

**The Corporation of the
Township of Dawn-Euphemia
Financial Statements
For the year ended December 31, 2021**

	Contents
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Changes in Net Financial Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7



Tel: 519-352-4130
Fax: 519-352-2744
www.bdo.ca

BDO Canada LLP
555 Richmond Street
Suite 301
Chatham ON N7M 1R2 Canada

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Dawn-Euphemia

Opinion

We have audited the financial statements of The Corporation of the Township of Dawn-Euphemia (the Municipality), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2021, and its financial performance 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 Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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

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

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Chatham, Ontario
January 30, 2023

**The Corporation of the Township of Dawn-Euphemia
Statement of Financial Position**

December 31	2021	2020
Financial Assets		
Cash	\$ 2,412,666	\$ 2,046,521
Investments (Note 4)	1,639,941	1,600,077
Taxes receivable	543,395	605,813
Accounts receivable	544,132	380,362
Long-term receivables (Note 5)	64,623	29,009
Debt recoverable from individuals (Note 6)	424,910	393,769
	5,629,667	5,055,551
Liabilities		
Accounts payable and accrued liabilities	298,088	548,698
Security deposits	8,000	8,250
Deferred revenue	16,537	-
Municipal debt (Note 6)	424,910	393,769
	747,535	950,717
Net Financial Assets	4,882,132	4,104,834
Non-Financial Assets		
Tangible capital assets (Note 7)	10,507,025	10,571,757
Prepaid expenses	11,115	12,557
	10,518,140	10,584,314
Accumulated surplus (Note 8)	\$15,400,272	\$ 14,689,148

Contingent Liabilities (Note 9)

On behalf of Council:

Mayor

Treasurer

**The Corporation of the Township of Dawn-Euphemia
Statement of Operations and Accumulated Surplus**

For the year ended December 31	Budget 2021	Actual 2021	Actual 2020
	(unaudited) (Note 10)		
Revenue			
Taxation	\$ 4,259,957	\$ 4,336,907	\$ 4,069,349
Fees and user charges	591,656	638,547	550,699
Grants	285,400	868,899	592,056
Other	297,756	174,052	222,436
	<u>5,434,769</u>	<u>6,018,405</u>	<u>5,434,540</u>
Expenses			
General government	787,292	664,029	568,722
Protective services	672,358	605,936	633,931
Public works services	2,918,403	2,808,366	2,696,348
Environmental and water services	594,710	664,657	630,425
Cultural and recreation services	151,592	136,101	140,409
Planning and development	5,600	1,447	1,331
Drainage act	15,590	426,745	505,042
	<u>5,145,545</u>	<u>5,307,281</u>	<u>5,176,208</u>
Annual surplus	289,224	711,124	258,332
Accumulated surplus, beginning of year	14,689,148	14,689,148	14,430,816
Accumulated surplus, end of year	<u>\$ 14,978,372</u>	<u>\$ 15,400,272</u>	<u>\$ 14,689,148</u>

**The Corporation of the Township of Dawn-Euphemia
Statement of Changes in Net Financial Assets**

For the year ended December 31	Budget 2021	Actual 2021	Actual 2020
	(unaudited) (Note 10)		
Annual surplus	\$ 289,224	\$ 711,124	\$ 258,332
Acquisition of tangible capital assets	(996,000)	(464,059)	(647,331)
Amortization of tangible capital assets	504,000	487,996	516,657
Loss (gain) on sale of tangible capital assets	-	40,795	(19,290)
Proceeds on sale of tangible capital assets	-	-	255,424
	(202,776)	775,856	363,792
Net change in prepaid expenses	-	1,442	(3,264)
Net change in net financial assets	(202,776)	777,298	360,528
Net financial assets, beginning of year	4,104,834	4,104,834	3,744,306
Net financial assets, end of year	\$ 3,902,058	\$ 4,882,132	\$ 4,104,834

