

The Corporation of the Municipality of Leamington

**Financial Statements
December 31, 2022**

INDEPENDENT AUDITOR'S REPORT

**To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of Leamington**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of Leamington, which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of financial operations for the year then ended
- the consolidated statement of changes in net financial surplus for the year then ended
- the consolidated statement of cash flow for the year then ended
- and notes to the consolidated financial statements including summary of accounting policies.

Hereinafter referred to as the "consolidated financial statements".

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of The Corporation of the Municipality of Leamington as at December 31, 2022, and its consolidated results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of The Corporation of the Municipality of Leamington in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our 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.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 controls as management determines is necessary to enable the preparation of the 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 Corporation of the Municipality of Leamington'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 Corporation of the Municipality of Leamington or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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 controls.

- Obtain an understanding of internal controls 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 Corporation of the Municipality of Leamington's internal controls.
- 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 Corporation of the Municipality of Leamington'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 Corporation of the Municipality of Leamington 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within The Corporation of the Municipality of Leamington to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of The Corporation of the Municipality of Leamington's 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 controls that we identify during our audit.

**HICKS MacPHERSON, IATONNA
& DRIEDGER LLP**
*Hicks, Macpherson,
Iatonna & Driedger LLP*
 Chartered Professional Accountants
 Licensed Public Accountants

Leamington, Ontario
 September 26, 2023

MANAGEMENT'S REPORT

**To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of Leamington**

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Municipality of Leamington are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls and is ultimately responsible for reviewing and approving the consolidated financial statements.

Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Hicks, MacPherson, Iatonna & Driedger LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of The Corporation of the Municipality of Leamington and meet when required.

On behalf of The Corporation of the Municipality of Leamington:


Name Laura Rauch
Title Treasurer


Name Ginny Campbell
Title Deputy Treasurer

September 26, 2023

The Corporation of the Municipality of Leamington

Consolidated Statement of Financial Position as at December 31

	2022	2021
Assets		
Financial Assets		
Cash and short-term investments (note 2)	\$ 113,841,468	\$ 100,687,299
Taxes receivable	5,558,441	3,060,818
Accounts receivable	13,287,714	15,255,383
Drainage accounts receivable	1,430,224	1,641,477
Investment in Essex Power Corporation (note 3)	13,408,919	13,249,229
Investment in Union Water Supply System (note 5)	9,757,606	10,546,808
Other current assets	26,836	33,336
	157,311,208	144,474,350
Physical Assets		
Inventories for resale	1,786,836	1,694,305
	159,098,044	146,168,655
Liabilities		
Accounts payable and accrued liabilities	9,223,392	10,552,169
Deferred revenue (note 6)	14,177,653	6,865,163
Security deposits and unearned revenue	14,796,998	11,899,655
Long-term debt (note 10)	15,234,234	18,207,072
Landfill closure cost liabilities (note 15)	2,310,916	2,497,098
Post-employment benefits (note 12)	21,399,900	20,507,700
Sick leave liability (note 8)	421,200	365,200
	77,564,293	70,894,057
Net Financial Surplus	81,533,751	75,274,598
Non-Financial Assets		
Inventory	460,906	434,766
Prepaid expenses	173,831	140,034
Tangible capital assets (note 1) and (Schedule 1)	314,581,155	305,848,396
Net Non-Financial Assets	315,215,892	306,423,196
Accumulated Surplus (note 20)	\$ 396,749,643	\$ 381,697,794

See accompanying notes to financial statements and schedules

The Corporation of the Municipality of Leamington

Consolidated Statement of Financial Operations for the years ended December 31

	2022 Budget (note 14)	2022 Actual	2021 Actual
Revenues			
Taxation	\$ 58,576,821	\$ 60,268,474	\$ 56,605,845
User fees	33,283,044	36,455,268	36,024,604
Grants	8,003,281	7,856,195	8,427,705
Investment income (note 18)	1,031,700	3,730,497	1,840,117
Change in investment in Union Water Supply System (note 5)	-	-	1,326,767
Licences and permits	986,125	1,423,271	1,290,502
Penalties and interest	525,000	629,373	606,358
Gain on sale of physical assets	-	7,762	574,878
Essex Power Corporation	-	159,690	551,480
Dividend income	450,000	453,282	453,282
Contributed tangible capital assets (note 17)	-	29,024	325,170
Rents and concessions	101,592	139,882	88,141
Deferred revenue (note 6)	-	1,293,120	31,108
Other income (note 19)	320,450	655,234	576,458
	103,278,013	113,101,072	108,722,415
Deduct: County of Essex purposes	(15,028,294)	(15,028,294)	(14,052,919)
School purposes	(7,215,738)	(7,215,738)	(6,815,442)
	81,033,981	90,857,040	87,854,054
Expenses			
General government	9,863,372	9,049,382	8,598,811
Protective services	11,132,659	11,575,401	11,923,812
Transportation services	8,004,046	8,813,168	7,481,583
Environmental services	22,319,943	34,598,964	24,910,230
Health services	98,537	104,409	85,067
Recreation and cultural services	7,099,185	7,137,052	5,442,870
Planning and development	2,303,987	1,850,045	1,427,323
Municipal drainage act	5,850,206	2,676,770	4,545,389
	66,671,935	75,805,191	64,415,085
Annual Surplus	14,362,046	15,051,849	23,438,969
Accumulated Surplus, Beginning of Year	381,697,794	381,697,794	358,258,825
Accumulated Surplus, End of Year	\$ 396,059,840	\$ 396,749,643	\$ 381,697,794

