

MUNICIPALITY OF SOUTH HURON
Supplementary Information
For the year ended December 31, 2023

The financial statements are presented on a consolidated basis and, therefore, include the proportional share of the assets, liabilities, operating revenues and expenditures of the various joint boards which the Municipality of South Huron belongs to.

Financial Indicators

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | not restated | | | |
| Cash | 18,460,124 | 17,672,001 | 15,091,900 | 11,976,551 | 11,587,913 |
| Taxes receivable (note 1) | 779,742 | 614,325 | 609,377 | 1,096,795 | 1,104,018 |
| Accounts receivable | 3,628,867 | 3,646,363 | 3,106,678 | 3,011,938 | 3,608,271 |
| Other current assets | 44,919 | 25,848 | 36,808 | 25,163 | 19,926 |
| Investments | 9,934,201 | 9,429,197 | 9,205,606 | 9,141,982 | 9,027,117 |
| Long-term receivables | 150,064 | 190,893 | 264,436 | 319,286 | 355,703 |
| | <u>32,997,917</u> | <u>31,578,627</u> | <u>28,314,805</u> | <u>25,571,715</u> | <u>25,702,948</u> |
| Accounts payable | 4,244,288 | 4,586,292 | 3,132,812 | 4,693,622 | 3,594,576 |
| Deferred revenue | 2,033,623 | 2,927,952 | 2,742,452 | 1,757,630 | 1,572,209 |
| Asset retirement obligations | - | - | - | - | - |
| Landfill closure and post closure liability | 7,531,800 | 6,050,200 | 5,984,800 | 5,876,700 | 5,730,100 |
| Municipal debt | 22,787,155 | 22,020,588 | 19,382,981 | 20,579,800 | 21,697,996 |
| | <u>36,596,866</u> | <u>35,585,032</u> | <u>31,243,045</u> | <u>32,907,752</u> | <u>32,594,881</u> |
| Net financial assets (note 2) | <u>(3,598,949)</u> | <u>(4,006,405)</u> | <u>(2,928,240)</u> | <u>(7,336,037)</u> | <u>(6,891,933)</u> |
| Tangible capital assets | | | | | |
| Net book value beginning of year | 114,715,172 | 106,858,701 | 106,752,616 | 101,530,653 | 101,011,897 |
| Adjustment for change in accounting policy | 313,839 | - | - | - | - |
| Purchases | 10,224,096 | 11,513,025 | 3,309,038 | 8,790,834 | 4,169,451 |
| Disposals and adjustments | 12,052 | (443,296) | (58,398) | (516,494) | (710,615) |
| Amortization | (3,284,635) | (3,213,258) | (3,144,555) | (3,052,377) | (2,940,080) |
| Net book value end of year | <u>121,980,524</u> | <u>114,715,172</u> | <u>106,858,701</u> | <u>106,752,616</u> | <u>101,530,653</u> |
| Accumulated surplus (note 3) | | | | | |
| General surplus and net investment in capital assets | 97,346,688 | 90,862,170 | 85,715,866 | 84,454,051 | 77,982,293 |
| Unfunded landfill liabilities | - | (6,050,200) | (5,984,800) | (5,876,700) | (5,730,100) |
| Unfunded asset retirement obligations | (7,531,800) | - | - | - | - |
| Reserves | 28,460,577 | 25,805,141 | 24,117,533 | 20,775,834 | 22,349,159 |
| Other surplus | 106,110 | 91,656 | 81,862 | 63,394 | 37,368 |
| | <u>118,381,575</u> | <u>110,708,767</u> | <u>103,930,461</u> | <u>99,416,579</u> | <u>94,638,720</u> |
| | - | - | - | - | - |

Note 1: Taxes receivable

| | | | | | |
|--|------|------|------|------|------|
| Current year taxes receivable as percentage of total levy for year | 2.3% | 1.9% | 1.9% | 2.9% | 3.1% |
| Total taxes receivable as percentage of total levy for year | 3.3% | 2.7% | 2.8% | 5.0% | 5.5% |

The municipality has maintained a low rate of arrears throughout the comparison period.

Note 2: Net financial assets

Net financial assets represent the net amount of cash and items that will eventually be turned into cash or paid out in cash and indicates the extent of resources available to finance future operations.

Note 3: Accumulated surplus

Total accumulated surplus indicates the resources available to provide future services. Adequate reserves are an indicator of flexibility and ability to deal with contingencies.

MUNICIPALITY OF SOUTH HURON
Supplementary Information
For the year ended December 31, 2023

