

**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

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**To the Members of Council, Inhabitants and Ratepayers of the Township of East Zorra-Tavistock**

### **Opinion**

We have audited the accompanying consolidated financial statements of Township of East Zorra-Tavistock (the "Township"), which comprise the Consolidated Statement of Financial Position as at December 31, 2023, and Consolidated Statements of Operations and Accumulated Surplus, Cash Flows and Change in Net Financial Assets for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Township of East Zorra-Tavistock as at December 31, 2023 and its financial performance and its cash flows and change in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis of Opinion**

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

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township'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 Township'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 Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**July 3, 2024**  
**London, Canada**

*Scrimgeour & Company*  
**LICENSED PUBLIC ACCOUNTANT**

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash	\$ 10,714,931	\$ 16,736,785
Taxes receivable	484,721	417,322
Drains receivable	1,627,882	394,741
Accounts receivable	1,449,592	829,868
Inventories for resale	2,588	3,816
Investment in EARTH Corporation (note 9)	2,666,649	2,545,967
	<b>16,946,363</b>	<b>20,928,499</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	2,739,280	2,772,832
Deferred revenue - obligatory reserve funds (note 6)	2,904,658	2,286,774
Net long-term liabilities (note 7)	587,230	748,229
	<b>6,231,168</b>	<b>5,807,835</b>
<b>NET FINANCIAL ASSETS</b>	<b>10,715,195</b>	<b>15,120,664</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - Schedule 1	38,868,837	32,028,191
Capital work in progress	353,276	1,281,733
Prepaid supplies and inventory	32,256	17,586
	<b>39,254,369</b>	<b>33,327,510</b>
<b>ACCUMULATED SURPLUS (page 4) (note 8)</b>	<b>\$ 49,969,564</b>	<b>\$ 48,448,174</b>

The accompanying notes are an integral part of the financial statements

**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Budget 2023</b>	<b>Actual 2023</b>	<b>Actual 2022</b>
<b>REVENUE</b>			
Property taxation	\$ 7,295,869	\$ 7,256,328	\$ 6,968,682
User charges	926,751	1,096,015	907,551
Government grants	1,061,494	1,586,395	1,366,714
Investment income	235,231	765,462	414,737
Penalty and interest on taxes	52,974	49,800	55,623
Other revenue	102,960	125,688	23,659
	<b>9,675,279</b>	<b>10,879,688</b>	<b>9,736,966</b>
<b>EXPENDITURES</b>			
General government	1,558,986	2,118,323	1,320,276
Protection to persons and property	2,581,191	2,776,476	2,658,327
Transportation services	2,393,378	3,265,453	3,689,876
Health services	3,750	3,750	2,566
Recreation and cultural development	1,165,464	1,238,796	1,077,437
Planning and development	157,079	432,730	466,379
	<b>7,859,848</b>	<b>9,835,528</b>	<b>9,214,861</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER</b>			
	<b>1,815,431</b>	<b>1,044,160</b>	<b>522,105</b>
<b>OTHER</b>			
Government transfers related to capital	200,000	185,000	447,075
Increase in investment in EARTH Corporation (note 9)	-	120,682	139,267
Gain (loss) on disposal of capital assets	-	35,887	(73,542)
Developer and other contributions related to capital	716,052	135,661	1,299,992
	<b>916,052</b>	<b>477,230</b>	<b>1,812,792</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>			
	<b>2,731,483</b>	<b>1,521,390</b>	<b>2,334,897</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>			
	<b>48,448,174</b>	<b>48,448,174</b>	<b>46,113,277</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>			
	<b>\$ 51,179,657</b>	<b>\$ 49,969,564</b>	<b>\$ 48,448,174</b>