See accompanying notes to financial statements and schedules

The Corporation of the Municipality of Leamington
Consolidated Statement of Changes in Net Financial Surplus
for the years ended December 31

	2022 Budget (note 14)	2022 Actual	2021 Actual
Annual Surplus	\$ 14,362,046	\$ 15,051,849	\$ 23,438,969
Acquisition of tangible capital assets	(24,281,634)	(19,965,042)	(15,115,475)
Amortization of tangible capital assets	10,614,598	10,995,871	10,519,294
Increase in ownership of Union Water Supply System tangible capital assets and WIP	-	-	(1,033,648)
Loss on sale of tangible capital assets and WIP	10,000	66,294	779,939
Contributed tangible capital assets	-	(29,024)	(325,170)
Proceeds on disposal of tangible capital assets	-	199,140	83,039
(Acquisition) of prepaid expenses	-	(33,795)	(61,471)
(Acquisition) Disposal of inventories	-	(26,140)	4,326
Increase in Net Financial Surplus	705,010	6,259,153	18,289,803
Net Financial Surplus, Beginning of Year	75,274,598	75,274,598	56,984,795
Net Financial Surplus, End of Year	\$ 75,979,608	\$ 81,533,751	\$ 75,274,598

See accompanying notes to financial statements and schedules

The Corporation of the Municipality of Leamington

Consolidated Statement of Cash Flow for the years ended December 31

	2022	2021
Annual Surplus	\$ 15,051,849	\$ 23,438,969
Operations Transactions		
Items not involving cash:		
Landfill closure cost liability	(186,182)	(182,532)
Post employee benefits	892,200	883,400
Sick leave liability	56,000	55,100
Amortization of tangible capital assets	10,995,871	10,519,294
Loss on sale of tangible capital assets	66,294	779,939
Donations of tangible capital assets	(29,024)	(325,170)
Gain on sale of physical assets	(7,762)	(574,878)
Taxes receivable	(2,497,624)	(724,775)
Accounts receivable	1,967,669	(3,022,124)
Drainage accounts receivable	211,253	(228,935)
Other current assets	6,500	6,500
Proceeds on sale of physical assets	7,762	1,000,000
Inventories	(92,531)	(1,742,819)
Prepaid expenses	(33,795)	(61,467)
Inventory non-resalable	(26,140)	4,323
Accounts payable and accrued liabilities	(1,328,777)	2,385,086
Deferred revenue	7,312,490	912,145
Security deposits and unearned revenue	2,897,343	2,757,793
Cash provided by operating transactions	20,211,547	12,440,880
Investing Transactions		
Investment in Essex Power Corporation	(159,690)	(551,480)
Investment in Union Water Supply System	789,202	1,453,660
Change in ownership of Union Water Supply System	-	(554,738)
Cash provided by investing transactions	629,512	347,442
Capital Transactions		
Proceeds on sale of tangible capital assets	199,140	83,039
Change in ownership of Union Water Supply System	-	(1,033,648)
Acquisition of tangible capital assets	(19,965,042)	(15,115,473)
Cash used by capital transactions	(19,765,902)	(16,066,082)
Financing Transactions		
Debt repayment (principal only) (note 9)	(2,972,837)	(2,874,278)
Change in ownership of Union Water Supply System	-	261,617
Cash used by financing transactions	(2,972,837)	(2,612,661)
Increase in Cash and Short-Term Investments	13,154,169	17,548,548
Cash and Short-Term Investments, Beginning of Year	100,687,299	83,138,751
Cash and Short-Term Investments, End of Year	\$113,841,468	\$100,687,299

See accompanying notes to financial statements and schedules

The Corporation of the Municipality of Leamington

Notes to the Consolidated Financial Statements for the year ended December 31, 2022

1. Summary of Significant Accounting Policies

The consolidated financial statements of the The Corporation of the Municipality of Leamington are the representation of management prepared in accordance with accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB). The preparation of financial statements requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ as future additional information becomes available.

(a) Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, operating revenues, expenses, changes in reserves, reserve fund balances, investment in tangible capital assets and changes in financial position of the Municipality and include the activities of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and that are owned or controlled by the Municipality. Consolidated entities include:

Uptown Business Improvement Area
Joint Animal Control Facility

Inter-departmental and inter-organizational transactions and balances have been eliminated with the exception of loans or advances between reserve funds and other funds of the Municipality and the resulting interest income and expenditure.

The Municipality's interest in the Essex Power Corporation is accounted for on a modified equity basis and its interest in the Union Water Supply System Board of Management is accounted for on a proportionate consolidation method, consistent with generally accepted accounting principles for government business enterprises and government units.

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the School Boards, and the County of Essex are not reflected in the municipal fund balances of these financial statements. Taxation raised by the Municipality on their behalf is reflected as a deduction from total taxation on the Consolidated Statement of Financial Operations.