The Corporation of the Township of Dawn-Euphemia Statement of Cash Flows

For the year ended December 31	2021	2020
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 711,124	\$ 258,332
Items not involving cash		
Amortization of tangible capital assets	487,996	516,657
Loss (gain) on sale of tangible capital assets	40,795	(19,290)
	<u>1,239,915</u>	<u>755,699</u>
Net change in non-cash working capital items		
Taxes receivable	62,418	(126,264)
Accounts receivable	(163,770)	77,276
Long-term receivables	(35,614)	21,454
Debt recoverable from individuals	(31,141)	19,637
Accounts payable and accrued liabilities	(250,610)	167,065
Security deposits	(250)	3,000
Deferred revenue	16,537	-
Prepaid expenses	1,442	(3,263)
	<u>(400,988)</u>	<u>158,905</u>
	<u>838,927</u>	<u>914,604</u>
Capital transactions		
Acquisition of tangible capital assets	(464,059)	(647,331)
Proceeds from sale of tangible capital assets	-	255,424
	<u>(464,059)</u>	<u>(391,907)</u>
Investing activities		
Net change in portfolio investments	<u>(39,864)</u>	<u>(92,816)</u>
Financing activities		
Advances on municipal debt	73,000	50,000
Repayment of municipal debt	(41,859)	(69,637)
	<u>31,141</u>	<u>(19,637)</u>
Net change in cash and cash equivalents	366,145	410,244
Cash and cash equivalents, beginning of year	2,046,521	1,636,277
Cash and cash equivalents, end of year	\$ 2,412,666	\$ 2,046,521

The Corporation of the Township of Dawn-Euphemia

Notes to the Financial Statements

December 31, 2021

1. Nature of Business

The Corporation of the Township of Dawn-Euphemia (the "Municipality") was formed on January 1, 1998 by the amalgamation of the former municipalities of the Township of Dawn and the Township of Euphemia. The Township is a municipality in the Province of Ontario, Canada located in the southeast portion of Lambton County. The Municipality conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act, and related legislation. The Municipality provides municipal services such as fire, policing, roads, water, waste management, planning, recreation, and other general government services.

2. Significant Accounting Policies

The financial statements of the Municipality are the representations of management prepared in accordance with accounting principles established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada as prescribed by the Ontario Ministry of Municipal Affairs and Housing.

(a) Basis of Reporting

(i) Reporting Entity

These financial statements reflect the financial assets, liabilities, reserves, surpluses/deficits, revenues and expenditures of all municipal organizations, committees and Boards which are owned or controlled by the Municipality. The municipality has no consolidated entities.

All interfund financial assets, liabilities, reserves, surpluses/deficits, revenues and expenditures have been eliminated.

The Municipality has no trusts under administration.

(ii) Accounting for County and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Lambton are not reflected in these financial statements except to the extent that any amounts due to or from are reported on the Statement of Financial Position. Taxation raised by the Municipality on their behalf is reflected as a deduction from total taxation on the Statement of Operations and Accumulated Surplus.

(iii) Municipal Debt

The charges for municipal debt assumed by individuals, in the case of tile drainage loans, are reflected as a recoverable in these financial statements.

The Corporation of the Township of Dawn-Euphemia

Notes to the Financial Statements

December 31, 2021

2. Significant Accounting Policies (Continued)

(b) Basis of Accounting

(i) Accrual Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. 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.

(ii) Non-Financial Assets

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

(iii) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible capital assets are recorded at their fair market value at the date of contribution. Where fair market value cannot be reasonably determined, contributed tangible capital assets are recorded at a nominal amount. Amortization is provided over the estimated useful life of the assets, using the straight line method. The useful life of the assets is based on estimates determined by management. The following useful lives are used:

Land improvements	20 years
Buildings	10 - 50 years
Vehicles and equipment	5 - 20 years
Roads	10 - 50 years
Bridges and culverts	15 - 80 years
Water system	15 - 40 years

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue.