The accompanying notes are an integral part of the financial statements

**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures (page 4)	\$ 1,521,390	\$ 2,334,897
Non-cash changes to operations		
Amortization	1,416,769	1,381,639
Net disposal of tangible capital assets	5,264	84,785
(Increase) decrease in investment in EARTH Corporation	(120,682)	(139,267)
Net change in working capital other than cash (A)	(1,334,704)	39,611
	<b>1,488,037</b>	<b>3,701,665</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of tangible capital assets	(8,262,679)	(2,511,873)
Decrease (increase) in capital work in progress	928,457	(1,083,257)
Decrease (increase) in prepaid supplies	(14,670)	(3,987)
	<b>(7,348,892)</b>	<b>(3,599,117)</b>
<b>FINANCING ACTIVITIES</b>		
Net proceeds (repayments) in long-term debt	(160,999)	(200,306)
	<b>(160,999)</b>	<b>(200,306)</b>
Net change in cash and cash during the year	<b>(6,021,854)</b>	<b>(97,758)</b>
Cash and cash equivalents, beginning of year	<b>16,736,785</b>	<b>16,834,543</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 10,714,931</b>	<b>\$ 16,736,785</b>

(A) Net change in working capital other than cash includes the net change in taxes receivable, drains receivable, accounts receivable, inventories for resale, accounts payable and accrued liabilities and deferred revenue.

The accompanying notes are an integral part of the financial statements

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Budget 2023</b>	<b>Actual 2023</b>	Actual 2022
Excess of revenue over expenditures (page 4)	\$ 2,731,483	\$ 1,521,390	\$ 2,334,897
Amortization of tangible capital assets	-	1,416,769	1,381,639
Investment in capital works in progress	-	928,457	(1,083,257)
Change in prepaid supplies	-	(14,670)	(3,987)
Net disposal of tangible capital assets	-	5,264	84,785
Acquisition of tangible capital assets	(2,993,939)	(8,262,679)	(2,511,873)
Increase (decrease) in net financial assets	(262,456)	(4,405,469)	202,204
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>15,120,664</b>	<b>15,120,664</b>	14,918,460
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 14,858,208</b>	<b>\$ 10,715,195</b>	\$ 15,120,664

The accompanying notes are an integral part of the financial statements



**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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The Township of East Zorra-Tavistock (the "Township") is a Township in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

**1. Significant accounting policies**

The consolidated financial statements of the Township of East Zorra-Tavistock are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Township are as follows:

**a. i. Basis of consolidation**

These consolidated financial statements reflect the assets, liabilities, operating revenue and expenditures and accumulated surpluses and changes in investment in tangible capital assets of the Township.

These consolidated financial statements include the activities of all other committees and boards of Council including:

Hickson Recreation Committee  
Hickson Trails Committee  
Innerkip Community Centre Board of Management  
Tavistock and District Recreation Board

During the year ended December 31, 2020, the Municipality became the administering Municipality for the Rural Oxford Economic Development Corporation (ROEDC). As a result, ROEDC is consolidated in these consolidated financial statements.

The investment in a government business enterprise, ERTH Corporation (ERTH), is accounted for using the modified equity basis of accounting. Under this method, the government business enterprise's accounting policies, which follow International Financial Reporting Standards are not adjusted to conform with Canadian public sector accounting standards and inter-entity transactions and balances are not eliminated.

**b. Revenue recognition**

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

**c. Accounting for County and School Board transactions**

The Township is required to bill, collect and remit provincial education and upper tier taxation in respect of residential and other properties on behalf of the school boards and upper tier. The Township has no jurisdiction or control over the school board or upper tier's operations or their tax rate. The taxation, other revenue, expenditures, assets and liabilities with respect to the operations of the school boards, and the County of Oxford are not reflected in these consolidated financial statements.

**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. Significant accounting policies continued**

**d. Trust fund**

The Township of East Zorra-Tavistock's Trust fund and its related operations administered by the Township are not consolidated but are reported separately on the Trust Fund Statements of Operations and Financial Position.

**e. 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 revenue over expenditures, provides the consolidated change in financial assets for the year.