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the unaudited Trust Funds Financial Statements.

(b) Basis of Accounting

Sources of financing and expenses are reported on the accrual basis of accounting, which are charged against operations in the periods in which they are paid. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized, as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

1. Summary of Significant Accounting Policies (Cont'd)

b) Basis of Accounting (Cont'd)

Liabilities on the Consolidated Statement of Financial Position represent the outstanding principal portion of long-term liabilities, liabilities not yet due and other future expenses not yet raised by rates on the users.

The Consolidated Statement of Financial Position reflects all of the financial assets and liabilities of the Municipality. Financial assets are those that could provide resources to discharge liabilities or finance future operations. Net financial surplus represents the financial position of the Municipality, and is the difference between its assets and liabilities. It provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

c) Tangible Capital Assets

i) Non-financial assets

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

ii) Tangible capital assets

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

Land	Infinite
Land Improvements	5 years to infinite
Buildings	5 to 50 years
Machinery and Equipment	3 to 40 years
Vehicles	7 to 10 years
Linear Assets	10 to 90 years

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

1. Summary of Significant of Accounting Policies (Cont'd)

c) *Tangible Capital Assets (Cont'd)*

ii) *Tangible capital assets (Cont'd)*

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.

iii) *Contributions of Tangible Capital Assets*

Tangible capital assets received as contributions are recorded at their fair value using the half year rule as though they have been received July 1.

iv) *Leases of Tangible Capital Assets*

Leases are classified as capital or operating leases. Leases which transfer substantially all 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 expenses as incurred.

v) *Works of Art and Historical Treasures*

In accordance with the financial recording requirements PSAB 3150.42(e) indicates "the nature of the works of art and historical treasures held by government" are to be disclosed. They do not form part of the tangible asset inventory.

vi) *Inventories*

Inventories consist of work-in-progress of tangible capital assets.

d) *Taxes Receivable and Related Revenues*

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established annually by the Municipality, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect to education taxes and the County of Essex in respect of upper tier taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and issues supplementary tax notices. Taxation revenues are recorded at the time tax billings are issued; however, assessment and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded based upon management's estimate of the outcome taking into consideration historical trends. The Municipality is entitled to collect interest and penalties on overdue taxes and related revenues are recorded in the period the interest and penalties are levied. Taxes receivable are reported net of any expense and allowance for doubtful accounts.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

1. Summary of Significant Accounting Policies (Cont'd)

e) Future Accounting Changes

Effective for fiscal periods beginning on or after April 1, 2022, all governments will be required to adopt PSAB Section 3450 Financial Instruments, Section 2601 Foreign Currency Translation, Section 3041 Portfolio Investments, Section 1201 Financial Statement Presentation, and Section 3280 Asset Retirement Obligations. These standards provide guidance on how to account for and present financial instruments, asset retirement obligations and foreign currency translation.

Effective for fiscal periods beginning on or after April 1, 2023, all governments will be required to adopt PSAB Section 3400 Revenue. This standard provides guidance on how to account for and present new categories of revenue.

Management is currently in the process of evaluating the potential impact of adopting these standards that will impact the 2023 financials.

f) Use of Estimates

The preparation of financial statements in accordance with local government accounting standards established by PSAB requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Significant items subject to such estimates and assumptions include the valuation of accounts and taxes receivable, carrying value of tangible capital assets, deferred revenue, accrued liabilities, the actuarial estimate of post-employment benefits and sick leave liability and the present value of the landfill closure costs. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

2. Cash

This represents a consolidation from the operating fund and the reserve funds (including those funds set aside in respect of deferred revenue detailed in note 6). The composition is:

	2022	2021
Cash		
Operating Funds	\$ 93,750,620	\$ 80,283,163
Reserve Funds	3,601,232	11,237,403
Deferred Revenue	16,489,616	9,166,733
	<u>\$ 113,841,468</u>	<u>\$ 100,687,299</u>

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

3. Investment in Essex Power Corporation

	2022	2021
Shareholder loan receivable	\$ 2,150,296	\$ 2,150,296
Common shares - Class A voting	2,678,179	2,678,179
Common shares - Class B non-voting	2,215,644	2,215,644
Equity in accumulated earnings	6,364,800	6,205,110
	\$ 13,408,919	\$ 13,249,229

The Ontario Electricity Competition Act required the restructuring of municipal electric utilities by November 1, 2000. As part of the restructuring plan of the Leamington Hydro Electric Commission, the Municipality enacted bylaw 156-00, which transferred on June 1, 2000 specific assets, liabilities, obligations, and operations to the Essex Power Corporation, a duly incorporated entity under the Ontario Business Corporations Act. The Municipality holds 25% of the Class A shares issued and 27.45% of the Class B shares issued, for a weighted equity of 26.05%. The shareholder loan carries an interest rate of 3.8% per annum (agreement term January 1, 2018 to December 31, 2022).

The following table provides condensed supplementary information for Essex Power Corporation as at December 31 (in '000s).