The Corporation of the Township of Dawn-Euphemia

Notes to the Financial Statements

December 31, 2021

2. Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(iv) Intangible Assets

Intangible assets, art and historic treasures, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in these financial statements.

(v) Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Statement of Financial Position. The revenue is reported on the Statement of Operations and Accumulated Surplus in the year in which it is used for the specified purpose.

(vi) Revenue Recognition

Property tax billings are prepared by the corporation based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Municipal Council, incorporating amounts to be raised for local services, the requisition made by the County of Lambton in respect of County services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue 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 renders supplementary tax billings. Assessments and related property taxes are also subject to appeal. Each year management provides a best estimate of the affect of supplementary assessments and tax appeals on taxation revenue.

The Municipality is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

User fees and other revenues are recognized when related goods or services are provided and collectability is reasonably assured.

Investment income earned on surplus funds (other than obligatory reserve funds) are reported as revenue on an accrual basis. Investment income earned on obligatory reserve funds is recorded directly to each fund balance.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when the monies are receivable. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

The Corporation of the Township of Dawn-Euphemia Notes to the Financial Statements

December 31, 2021

2. Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(vii) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Comparative Amounts

Some comparative amounts have been reclassified to conform to the presentation adopted for the current year.

4. Investments

	<u>2021</u>	<u>2020</u>
Short-term investment certificates, redeemable, average yield of 1.27% (2020 - 2.21%), maturing 2022	\$ 589,100	\$ 750,000
Guaranteed investment certificates, redeemable, average yield of 1.23% (2020 - 1.45%), maturing 2023 to 2026	766,840	850,077
Principal protected notes, autocall features, maturing in 2028	284,001	-
	<u>\$ 1,639,941</u>	<u>\$ 1,600,077</u>

Investment certificates are stated at cost plus accrued interest. Interest is receivable on an annual basis. Principal protected notes are stated at market value, have a principal balance of \$285,000 (2020 - nil), and mature in May 2028. The return is based on certain market performance over the life of the notes and is determined upon maturity.

The Corporation of the Township of Dawn-Euphemia

Notes to the Financial Statements

December 31, 2021

5. Long-term Receivables

Long-term receivables consist of the following:

	2021	2020
Watermain fees receivable	\$ 64,623	\$ 29,009

Watermain fees receivable represent local improvement assessments owing from benefiting land owners for municipal waterlines servicing their property.

The Municipality provides a multi-year payment option to land owners. The annual payments are collected along with the owners' property taxes and have terms of five to ten years at interest rates between 5% and 6%.

6. Municipal Debt

- (a) The balance of municipal debt reported on the Statement of Financial Position consists of the following:

	2021	2020
Tile Drainage Act debentures - 6%	\$ 424,910	\$ 393,769

Under the Tile Drainage Act of Ontario, the municipality has borrowed funds from the Province of Ontario for drainage improvements. The funds were immediately loaned by the municipality to the affected landowners on the same terms and conditions as the loans made from the Province of Ontario to the municipality.

- (b) The following schedule shows the principal repayments of long-term debt for fully disbursed debt expected over the next five fiscal years:

2022	\$ 78,933
2023	67,026
2024	62,936
2025	55,707
2026	36,835
Thereafter	123,473
	\$ 424,910

- (c) Total interest charges related to the municipal debt are reported in expenses in the Statement of Operations and amounted to \$25,780 (2020 - \$24,804).
- (d) 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.

