where revenues are not directly attributable to a segment, they are prorated as a percentage of the segment's expenses versus total expenses.

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18. Segmented information (continued)

	General government \$	Protection to persons and property \$	Transportation services \$	Environmental services \$	Health, social and family services \$	Recreation and culture services \$	Planning and development \$	Unallocated \$	2022 Total \$
Revenue									
Taxation	13,845,041	15,689,514	14,349,944	3,851,403	90,181	25,346,201	6,228,309	—	79,400,594
User charges	682,744	4,194,600	548,674	114,314	1,608,597	4,894,972	2,342,624	—	14,386,526
Government grants	1,779,735	—	9,235	750,000	29,590	354,608	413,003	—	3,336,171
Gaming and casinos	889,651	1,008,173	922,095	247,482	5,795	1,628,690	400,217	—	5,102,103
Investment income	864,846	980,063	896,385	240,582	5,633	1,583,279	389,058	—	4,959,846
Obligatory reserve funds earned	2,657,271	3,011,280	2,754,177	739,198	17,308	4,864,683	1,195,396	—	15,239,313
Penalties and interest on taxes receivable	442,140	501,043	458,264	122,994	2,880	809,428	198,900	—	2,535,649
Donations and contributed assets	—	—	2,866,516	6,339,558	—	2,476,871	—	—	11,682,945
Government business enterprise	—	—	—	—	—	—	—	4,624,138	4,624,138
Loss on disposal of TCA	—	—	93,372	—	—	—	—	—	93,372
Other	774,216	20,920	1,228,284	60,000	1,000	83,884	64,251	—	2,232,556
	21,935,645	25,405,593	24,126,947	12,465,532	1,760,984	42,042,616	11,231,759	4,624,138	143,593,213
Expenses									
Salaries, wages and benefits	12,272,302	20,833,018	6,060,610	373,524	63,096	20,754,886	3,539,235	—	63,896,671
Materials, supplies and services	2,448,276	1,327,257	3,733,046	1,389,477	59,663	4,954,044	469,392	—	14,381,155
Contracted services	3,578,081	904,895	1,936,219	601,054	7,513	2,864,481	294,763	—	10,187,006
Rents and financial expenses	820,610	2,565	1,410,134	—	8,823	195,445	86,097	—	2,523,674
Amortization	1,382,534	995,183	10,272,481	3,584,503	—	9,017,065	6,469	—	25,258,235
Other	1,163,358	488,533	(957,241)	85,850	2,023	1,876,622	5,350,300	—	8,009,445
	21,665,161	24,551,451	22,455,249	6,034,408	141,118	39,662,543	9,746,256	—	124,256,186
Annual surplus (deficit)	270,484	854,142	1,671,698	6,431,124	1,619,866	2,380,073	1,485,503	4,624,138	19,337,027

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18. Segmented information (continued)

	General government \$	Protection to persons and property \$	Transportation services \$	Environmental services \$	Health, social and family services \$	Recreation and culture services \$	Planning and development \$	Unallocated \$	2021 Total \$
Revenue									
Taxation	12,199,570	16,976,185	16,368,367	3,352,245	78,597	24,712,878	2,760,062	—	76,447,904
User charges	599,911	4,860,482	2,267,329	147,584	45,213	1,746,795	2,914,121	—	12,581,433
Government grants	2,987,573	34,100	297,946	—	49,600	276,940	24,000	—	3,670,159
Gaming and casinos	442,701	616,037	593,980	121,647	2,852	896,788	100,158	—	2,774,163
Investment income	276,899	385,316	371,520	76,087	1,784	560,919	62,646	—	1,735,172
Obligatory reserve funds earned	834,542	31,120	5,331,080	162,230	—	1,029,408	—	—	7,388,380
Penalties and interest on taxes receivable	387,422	539,112	519,810	106,457	2,496	784,807	87,651	—	2,427,755
Donations and contributed assets	—	—	3,293,960	1,142,635	—	641,386	—	—	5,077,981
Government business enterprise	—	—	—	—	—	—	—	3,817,717	3,817,717
Loss on disposal of TCA	—	—	(326,932)	—	—	—	—	—	(326,932)
Other	1,757,746	26,038	1,067,350	—	2,700	66,914	43,750	—	2,964,498
	<u>19,486,365</u>	<u>23,468,390</u>	<u>29,784,410</u>	<u>5,108,885</u>	<u>183,242</u>	<u>30,716,834</u>	<u>5,992,388</u>	<u>3,817,717</u>	<u>118,558,230</u>
Expenses									
Salaries, wages and benefits	10,937,825	19,761,753	5,989,354	666,238	22,074	16,710,411	3,321,179	—	57,408,834
Materials, supplies and services	2,080,029	1,157,919	4,995,942	165,760	53,537	4,520,905	462,489	—	13,436,581
Contracted services	2,255,412	1,470,484	1,942,060	524,347	8,977	2,089,425	406,620	—	8,697,325
Rents and financial expenses	706,299	3	850,016	—	—	48,549	1,516	—	1,606,383
Amortization	1,312,139	1,013,178	10,181,596	3,302,185	—	9,064,036	6,469	—	24,879,603
Other	(81,366)	545,600	(867,505)	70,606	26,292	2,430,050	(298,176)	—	1,825,501
	<u>17,210,338</u>	<u>23,948,937</u>	<u>23,091,463</u>	<u>4,729,136</u>	<u>110,880</u>	<u>34,863,376</u>	<u>3,900,097</u>	<u>—</u>	<u>107,854,227</u>
Annual surplus (deficit)	<u>2,276,027</u>	<u>(480,547)</u>	<u>6,692,947</u>	<u>379,749</u>	<u>72,362</u>	<u>(4,146,542)</u>	<u>2,092,291</u>	<u>3,817,717</u>	<u>10,704,003</u>