	2022	2021
Financial Position		
Current assets	\$ 21,035	\$ 19,773
Property, plant and equipment	79,593	76,379
Other assets	11,291	11,778
Regulatory balances	11,605	14,119
Total Assets and Regulatory Balances	123,524	122,049
Current liabilities	23,434	21,752
Non-current liabilities	53,551	53,642
Regulatory balances	2,439	3,168
Total Liabilities and Regulatory Balances	79,424	78,562
Net Assets and Regulatory Balances	\$ 44,100	\$ 43,487
Result from Operations		
Gross margin on service revenue	16,295	13,536
Other revenue	14,029	11,748
Operating expenses	(18,127)	(14,362)
Depreciation and amortization	(5,814)	(5,645)
Income from Operations	6,383	5,277
Other income and taxes	(3,322)	(1,810)
Net Income for the Year	\$ 3,061	\$ 3,467

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

4. Trust Funds

Cemetery trust funds administered by the Municipality amounting to \$290,484 (2021 - \$214,503) have not been included in the Municipality's Consolidated Statement of Financial Position nor have their operations been included in the Municipality's Consolidated Statement of Financial Activities.

Fairview Cemetery was transferred to the Municipality in 2022. Contributed capital is included in the statement of continuity.

The balance sheet and statement of continuity for the Cemetery trust funds included on page 23 and 24 are provided for informational purposes only.

5. Investment in Union Water Supply System

	2022	2021
Equity in reserve funds	\$ 6,612,844	\$ 6,496,947
Equity in operations	3,144,762	4,049,861
	<u>\$ 9,757,606</u>	<u>\$ 10,546,808</u>

Effective January 8, 2001, the assets, liabilities, rights and obligations of the Union Water Supply System were transferred from the Ontario Clean Water Agency to the joint ownership of the system's participating municipalities pursuant to an order issued by the Minister of the Environment under the Municipal Water and Sewage Transfer Act, 1997.

The order provides for the establishment of a Board of Management to govern the system. The Municipality of Leamington can appoint representatives to the board based on the formula outlined in the Transfer Order:

- one representative, plus
- one additional representative for every ten percent of the total water consumption of the Union Water Supply System apportioned to the Municipality in the previous year.
- The Municipality has six of twelve total board members (2021 - six of twelve).

The equity interest of each municipality shall be determined according to their proportional water consumption from the system. The Municipality of Leamington's equity in the system is 53% (2021 - 53%).

The following table provides condensed supplementary information for Union Water Supply System as at December 31 (in '000s).

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

5. Investment in Union Water Supply System (Cont'd)

	2022	2021
Statement of Financial Position		
Current financial assets	\$ 21,805	\$ 23,797
Current liabilities	3,394	3,897
Long-term debt	7,909	9,376
Total liabilities	11,303	13,273
Net asset	10,502	10,524
Inventories	89	2,412
Tangible capital assets	55,174	46,677
Non-financial assets	55,263	49,089
Accumulated surplus	\$ 65,765	\$ 59,613
Statement of Financial Activities		
Wholesale billings	\$ 14,627	\$ 13,316
Other income	810	510
	15,437	13,826
Operating expenses	2,887	2,486
OCWA operating contract	3,672	3,304
Long-term interest expense	923	1,068
Amortization	1,802	1,497
Loss on sale of tangible capital assets	1	12
	9,285	8,367
Annual surplus	\$ 6,152	\$ 5,459

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

6. Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. Revenue recognition will occur in the year in which it is used for the specified purpose.

	2022 Opening	Deferred Revenue and Receipts	Investment Income	Recognized Revenue	2022 Ending
Obligatory Reserve Funds					
Canada Community					
Building Fund	\$ 5,208,196	\$ 1,406,481	\$ 192,950	\$ (1,015,692)	\$ 5,791,935
Ontario transit gas tax	833,317	231,587	35,163	(268,801)	831,266
Recreational lands	671,037	58,304	22,649	-	751,990
M.T.O. commitments	152,613	-	4,868	-	157,481
Development charges	-	21,269	92,687	6,531,025	6,644,981
	\$ 6,865,163	\$ 1,717,641	\$ 348,317	\$ 5,246,532	\$ 14,177,653

7. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its full-time staff and part-time fire services staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on their length of service and rates of pay.

For 2022, the amount contributed to OMERS was \$1,313,289 (2021 - \$1,230,657).

8. Liability for Non - Vested Sick Leave Benefits

Under the sick leave benefit plan, unused annual sick leave can be accumulated for future use. No employees are entitled to a cash payment at the end of their employment with the Municipality. For 2022, the non-cash future expense is estimated to be \$421,200 (2021 - \$365,200).