The Township's non-financial assets consist of tangible capital assets. Tangible capital assets, greater than \$5,000, are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land Improvements	10 to 50 years
Buildings	10 to 75 years
Machinery and equipment	4 to 25 years
Vehicles	6 to 20 years
Infrastructure - Bridges	30 to 100 years
Infrastructure - Roads	7 to 100 years
Infrastructure - Storm and other	15 to 100 years

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

**f. Deferred revenue**

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenditures are incurred, services performed or the tangible capital assets are acquired.

**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. Significant accounting policies continued**

**g. Use of estimates**

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**h. Asset retirement obligations**

An asset retirement obligation is recognized when as at the financial reporting date, all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that the future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Township owned buildings containing asbestos, are estimated and recognized as a liability and an increase in the cost of the asset at the time of acquisition. The liability is discounted annually over the same useful life as the asset's annual amortization expense, calculated in accordance with the Township's amortization policies. The liability is increased due to the passage of time and is recorded as accretion expense on Schedule 2 under Rent and Financial Expenses. During the year, the Township reviewed its tangible capital assets and determined there are no tangible capital assets that meet the above criteria and therefore, no asset retirement obligation has been recorded.

**i. Leases**

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

**j. Financial instruments**

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

**k. Prepaid supplies and inventory**

Inventory of supplies for consumption are valued at the lower of cost or replacement cost. Gravel inventory is determined per tonne and includes raw material, extraction and crushing costs.

**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**2. Tax revenue**

Property tax billings are prepared by the Township based on an assessment roll prepared by the Municipal Property Assessment Corporation. All assessed property values in the Township were reviewed and new values established based on a common valuation date which was used by the Township in computing the 2023 property tax bills. Property tax revenue and tax receivables are subject to appeals which may not have been heard yet. Any supplementary billing adjustments made necessary by the determination of such appeals will be recognized in the fiscal year they are determined and the effect shared with the County of Oxford and the appropriate school boards.

**3. Trust fund**

Trust fund administered by the Township amounting to \$7,438 (2022 - \$6,568) has not been included in these consolidated financial statements.

**4. Operations of School Boards and the County of Oxford**

Further to note 1.c, the taxation revenue of the School Boards and County of Oxford are comprised of the following:

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	<b>School Boards</b>	<b>County</b>
Taxation and user charges	<b>\$ 2,818,613</b>	<b>\$ 5,960,071</b>
Requisitions	<b>\$ 2,818,613</b>	<b>\$ 5,960,071</b>

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**5. Pension agreements**

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

The amount contributed to OMERS for 2023 was \$237,419 (2022 - \$186,736) for current service and is included as an expenditure on the Consolidated Statement of Operations and Accumulated Surplus. The Township has no obligation, as of December 31, 2023, under the past service provisions. The OMERS funding ratio for 2023 is 97.0 % (2022 - 95.0 %).

**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**6. Deferred revenue - obligatory reserve funds**

A requirement of the public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized as follows:

	<b>2023</b>	2022
Building	\$ 435,753	\$ 442,452
Development charges	2,034,528	1,261,068
Other	54,770	98,152
Recreational land	294,154	274,649
Safe Restart	85,453	210,453
	<b>\$ 2,904,658</b>	<b>\$ 2,286,774</b>

**7. Long-term liabilities**

**a. Composition of long-term liabilities**

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

	<b>2023</b>	2022
Total long-term liabilities incurred by the Township including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	\$ 605,430	\$ 772,551
Of the long-term liabilities shown above, the responsibility for payment and interest charges for tile drain loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	(18,200)	(24,322)
	<b>\$ 587,230</b>	<b>\$ 748,229</b>

**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**7. Long-term liabilities continued**

**b. Debt retirement**

Debt to be retired over the next five years:

