

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

December 31, 2023

CONTENTS

	Page
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS	
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	1
Consolidated Statement of Financial Activities	2
Consolidated Statement of Change in Net Financial Assets	3
Consolidated Statement of Cash Flows	4
Schedule of Tangible Capital Assets	5 - 6
Schedule of Accumulated Surplus	7
Schedule of Change in Accumulated Surplus	8
Schedule of Segmented Disclosure	9
Notes to the Consolidated Financial Statements	10 - 22

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

To the Members of Council, Inhabitants and Ratepayer of the
Corporation of the Township of Edwardsburgh/Cardinal

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.


The Corporation of the Township of Edwardsburgh/Cardinal's Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

MNP LLP is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

June 24, 2024



CAO



Treasurer and Deputy CAO

To the Members of Council, Inhabitants and Ratepayers of Corporation of the Township of Edwardsburgh/Cardinal:

Opinion

We have audited the consolidated financial statements of Corporation of the Township of Edwardsburgh/Cardinal (the "Township"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, accumulated surplus, changes in net financial assets, cash flows and the related schedules 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 consolidated financial position of the Township as at December 31, 2023, and the results of its consolidated operations, changes in its net financial assets and its consolidated 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 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 related 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 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Township to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Cornwall, Ontario

June 24, 2024

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	2023	2022
NET FINANCIAL ASSETS		
Assets		
Cash	\$ 9,116,747	\$ 10,014,597
Taxes receivable	743,632	609,128
Accounts receivable	1,504,309	1,222,454
Land held for resale	159,084	159,084
Long-term receivable (Note 3)	225,000	225,000
Investment in Rideau St. Lawrence Holdings Inc. (Note 4)	708,724	686,450
Investment in Port of Johnstown (Note 5)	52,807,271	48,410,726
	65,264,767	61,327,439
Liabilities		
Accounts payable	1,915,572	2,163,100
Accrued interest on municipal debt	59,248	60,754
Deferred revenue - obligatory reserve funds (Note 6)	318,164	349,243
Deferred revenue - grants	294,802	62,766
Municipal debt (Note 7)	6,194,522	6,486,389
Asset retirement obligations (Note 8)	177,588	208,654
	8,959,896	9,330,906
Net Financial Assets	56,304,871	51,996,533
Non-Financial Assets		
Tangible capital assets	41,494,996	37,991,340
Inventory	158,843	125,009
	41,653,839	38,116,349
Accumulated Surplus	\$ 97,958,710	\$ 90,112,882

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2023

	2023 BUDGET (Note 11)	2023 ACTUAL	2022 ACTUAL
REVENUE			
Taxation	\$ 6,783,607	\$ 6,775,880	\$ 6,532,896
Fees and service charges	4,242,871	4,235,068	3,917,433
Grants	2,338,907	2,124,391	750,488
Investment income	196,200	1,233,728	951,260
Proceeds from sale of land	-	383,883	-
Donations	17,000	17,242	41,434
	13,578,585	14,770,192	12,193,511
EXPENSES			
General government	1,280,659	1,384,719	1,215,405
Protection services	2,308,190	2,345,139	2,188,469
Transportation services	5,068,655	4,314,501	2,908,572
Environmental services	2,617,085	2,600,676	2,421,245
Recreation and cultural services	2,313,072	2,517,046	2,224,044
Planning and development	363,066	336,516	240,243
	13,950,727	13,498,597	11,197,978
OTHER REVENUE			
Deferred revenue earned (Note 6)	278,158	278,158	-
Capital grants	3,194,111	1,806,498	447,461
Gain on disposal of tangible capital assets	-	70,763	-
Equity income from government business enterprises (Note 4, 5)	3,699,728	4,418,814	3,813,865
	7,171,997	6,574,233	4,261,326
SURPLUS FOR THE YEAR	6,799,855	7,845,828	5,256,859
ACCUMULATED SURPLUS, beginning of year	90,112,882	90,112,882	84,856,023
ACCUMULATED SURPLUS, end of year	\$ 96,912,737	\$ 97,958,710	\$ 90,112,882

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2023

	2023 BUDGET (Note 11)	2023 ACTUAL	2022 ACTUAL
Surplus for the year	\$ 6,799,855	\$ 7,845,828	\$ 5,256,859
Amortization of tangible capital assets	1,722,822	1,707,916	1,716,059
Acquisition of tangible capital assets	(7,254,143)	(5,236,356)	(4,047,545)
Proceeds on sale of tangible capital assets	-	95,547	-
Gain on disposal of tangible capital assets	-	(70,763)	-
Change in inventory	-	(33,834)	(38,588)
Increase in net financial assets	1,268,534	4,308,338	2,886,785
Net financial assets, beginning of year	51,996,533	51,996,533	49,109,748
Net financial assets, end of year	\$ 53,265,067	\$ 56,304,871	\$ 51,996,533