9. Charges for Long-Term Debt

Total charges for long-term debt as reported on the Consolidated Statement of Cash Flow are as follows:

	2022	2021
Debenture Principal Payments		
Municipality obligations	\$ 2,195,417	\$ 2,183,960
Union Water Supply System obligations	777,420	690,318
Change in ownership of Union Water Supply System		(261,617)
	\$ 2,972,837	\$ 2,612,661

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

10. Long-Term Debt

The balance of long-term debt reported on the Consolidated Statement of Financial Position is:

	2022	2021
Outstanding principal at the end of the year for:		
General fund debentures	\$ 4,486,840	\$ 5,512,266
Tile/shoreline debentures	24,568	35,995
Sanitary sewer debentures	931,713	1,227,724
Union Water Supply System obligations	4,191,740	4,969,161
Waste water treatment	5,599,373	6,461,926
Long-Term Debt at End of Year	\$ 15,234,234	\$ 18,207,072

Interest rates range from 2% to 5% (2021 - 2% to 6%). Total interest charges reported on the Consolidated Statement of Financial Operations is \$937,663 (2021 - \$1,096,650) with \$489,066 (2021 - \$565,983) being the Municipality's share of Union Water System's interest. The debentures have various repayment schedules and will be repaid between 2023 and 2032. The annual payment required to service these liabilities are within the annual debt payment limits prescribed by the Ministry of Municipal Affairs.

Of the long-term debt reported above, the future principal payments are as follows:

	Total
2023	\$ 3,152,884
2024	3,322,809
2025	3,041,729
2026	3,237,481
2027	440,310
2028 and onwards	2,039,021
	\$ 15,234,234

11. Contingent Liabilities

a) *Loan guarantees*

The Municipality is contingently liable for loans advanced by the Province of Ontario under the Tile Drainage Act to benefiting landowners. Those individuals have assumed responsibility for the annual repayments. The total amount outstanding as at December 31, 2022 is \$24,568 (2021 - \$35,995).

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

11. Contingent Liabilities (Cont'd)

b) Litigation

The Municipality has been named as a defendant in certain legal actions in which damages have been sought. With respect to claims at December 31, 2022, management believes the Municipality has valued defences and appropriate insurance in place. In the event any claims are successful, management believes such claims are not expected to have a material effect on the Municipality's financial position.

12. Post-Employment Benefits

Post-employment benefits are future obligations of the Municipality to its employees and retirees for benefits earned but not yet taken. Retiring full time non-unionized employees hired prior to August 1, 2011 and retiring full time unionized Teamsters employees hired prior to May 1, 2011 continue to receive paid health and dental benefits and life insurance coverage. All coverage continues for the lifetime of the retiree and spouse. In accordance with public sector accounting standards, the projected unit credit actuarial cost method has been used to determine the future cost of these benefits at the end of the year. The most recent actuarial valuation was dated February 4, 2021 and is effective December 31, 2020. Assumptions used are as follows:

- a) a discount factor of 2.40% (2021 - 2.40%) was used;
- b) an increase of 6.30% for health in 2022 (2021 - 6.42%), linearly decreased to an ultimate rate of 4% in 2041, and an annual increase of 4% for dental benefits was used;
- c) an employee will retire when they meet the criteria for an unreduced pension from OMERS, but not later than age 65; and
- d) all employees will remain employed by the Municipality until retirement.

The liability, based on the above assumptions, at year-end is \$21,399,900 (2021 - \$20,507,700). An additional expense of \$892,200 (2021 - \$883,400) is reported in the Consolidated Statement of Financial Operations and is reflected throughout the various operating departments.

Effective August 1, 2011 new Municipal staff hires are eligible for post-retirement benefits to age 65 and after age 65 post-retirement benefits will cease.

13. Commitments

The Municipality has a service agreement with Essex-Windsor Solid Waste Authority for garbage pickup.

The Ontario Provincial Police (OPP) provide police services for the Municipality under a purchase of service agreement and in accordance with section 10 of the Police Services Act (PSA). The current service agreement dated April 28, 2022 commenced on July 12, 2022 with the OPP for a three year term expiring in December 2025 or the date that the Community Safety and Policing Act, 2019 comes into force.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

14. Budget Figures

The 2022 Financial Plan (adopted budget) adopted by Council on December 9, 2021 was prepared on a modified accrual basis, while Public Sector Accounting Standards require the budget to be restated ("restated budget") and reported on a full accrual basis in relation to actual results in the financial statements.

The following summary reflects adjustments made to the adopted budget (modified accrual basis) to derive the restated budget (full accrual basis) as presented in the financial statements:

	2022
Financial Plan (Budget) By-law surplus for the year	\$ -
Add:	
Accumulated surplus, beginning of the year	381,697,794
Budgeted transfers to capital	11,748,940
Principal payments on debt	2,195,417
Capital revenue for tangible capital assets	12,532,694
Landfill post-closure costs	168,622
Less:	
Budgeted transfers to reserve and reserve funds	3,362,567
Amortization on tangible capital assets	(10,614,598)
Capital expenses that are operating	(4,139,396)
Post-employment benefit costs	(892,200)
Budget Surplus per Consolidated Statement of Financial Operations	\$ 396,059,840

15. Landfill Closure Costs Liability

Landfill #2 was closed in 1993 and requires care consisting of hauling and treating leachate for an estimated period of 40 years. The liability was calculated assuming a 7% discount rate and a 2% rate of inflation using current annual contributions. Payments are made on a bi-monthly basis. The liability calculated using the above assumptions amounted to \$2,310,916 (2021 - \$2,497,098). This liability will be funded from operations.