**The Corporation of the Township of Dawn-Euphemia
Notes to the Financial Statements**

December 31, 2021

The Corporation of the Township of Dawn-Euphemia Notes to the Consolidated Financial Statements

December 31, 2021

7. Tangible Capital Assets

2021

	Land	Land Improvements	Buildings	Vehicles & Equipment	Roads	Bridges and Culverts	Water System	Total
Cost								
Balance - December 31, 2020	\$ 357,139	\$ 140,900	\$ 2,521,923	\$ 3,916,507	\$ 6,260,781	\$ 8,259,666	\$ 4,905,458	\$ 26,362,374
Additions	-	-	22,123	74,285	-	348,251	19,400	464,059
Writedown of assets	(10,000)	-	-	(170,715)	-	(28,565)	(3,310)	(212,590)
Balance - December 31, 2021	\$ 347,139	\$ 140,900	\$ 2,544,046	\$ 3,820,077	\$ 6,260,781	\$ 8,579,352	\$ 4,921,548	\$ 26,613,843
Accumulated Amortization								
Balance - December 31, 2020	\$ -	\$ 70,450	\$ 941,629	\$ 2,612,846	\$ 6,092,000	\$ 3,864,074	\$ 2,209,618	\$ 15,790,617
Amortization expense	-	7,045	52,193	168,375	11,410	124,113	124,860	487,996
Writedown of assets	-	-	-	(139,920)	-	(28,565)	(3,310)	(171,795)
Balance - December 31, 2021	\$ -	\$ 77,495	\$ 993,822	\$ 2,641,301	\$ 6,103,410	\$ 3,959,622	\$ 2,331,168	\$ 16,106,818
Net Book Value	\$ 347,139	\$ 63,405	\$ 1,550,224	\$ 1,178,776	\$ 157,371	\$ 4,619,730	\$ 2,590,380	\$ 10,507,025

2020

	Land	Land Improvements	Buildings	Vehicles & Equipment	Roads	Bridges and Culverts	Water System	Total
Cost								
Balance - December 31, 2019	\$ 360,139	\$ 140,900	\$ 2,521,923	\$ 3,909,795	\$ 6,260,781	\$ 8,091,929	\$ 4,701,576	\$ 25,987,043
Additions	-	-	-	275,712	-	167,737	203,882	647,331
Disposals	(3,000)	-	-	(269,000)	-	-	-	(272,000)
Balance - December 31, 2020	\$ 357,139	\$ 140,900	\$ 2,521,923	\$ 3,916,507	\$ 6,260,781	\$ 8,259,666	\$ 4,905,458	\$ 26,362,374
Accumulated Amortization								
Balance - December 31, 2019	\$ -	\$ 63,405	\$ 886,683	\$ 2,456,042	\$ 6,080,593	\$ 3,733,247	\$ 2,089,857	\$ 15,309,827
Amortization expense	-	7,045	54,946	192,671	11,407	130,827	119,761	516,657
Impairment losses	-	-	-	(35,867)	-	-	-	(35,867)
Balance - December 31, 2020	\$ -	\$ 70,450	\$ 941,629	\$ 2,612,846	\$ 6,092,000	\$ 3,864,074	\$ 2,209,618	\$ 15,790,617
Net Book Value	\$ 357,139	\$ 70,450	\$ 1,580,294	\$ 1,303,661	\$ 168,781	\$ 4,395,592	\$ 2,695,840	\$ 10,571,757

**The Corporation of the Township of Dawn-Euphemia
Notes to the Financial Statements**

December 31, 2021

8. Accumulated Surplus and Schedule of Reserves

Accumulated surplus consists of the following individual fund surplus and reserves as follows:

	2021	2020
Surplus		
Invested in tangible capital assets	\$10,507,025	\$ 10,571,756
Recover from drainage revenues	(918,541)	(1,176,117)
General	2,277,984	325,257
	11,866,468	9,720,896
 Reserves set aside by Amalgamation Order		
Dawn landfill proceeds	150,669	150,689
 Reserves set aside for specific purposes by Council for:		
Working capital	500,000	1,047,735
Insurance	62,176	62,176
Fire equipment	154,566	154,565
Policing	29,000	29,000
Water	814,550	836,588
Roads upkeep	745,510	1,610,186
Vehicles and equipment	770,776	770,756
Winter related costs	219,740	219,740
Cultural and recreation	64,554	64,554
Florence and Oakdale area	21,518	21,518
Gould cemetery	745	745
	3,383,135	4,817,563
 Total Reserves		
	3,383,135	4,817,563
 Accumulated Surplus	\$15,400,272	\$ 14,689,148