	Recovered from taxation	Recovered from user charges
<b>2024</b>	\$ 137,077	\$ 29,824
<b>2025</b>	\$ 142,246	\$ 30,781
<b>2026</b>	\$ 147,611	\$ 31,781
<b>2027</b>	\$ 20,896	\$ 16,683
<b>2028</b>	\$ 21,752	\$ 8,579

**c. Approval**

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

**d. Contingent liability**

The Township is contingently liable for long term liabilities with respect to tile drainage loans, and for those for which the principal and interest had been assumed by other municipalities, school board and unconsolidated local boards, municipal enterprises, and utilities. The total amount outstanding as at December 31, 2023 is \$18,200 (2022 - \$24,322) is not recorded on the Consolidated Statement of Financial Position.

**e. Interest**

Interest paid on long-term liabilities for the year ending December 31, 2023 is \$27,185 (2022 - \$33,749).

**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**8. Accumulated Surplus**

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

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	<b>2023</b>	2022
<b>Investment in tangible capital assets</b>	<b>\$ 38,634,884</b>	\$ 32,561,695
<b>Operating surplus</b>	<b>531,258</b>	336,782
<b>Reserves set aside for specific purpose:</b>		
for capital replacement	7,185,317	8,676,814
for general purposes	94,431	304,158
for insurance	63,303	63,118
for tax rate stabilization	543,722	3,709,640
for working capital	250,000	250,000
<b>Total reserves</b>	<b>8,136,773</b>	13,003,730
<b>Investment in government business enterprise</b>	<b>2,666,649</b>	2,545,967
<b>ACCUMULATED SURPLUS</b>	<b>\$ 49,969,564</b>	\$ 48,448,174

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**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**9. Investment in ERTH Corporation**

As at December 31, 2023, the Township owns 5.04% (2022 - 5.04%) of ERTH and is comprised of the following:

	2023	2022
Promissory note receivable	\$ 760,000	\$ 760,000
Equity	1,906,649	1,785,967
	<b>\$ 2,666,649</b>	<b>\$ 2,545,967</b>

The promissory note receivable from ERTH is unsecured and bears interest at 7.25% (2022 - 7.25%). The term of the note is undefined, but no principal repayments are expected within the next twelve months. Interest received in the year and included in other income is \$55,100 (2022 - \$55,100).

As a business enterprise of the Township, it is accounted for on a Modified Equity basis in these consolidated financial statements and the investment is shown at the Township's proportionate share of the equity of ERTH. The following table provides condensed supplementary financial information for the ERTH from their audited financial statements:

	2023	2022
Financial Position		
<b>Total net assets</b>	<b>\$ 37,799,637</b>	<b>\$ 35,407,087</b>
Results of Operations		
Total revenue	\$ 99,128,198	\$ 98,335,547
Total operating and other expenditures	95,872,051	94,654,592
<b>Total net income</b>	<b>\$ 3,256,147</b>	<b>\$ 3,680,955</b>

ERTH Corporation declared a dividend of \$790,000 in 2023 (2022 - \$920,000) of which the Township's share is \$39,848 (2022 -\$46,406). This dividend has been accrued in the Township's financial statements.

**10. Budget figures**

The Township's Council completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2023 is reflected on the Consolidated Statement of Operations and Accumulated Surplus.



**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**11. Public sector salary disclosure**

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

**12. Segmented Information**

Segmented information is presented on Schedule 2. The Township is a diversified municipality and provides a wide range of services to its citizens including police through contracted services, fire, protective services, transportation, environmental, including water, wastewater, waste disposal and storm management projects with the County of Oxford, and community services, including cemeteries, recreation, library and planning, including economic development and municipal drains. The general government segment includes such functions as finance and information services, council and administrative offices.