The landfill is located outside of the Municipality of Leamington. The liability shown is the Municipality's share of costs.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

16. Expenses by Object

	2022	2021
Salaries, wages and benefits	\$ 20,433,382	\$ 18,835,045
Materials and supplies	19,140,771	11,940,236
Contracted services	23,371,951	20,513,491
Long term debt interest charge	937,664	1,096,650
Rents and financial expenses	465,928	1,098,642
External transfers	459,624	411,727
Amortization	10,995,871	10,519,294
	\$ 75,805,191	\$ 64,415,085

17. Contributed Tangible Capital Assets

Developers contributed subdivisions to the Municipality. These contributed tangible capital assets are categorized as infrastructure and have been recognized at fair market value at the date of transfer.

18. Investment Income

	2022	2021
Bank and investment interest income	\$ 3,302,964	\$ 1,499,001
Increase in equity of owned companies	425,923	338,759
Interest earned on debentures	1,610	2,357
	\$ 3,730,497	\$ 1,840,117

19. Other Income

	2022	2021
Sponsorship income	\$ 220,000	\$ 155,000
Uptown Business Improvement Area levy	131,746	129,202
Donations	29,887	117,118
Royalties	89,799	68,690
Fines	98,046	59,958
Lottery licensing	85,756	46,490
	\$ 655,234	\$ 576,458

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

20. Accumulated Surplus

	2022	2021
Reserves and Reserve Funds		
Reserves (Schedule 2)	\$ 91,145,832	\$ 82,877,045
Reserve funds (Schedule 2)	10,663,854	17,726,644
Equity in Essex Power	13,408,919	13,249,229
	<u>115,218,605</u>	<u>113,852,918</u>
Operating fund	7,738,583	8,371,042
Capital fund	(1,422,450)	(4,797,492)
Tangible capital assets (Schedule 1)	314,581,155	305,848,396
	<u>320,897,288</u>	<u>309,421,946</u>
Unfunded Liability		
Debt	(15,234,234)	(18,207,072)
Landfill closure cost liability	(2,310,916)	(2,497,098)
Sick leave liability	(421,200)	(365,200)
Post-employment benefit	(21,399,900)	(20,507,700)
	<u>(39,366,250)</u>	<u>(41,577,070)</u>
Accumulated Surplus	<u>\$ 396,749,643</u>	<u>\$ 381,697,794</u>

21. Segmented Information

The Municipality of Leamington is a lower tier municipality that provides a wide range of services to its citizens. These services are provided by departments of the Municipality and their activities are reported in Schedule 3 to these statements.

For each reportable segment, the Municipality has reported expenses that represent both amounts that are directly attributable and amounts that are allocated based on Schedule 40 of the Financial Information Return submitted to the Ministry of Municipal Affairs. Revenues have not been presented by segment based on their nature and instead are shown by object.

The Municipality's reportable segments and their associated activities are as follows:

(a) General government:

General government includes levy revenue, council, legal services, legislative services, finance and business services, human resources, information technology services, community services, engineering and emergency services.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2022

21. Segmented Information (Cont'd)

(b) Protective services:

Protective services includes fire, police, conservation authorities, building, by-law, and animal control. It also includes emergency measures such as services related to the COVID-19 pandemic and shoreline flooding.

(c) Transportation services

Transportation services includes public works, transit, parking, streetlights, traffic signals, and resurfacing roads.

(d) Environmental services

Environmental services includes water, urban sanitary and storm sewers, waste water treatment and garbage collection and disposal.

(e) Health services

Health services includes cemetery operations.

(f) Recreation and cultural services

Recreation and cultural services includes the Leamington Marina, other municipal parks, Nature Fresh Farms Recreation Centre and Library.

(g) Planning and development

Planning and development includes the operations of the planning department, which facilitates the orderly growth of the Municipality, economic development, tourism and the Leamington BIA (business improvement area).

(h) Municipal drainage act

Municipal drainage act includes the drainage operations.

22. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

23. Subsequent Event

On February 24, 2023, Union Water Supply Inc. was incorporated. The Board of Management will be disbanded and replaced by a Board of Directors, consisting of a maximum of 15 directors. Each shareholder of this new corporation shall be a municipality. Shareholders of the Class A special voting shares are entitled to receive dividends declared by the Board of Directors.

The Corporation of the Municipality of Leamington

Trust Funds Under Administration

Balance Sheet

(Unaudited)

as at December 31, 2022

	Albuna Cemetery	Bayview Cemetery	Lakeview Cemetery	Fairview Cemetery	2022 Total	2021 Total
Assets						
Cash	\$ 300	\$ 5,124	\$ 130,256	\$ 72,952	\$ 208,632	\$ 134,104
Cash - held in trust	80,345	-	-	-	80,345	80,116
Accounts receivable	-	-	-	-	-	283
Due from general fund	200	-	707	600	1,507	-
	<u>\$ 80,845</u>	<u>\$ 5,124</u>	<u>\$ 130,963</u>	<u>\$ 73,552</u>	<u>\$ 290,484</u>	<u>\$ 214,503</u>
Liabilities						
Due to general fund	\$ 345	\$ 26	\$ 650	\$ -	\$ 1,021	\$ 342
Trust balance	80,500	5,098	130,313	73,552	289,463	214,161
	<u>\$ 80,845</u>	<u>\$ 5,124</u>	<u>\$ 130,963</u>	<u>\$ 73,552</u>	<u>\$ 290,484</u>	<u>\$ 214,503</u>