The Corporation of the Township of Dawn-Euphemia

Notes to the Financial Statements

December 31, 2021

9. Contingent Liabilities

a) Litigation

The Township has been named as a defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at the date of reporting and accordingly, no provision has been made in these financial statements for any liability that may result.

b) Sick Leave Benefit Plan

The Municipality provides paid sick leave of six days per year to its full time employees. Unused leave can be banked for future use. The plan does not provide for any payout of the sick leave bank when leaving the Municipality's employ. No provision has been made in these financial statements for the possible utilization of banked days in a future period. The effect of this is not significant to the municipal position balances as at December 31, 2021.

c) Letters of Credit

CIBC has provided the municipality with two letters of guarantee totaling \$172,250 as required by the Department of Fisheries and Oceans Canada for two drainage projects. The letters of credit are unsecured with the intention that they would be covered by available cash funds if required.

10. Budget Data

The unaudited budget data presented in these financial statements is based upon the 2021 budget approved by Council. Budgets are not prepared on a basis consistent with that used to report actual results under Canadian public sector accounting standards. Budgets anticipate using surpluses (or deficits) accumulated in previous years to reduce current year expenditures in excess of revenues to nil. In addition, the budget expensed all tangible capital assets rather than capitalizing them and recording amortization expense. The budget also expenses principal payments on debt and reserve transfers. As a result, the unaudited budget figures presented in the Statement of Operations and Accumulated Surplus represent the budget adopted by council with the following adjustments:

	<u>2021</u>
Budgeted surplus for the year	\$ -
Adjustments for:	
Debt principal repayments	94,442
Capital expenditures	996,000
Reserve transfers	(297,218)
Amortization	<u>(504,000)</u>
Annual budgeted surplus	<u>\$ 289,224</u>

The Corporation of the Township of Dawn-Euphemia

Notes to the Financial Statements

December 31, 2021

11. Pension Agreement

Certain employees of the Municipality are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on their length of service and rates of pay. During the year ended December 31, 2021, the Municipality contributed \$76,982 (2020- \$69,973) to the plan. Contributions rates for 2021 were 9.0% (2020 - 9.0%) for employee earnings up to the C.P.P. pensionable earnings maximum and 14.6% (2020 - 14.6%) on earnings above that. These contributions are the Municipality's pension benefit expense.

The December 31, 2021 actuarial valuation of the OMERS plan indicates an actuarial deficit of \$3.131 billion, which will be addressed through temporary contribution rate increases and, if needed, benefit reductions. The multi-employer plan is valued on a current market basis for all plan assets. The projected benefit method prorated on services was used for the actuarial valuation. OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Corporation of the Municipality of Dawn-Euphemia does not recognize any share of the OMERS pension surplus or deficit.

12. Subsequent Events

Subsequent to year-end, the Municipality entered into an Agreement of Purchase and Sale to acquire a new fire truck at a cost of \$324,237 plus HST, primarily funded from the reserves.

13. Segmented Information

The Corporation of the Township of Dawn-Euphemia is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, roads, recreation and water. Distinguishable functional segments have been separately disclosed in the segmented information.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The nature of the segments and the activities they encompass are as follows:

General Government

General government consists of three categories: governance, corporate management and program support. It includes offices of Council, Chief Administrative Officer, Financial and Clerk Services. This item reports the revenues and expenses that relate to the operations of the Municipality that cannot be directly attributed to a specific segment.