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**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Land</b>	<b>Land Improvements</b>	<b>Buildings and Fixtures</b>	<b>Machinery and Equipment</b>	<b>Vehicles</b>	<b>Infrastructure</b>	<b>2023 Total</b>	<b>2022 Total</b>
<b>COST</b>								
Balance, beginning of year	\$ 2,117,834	\$ 1,096,969	\$ 7,517,605	\$ 2,095,695	\$ 5,357,571	\$ 31,525,895	\$ 49,711,569	\$ 47,629,345
Add:								
Additions during the year	-	14,320	6,663,676	371,815	740,223	472,645	8,262,679	2,511,873
Less:								
Disposals during the year	(2,495)	-	-	(843)	(206,456)	-	(209,794)	(429,649)
Balance, end of year	2,115,339	1,111,289	14,181,281	2,466,667	5,891,338	31,998,540	57,764,454	49,711,569
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	418,935	2,430,075	1,257,507	2,622,551	10,954,310	17,683,378	16,646,603
Add:								
Amortization during the year	-	35,017	147,157	131,801	364,290	738,504	1,416,769	1,381,639
Less:								
Disposals during the year	-	-	-	(148)	(204,382)	-	(204,530)	(344,864)
Balance, end of year	-	453,952	2,577,232	1,389,160	2,782,459	11,692,814	18,895,617	17,683,378
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 2,115,339</b>	<b>\$ 657,337</b>	<b>\$ 11,604,049</b>	<b>\$ 1,077,507</b>	<b>\$ 3,108,879</b>	<b>\$ 20,305,726</b>	<b>\$ 38,868,837</b>	<b>\$ 32,028,191</b>

This schedule is provided for information purposes only.

**TOWNSHIP OF EAST ZORRA-TAVISTOCK  
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General Government	Protective Services	Transportation	Health	Recreation and Culture	Planning and Development	Total
<b>REVENUE</b>							
Taxation	\$ 7,256,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,256,328
User fees	17,470	406,398	37,906	-	535,085	99,156	1,096,015
Government grants	1,196,958	78,615	21,874	-	-	288,948	1,586,395
Investment income	759,042	-	-	-	-	6,420	765,462
Penalty and interest on taxes	49,800	-	-	-	-	-	49,800
Other	-	34,907	2,960	-	87,821	-	125,688
	<b>9,279,598</b>	<b>519,920</b>	<b>62,740</b>	<b>-</b>	<b>622,906</b>	<b>394,524</b>	<b>10,879,688</b>
<b>EXPENDITURES</b>							
Salaries and benefits	1,135,888	1,016,308	1,038,402	-	554,210	146,963	3,891,771
Materials, goods and services	933,197	1,550,127	1,206,304	3,750	495,991	281,188	4,470,557
Rent and financial expenses	15,850	780	27,491	-	7,731	4,579	56,431
Amortization	33,388	209,261	993,256	-	180,864	-	1,416,769
	<b>2,118,323</b>	<b>2,776,476</b>	<b>3,265,453</b>	<b>3,750</b>	<b>1,238,796</b>	<b>432,730</b>	<b>9,835,528</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) BEFORE OTHER</b>	<b>7,161,275</b>	<b>(2,256,556)</b>	<b>(3,202,713)</b>	<b>(3,750)</b>	<b>(615,890)</b>	<b>(38,206)</b>	<b>1,044,160</b>
<b>OTHER</b>							
Government transfers related to capital	-	-	50,000	-	135,000	-	185,000
Increase in investment in EARTH Corporation	120,682	-	-	-	-	-	120,682
Gain (loss) on disposal	41,151	-	(5,264)	-	-	-	35,887
Developer contributions related to capital	99,317	(26,245)	350,059	-	(287,470)	-	135,661
	<b>261,150</b>	<b>(26,245)</b>	<b>394,795</b>	<b>-</b>	<b>(152,470)</b>	<b>-</b>	<b>477,230</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)</b>	<b>\$ 7,422,425</b>	<b>\$ (2,282,801)</b>	<b>\$ (2,807,918)</b>	<b>\$ (3,750)</b>	<b>\$ (768,360)</b>	<b>\$ (38,206)</b>	<b>\$ 1,521,390</b>

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