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington

Trust Funds Under Administration

Statement of Continuity

(Unaudited)

as at December 31, 2022

	Albuna Cemetery	Bayview Cemetery	Lakeview Cemetery	Fairview Cemetery	2022 Total	2021 Total
Balance at Beginning of Year	\$ 80,100	\$ 5,098	\$ 128,963	\$ -	\$ 214,161	\$ 212,811
Revenues						
Contributed capital	-	-	-	72,352	72,352	-
Perpetual care fees	-	-	-	-	-	400
Marker maintenance fees	400	-	1,350	1,200	2,950	950
Bank interest income	4	181	4,568	-	4,753	2,266
Interest income - bequest	2,517	-	-	-	2,517	1,361
	2,921	181	5,918	73,552	82,572	4,977
Expenditures						
Administration fee	2,521	181	4,568	-	7,270	3,627
Balance at End of Year	\$ 80,500	\$ 5,098	\$ 130,313	\$ 73,552	\$ 289,463	\$ 214,161

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington
Consolidated Schedule of Tangible Capital Assets - Schedule 1
Categorized by Asset Type
as at December 31, 2022

Cost	Balance at December 31, 2021	Additions	Disposals	Adjustments	Balance at December 31, 2022
Land	\$ 21,339,454	\$ 55,727	\$ -	\$ -	\$ 21,395,181
Land improvements	14,622,178	1,466,001	(51,922)	-	16,036,257
Buildings	95,372,338	537,819	(67,212)	-	95,842,945
Machinery and equipment	41,935,444	6,383,809	(675,690)	-	47,643,563
Vehicles	9,959,293	1,073,644	(792,345)	-	10,240,592
Linear assets	275,580,453	5,319,797	(22,687)	-	280,877,563
Assets under construction	12,760,257	5,157,268	(32,370)	-	17,885,155
Total	471,569,417	19,994,065	(1,642,226)	-	489,921,256

Accumulated Amortization	Balance at December 31, 2021	Amortization Expense	Amortization Disposal	Adjustments	Balance at December 31, 2022
Land	-	-	-	-	-
Land improvements	3,910,665	373,649	(45,351)	-	4,238,963
Buildings	33,625,766	2,213,022	(23,572)	-	35,815,216
Machinery and equipment	18,021,718	2,022,295	(547,929)	-	19,496,084
Vehicles	4,984,754	617,614	(744,547)	-	4,857,821
Linear assets	105,178,118	5,769,291	(15,392)	-	110,932,017
Assets under construction	-	-	-	-	-
Total	165,721,021	10,995,871	(1,376,791)	-	175,340,101

Net Book Value	Balance at December 31, 2021	Balance at December 31, 2022
Land	21,339,454	21,395,181
Land improvement	10,711,513	11,797,294
Buildings	61,746,572	60,027,729
Machinery and equipment	23,913,726	28,147,479
Vehicles	4,974,539	5,382,771
Linear assets	170,402,335	169,945,546
Assets under construction	12,760,257	17,885,155
Total	\$305,848,396	\$314,581,155

The Corporation of the Municipality of Leamington holds various historical treasures and works of art, located in municipal buildings within the Municipality. 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.

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington
Consolidated Schedule of Tangible Capital Assets - Schedule 1
Categorized by Functional Class
as at December 31, 2022

Cost	Balance at December 31, 2021	Additions	Disposals	Adjustments	Balance at December 31, 2022
General government	\$ 13,833,743	\$ 461,226	\$ (136,415)	\$ -	\$ 14,158,554
Protective services	8,033,522	752,582	(390,741)	-	8,395,363
Transportation services	103,045,119	6,963,887	(426,005)	139,448	109,722,449
Environmental services	289,597,350	6,450,551	(162,824)	(139,448)	295,745,629
Health services	249,271	19,024	-	-	268,295
Recreation and cultural services	56,741,784	5,346,795	(526,241)	-	61,562,338
Planning and development	68,628	-	-	-	68,628
Total	471,569,417	19,994,065	(1,642,226)	-	489,921,256

Accumulated Amortization	Balance at December 31, 2021	Amortization Expense	Amortization Disposal	Adjustments	Balance at December 31, 2022
General government	3,171,743	423,404	(136,415)	-	3,458,732
Protective services	4,804,878	349,040	(383,846)	-	4,770,072
Transportation services	36,212,440	2,980,852	(377,807)	73,912	38,889,397
Environmental services	100,948,954	5,742,341	(62,671)	(73,912)	106,554,712
Health services	175,592	7,755	-	-	183,347
Recreation and cultural services	20,377,256	1,486,561	(416,052)	-	21,447,765
Planning and development	30,158	5,918	-	-	36,076
Total	165,721,021	10,995,871	(1,376,791)	-	175,340,101

Net Book Value	Balance at December 31, 2021	Balance at December 31, 2022
General government	10,662,000	10,699,822
Protective services	3,228,644	3,625,291
Transportation services	66,832,679	70,833,052
Environmental services	188,648,396	189,190,917
Health services	73,679	84,948
Recreation and cultural services	36,364,528	40,114,573
Planning and development	38,470	32,552
Total	\$305,848,396	\$314,581,155