The Corporation of the Township of Dawn-Euphemia

Notes to the Financial Statements

December 31, 2021

13. Segmented Information (Continued)

Protective Services

Protective Services is comprised of Fire, Police, Conservation Authority and Protective Inspection and Control. Police Services are delivered under contract by the Ontario Provincial Police and the Lambton Group Police Services Board. Conservation Authority includes the Township's share of the cost of the St. Clair Region Conservation Authority activities. The Fire Service department is responsible to provide fire suppression; fire prevention programs; training and education related to prevention, detection or suppression of fires. The members of the fire department consist of volunteers. Protective Inspection and Control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-law for the protection of occupants.

Public Works

The Public Works segment is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, snow clearing and removal, sidewalks and street lighting.

Environmental and Water Services

Environmental services consists of providing waste collection, waste disposal and recycling to its citizens as well as sewer and water services.

Sewer services is responsible for collecting and cleaning the sewage. Water services collects, treats and distributes the Municipality's drinking water. They ensure the Municipality's sewer and water systems meet all Provincial standards.

Cultural Recreation

This service area provides services meant to improve the health and development of the Municipality's citizens. Recreational programs and cultural programs are provided at Township facilities and by partnering with neighbouring municipal facilities. The Township also partners with Lambton County for library services to assist with its citizens' informational needs.

Planning and Development

This segment provides a number of services including land use planning and the review of all property development plans through its application process in accordance with Provincial Policies and the Official Plan.

Municipal Drainage

This segment provides storm water management to all lands in the Township by utilizing the authority and procedures contained in the provincial Drainage Act, R.S.O. 1990.

**The Corporation of the Township
Notes to the Consolidated Fi**

December 31, 2021

13. Segmented Information (Continued)

For the year ended December 31, 2021	General Government	Protective Services	Public Works	Environmental and Water Services	Cultural Recreation	Planning an Developer
Revenue						
Taxation	\$ 669,826	\$ 521,622	\$ 2,747,841	\$ 121,595	\$ 65,733	\$ 10,73
Fees and user charges	34,840	8,579	1,120	561,640	22,463	9,90
Grants	405,228	7,971	155,455	-	-	-
Other	128,792	38,359	-	6,744	157	-
	1,238,686	576,531	2,904,416	689,979	88,353	20,63
Expenses						
Salaries and benefits	409,304	52,465	572,159	67,218	11,999	-
Materials and supplies	208,582	92,501	1,992,608	117,759	73,324	-
Contracted services	-	412,944	-	354,449	-	1,44
Interest on long-term debt	25,780	-	-	-	-	-
Amortization	20,363	48,026	243,599	125,231	50,778	-
	664,029	605,936	2,808,366	664,657	136,101	1,44
Annual surplus (deficit)	\$ 574,657	\$ (29,405)	\$ 96,050	\$ 25,322	\$ (47,748)	\$ 19,18

**The Corporation of the Township
Notes to the Consolidated Fi**

December 31, 2021

13. Segmented Information (Continued)

For the year ended December 31, 2020	General Government	Protective Services	Public Works	Environmental and Water Services	Cultural Recreation	Planning an Developer
Revenue						
Taxation	\$ 535,044	\$ 518,839	\$ 2,647,397	\$ 114,147	\$ 63,913	\$ 14,72
Fees and user charges	29,234	3,367	13,937	475,396	21,644	7,12
Grants	452,714	7,971	88,771	-	3,922	
Other	179,418	32,060	-	10,958	-	
	1,196,410	562,237	2,750,105	600,501	89,479	21,84
Expenses						
Salaries and benefits	384,117	53,387	503,028	79,950	6,766	
Materials and supplies	139,033	125,096	1,942,553	62,109	66,812	
Contracted services	-	397,711	-	367,808	-	1,33
Interest on long-term debt	24,804	-	-	-	-	
Amortization	20,768	57,737	250,767	120,558	66,831	
	568,722	633,931	2,696,348	630,425	140,409	1,33
Annual surplus (deficit)	\$ 627,688	\$ (71,694)	\$ 53,757	\$ (29,924)	\$ (50,930)	\$ 20,51