Five Year Comparison of Operating Revenue Expenses

| | 2023 Budget | 2023 Actual | 2022 Actual not restated | 2021 Actual | 2020 Actual | 2019 Actual |
|--|----------------|---------------------|--------------------------------|----------------|----------------|----------------|
| Revenue | | | | | | |
| Taxation | 11,346,943 | 11,441,102 | 11,168,987 | 10,515,912 | 10,921,771 | 9,364,049 |
| Grants | | | | | | |
| OMPF grant | 1,512,600 | 1,512,600 | 1,404,200 | 1,344,700 | 1,391,700 | 1,420,400 |
| Gas tax grant | - | - | 974,343 | - | 469,494 | 210,443 |
| Covid-19 and safe restart grants | 179,611 | 29,611 | 19,675 | 565,815 | - | - |
| Moernization grant | - | - | 63,564 | - | - | 625,482 |
| Other capital grants | 5,763,448 | 2,862,171 | 1,292,112 | 329,777 | 1,069,241 | 1,346,128 |
| Other government grants | 382,383 | 359,588 | 302,160 | 442,201 | 335,425 | 458,388 |
| User fees | | | | | | |
| Water and sewer | 7,583,690 | 7,556,552 | 6,930,004 | 6,344,963 | 6,047,105 | 5,575,338 |
| Garbage collection and disposal | 1,362,597 | 1,436,279 | 1,472,852 | 1,415,684 | 1,245,764 | 1,187,768 |
| Road charges and recoveries | 152,696 | 78,271 | 70,531 | 71,445 | 131,746 | 68,536 |
| Recreation | 606,683 | 645,148 | 572,204 | 394,366 | 386,025 | 699,797 |
| Recreation - donations | 44,740 | 46,290 | 48,457 | 500 | 6,437 | 89,509 |
| Municipal drains | - | 149,702 | 338,588 | 46,020 | 224,503 | 55,528 |
| Protective services permits and fees | 348,853 | 500,416 | 531,377 | 490,639 | 444,080 | 295,395 |
| Vibrancy Fund | - | 353,204 | 417,621 | 701,111 | 265,123 | 354,561 |
| Other fees and charges | 172,441 | 571,905 | 590,736 | 313,850 | 260,889 | 296,987 |
| Other income | | | | | | |
| Bank interest and penalties on taxes | 391,500 | 1,542,453 | 756,136 | 343,103 | 357,952 | 546,321 |
| Gain (loss) on disposition of captial assets | - | 12,052 | (240,303) | (58,398) | - | - |
| Total revenue per financial statements | 29,848,185 | 29,097,344 | 26,713,244 | 23,261,688 | 23,557,255 | 22,594,630 |
| Expenditures (line items exclude depreciation and capital) | | | | | | |
| Council | 235,868 | 216,874 | 248,537 | 187,138 | 194,300 | 220,293 |
| Other general government | 2,227,301 | 1,815,389 | 1,998,918 | 1,632,812 | 1,727,145 | 1,566,116 |
| Fire | 998,600 | 1,750,930 | 848,407 | 1,006,910 | 1,015,355 | 882,821 |
| Policing | 2,059,871 | 2,052,228 | 2,076,831 | 2,094,764 | 2,047,075 | 1,964,005 |
| Conservation authority | 286,318 | 286,738 | 280,984 | 313,558 | 277,150 | 278,412 |
| Building, water quality, and other protective services | 635,103 | 543,532 | 602,067 | 506,438 | 336,870 | 345,589 |
| Roads and streetlights | 3,074,056 | 3,102,767 | 3,190,348 | 2,537,641 | 2,425,061 | 2,506,904 |
| Water and sewer | 4,011,347 | 3,794,565 | 3,225,395 | 3,720,463 | 3,890,969 | 4,318,467 |
| Waste collection and disposal | 1,193,728 | 1,357,742 | 1,427,251 | 1,348,398 | 1,181,250 | 1,155,979 |
| Cemeteries and other health and social services | 340,704 | 199,231 | 198,802 | 187,622 | 177,636 | 155,492 |
| Recreation - Parks | 188,944 | 179,711 | 154,270 | 139,403 | 141,131 | 127,829 |
| Recreation - Programs | 161,472 | 72,823 | 78,736 | 82,744 | 185,512 | 185,817 |
| Recreation - Facilities | 1,772,798 | 1,407,891 | 1,724,034 | 1,393,708 | 1,513,721 | 2,157,208 |
| Municipal drains | - | 11,454 | 447,827 | 215,492 | 414,737 | 97,630 |
| Planning and development | 166,975 | 180,266 | 153,873 | 128,060 | 52,507 | 37,637 |
| Capital expenditures | 18,586,327 | 10,224,096 | 11,513,025 | 3,309,038 | 8,790,834 | 4,169,451 |
| Net transfers to (from) reserves | (3,801,029) | 2,655,436 | 1,687,608 | 3,341,699 | (1,573,324) | 1,800,938 |
| Total expenditures | 32,138,383 | 29,851,673 | 29,856,913 | 22,145,888 | 22,797,929 | 21,970,588 |
| Less: capital expenditures | (18,586,327) | (10,224,096) | (11,513,025) | (3,309,038) | (8,790,834) | (4,169,451) |
| net transfers to (from) reserves | 3,801,029 | (2,655,436) | (1,687,608) | (3,341,699) | 1,573,324 | (1,800,938) |
| Add: amortization and writedowns | 3,284,635 | 3,284,635 | 3,213,258 | 3,144,555 | 3,052,377 | 2,940,080 |
| Add: increase (decrease) in landfill post-closure liab | - | - | 65,400 | 108,100 | 146,600 | 52,700 |
| Add: increase (decrease) in asset retirement oblig | - | 147,678 | - | - | - | - |
| Total expenditures per financial statements | 20,637,720 | 20,404,454 | 19,934,938 | 18,747,806 | 18,779,396 | 18,992,979 |
| Net surplus (deficit) per financial statements | 9,210,465 | 8,692,890 | 6,778,306 | 4,513,882 | 4,777,859 | 3,601,651 |