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington
Schedule of Reserves and Reserve Funds Balances - Schedule 2
for the year ended December 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Interest income	\$ -	\$ 380,587	\$ 330,252
Transfers From (To) Other Funds			
Net Transfers from operating fund	3,362,568	8,920,976	19,791,898
Net transfers to capital	(7,716,627)	(8,095,566)	(2,760,946)
	(4,354,059)	825,410	17,030,952
Change in Fund Balance	(4,354,059)	1,205,997	17,361,204
Opening Fund Balance	100,603,689	100,603,689	83,242,485
Ending Fund Balance	\$ 96,249,630	\$ 101,809,686	\$ 100,603,689

Analyzed as follows:

Reserves Set Aside by Council

Working capital	\$ 2,869,086	\$ 3,270,369	\$ 2,627,084
Contingencies	7,831,607	9,132,624	11,119,482
Equipment replacement	8,443,817	9,309,884	9,124,578
Parking operations	101,973	126,288	114,968
Waste water treatment	15,566,718	17,444,300	14,540,381
Water system renewals	17,571,729	18,126,022	14,412,761
Capital financing	26,121,266	33,669,463	30,863,628
Tree planting	84,163	66,882	74,163
	78,590,359	91,145,832	82,877,045

**Reserve Funds Set Aside by Council,
Legislation, Regulation or Agreement**

Capital financing	7,854,757	190,197	7,822,185
Building services	2,624,672	3,149,999	2,717,445
Working funds	455,267	470,536	455,267
Impost and lot levy fees	198,521	202,847	198,521
Library and cultural purposes	29,108	37,434	36,281
Union Water Supply System	6,496,946	6,612,841	6,496,945
	17,659,271	10,663,854	17,726,644
	\$ 96,249,630	\$ 101,809,686	\$ 100,603,689

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington

Schedule of Segment Disclosures - Schedule 3
as at December 31, 2022

	General Government	Protective Services	Transporta- tion Services	Environ- mental Services	Health Services	Recreation and Cultural Services	Planning and Development	Drainage	Consolidated
Revenues									
Taxation - municipal only	\$ 38,024,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,024,442
User charges	234,320	185,914	393,430	31,429,106	15,765	1,886,044	165,463	2,145,226	36,455,268
Grants	2,142,354	125,347	4,227,265	83,354	-	368,500	-	909,375	7,856,195
Investment income	3,153,073	81,078	-	496,346	-	-	-	-	3,730,497
Licences and permits	38,088	1,375,208	9,975	-	-	-	-	-	1,423,271
Penalties and interest	567,164	-	-	62,209	-	-	-	-	629,373
Gain on sale of physical assets	7,762	-	-	-	-	-	-	-	7,762
Essex Power Corporation	159,690	-	-	-	-	-	-	-	159,690
Dividend income	453,282	-	-	-	-	-	-	-	453,282
Contributed tangible capital assets	29,024	-	-	-	-	-	-	-	29,024
Sponsorship income	175,000	45,000	-	-	-	-	-	-	220,000
Uptown business improvement area levy	131,746	-	-	-	-	-	-	-	131,746
Donations	-	-	1,000	-	-	28,887	-	-	29,887
Rents and concessions	5,644	18,700	250	-	-	115,288	-	-	139,882
Royalties	5,874	-	83,925	-	-	-	-	-	89,799
Fines	-	69,885	28,161	-	-	-	-	-	98,046
Lottery licensing	85,756	-	-	-	-	-	-	-	85,756
Deferred revenue	59,023	-	569,214	387,077	-	277,806	-	-	1,293,120
	45,272,243	1,901,132	5,313,220	32,458,092	15,765	2,676,525	165,463	3,054,601	90,857,040
Expenses									
Salaries, wages and benefits	5,886,828	4,131,131	2,467,341	2,970,593	43,406	3,423,925	1,165,851	344,307	20,433,382
Materials and supplies	898,201	419,331	1,902,974	11,260,047	17,245	1,858,354	289,918	2,494,701	19,140,771
Contracted services	1,622,389	6,347,995	1,280,640	13,762,817	36,003	180,619	141,488	-	23,371,951
Long term debt interest charge	70,000	14,860	-	752,074	-	99,169	-	1,561	937,664
Rents and financial expenses	87,374	12,477	6,306	19,485	-	87,498	252,788	-	465,928
External transfers	175,977	254,147	29,500	-	-	-	-	-	459,624
Inter-functional adjustments	(114,791)	46,420	145,555	91,607	-	926	-	(169,717)	-
Amortization	423,404	349,040	2,980,852	5,742,341	7,755	1,486,561	-	5,918	10,995,871
	9,049,382	11,575,401	8,813,168	34,598,964	104,409	7,137,052	1,850,045	2,676,770	75,805,191
Annual Surplus (Deficit)	\$ 36,222,861	\$ (9,674,269)	\$ (3,499,948)	\$ (2,140,872)	\$ (88,644)	\$ (4,460,527)	\$ (1,684,582)	\$ 377,831	\$ 15,051,849

See accompanying notes to financial statements