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	2023	2022
CASH FROM OPERATING ACTIVITIES		
Surplus for the year	\$ 7,845,828	\$ 5,256,859
Items not affecting cash		
Amortization expense	1,707,916	1,716,059
Gain on disposal of tangible capital assets	(70,763)	-
Equity income from government business enterprises	(4,437,891)	(3,832,937)
Changes in non-cash working capital balances		
Taxes receivable	(134,504)	(73,986)
Accounts receivable	(281,855)	(219,343)
Accounts payable	(247,528)	875,381
Accrued interest on municipal debt	(1,506)	(1,779)
Deferred revenue - grants	232,036	1,430
Deferred revenue - obligatory reserve funds	(31,079)	228,391
Asset retirement obligations	(31,066)	(30,024)
Inventory	(33,834)	(38,588)
	4,515,754	3,881,463
CASH (USED IN) FROM FINANCING ACTIVITIES		
Repayment of municipal debt	(1,102,847)	(270,239)
Proceeds from the issue of municipal debt	810,980	1,083,709
	(291,867)	813,470
CASH FROM INVESTING ACTIVITIES		
Dividends received from Rideau St. Lawrence Holdings Inc.	19,072	19,072
CASH USED IN CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	95,547	-
Acquisition of tangible capital assets	(5,236,356)	(4,047,545)
Repayments of capital leases	-	(6,102)
	(5,140,809)	(4,053,647)
(DECREASE) INCREASE IN CASH	(897,850)	660,358
CASH, beginning of year	10,014,597	9,354,239
CASH, end of year	\$ 9,116,747	\$ 10,014,597

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2023

	Land	Buildings	Vehicles and Equipment	Plants and Facilities	Roads	Water and Sewer	Bridges	2023	2022
Cost									
Balance, beginning of year	\$ 757,874	\$12,276,298	\$ 8,772,349	\$17,382,489	\$24,870,390	\$10,831,639	\$ 3,300,634	\$78,191,673	\$74,144,128
Additions during the year	-	-	972,748	-	1,248,303	2,942,579	72,726	5,236,356	4,047,545
Disposals during the year	-	24,784	228,730	-	-	-	-	253,514	-
Balance, end of year	757,874	12,251,514	9,516,367	17,382,489	26,118,693	13,774,218	3,373,360	83,174,515	78,191,673
Accumulated Amortization									
Balance, beginning of year	-	4,694,863	5,046,760	8,497,099	15,641,889	4,552,547	1,767,175	40,200,333	38,484,274
Amortization during the year	-	285,361	378,740	152,072	601,977	225,941	63,825	1,707,916	1,716,059
Amortization on disposals	-	-	228,730	-	-	-	-	228,730	-
Balance, end of year	-	4,980,224	5,196,770	8,649,171	16,243,866	4,778,488	1,831,000	41,679,519	40,200,333
Net book value 2023	\$ 757,874	\$ 7,271,290	\$ 4,319,597	\$ 8,733,318	\$ 9,874,827	\$ 8,995,730	\$ 1,542,360	\$41,494,996	\$37,991,340
Net book value 2022	\$ 757,874	\$ 7,581,435	\$ 3,725,589	\$ 8,885,390	\$ 9,228,501	\$ 6,279,092	\$ 1,533,459	\$ 37,991,340	

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2023

	General Government	Protection Services	Transportation Services	Environmental Services	Health, and Recreation	2023	2022
Cost							
Balance, beginning of year	\$ 1,049,567	\$ 4,823,765	\$ 31,293,316	\$ 29,961,033	\$ 11,063,992	\$ 78,191,673	\$ 74,144,128
Additions during the year	20,567	-	1,196,925	3,294,715	638,961	5,151,168	4,047,545
Disposals during the year	24,784	228,730	-	-	-	253,514	-
Assets in service, end of year	1,045,350	4,595,035	32,490,241	33,255,748	11,702,953	83,089,327	78,191,673
Assets under construction	-	-	28,596	56,592	-	85,188	-
Balance, end of year	1,045,350	4,595,035	32,518,837	33,312,340	11,702,953	83,174,515	78,191,673
Accumulated Amortization							
Balance, beginning of year	472,842	2,731,025	19,154,261	13,746,157	4,096,048	40,200,333	38,484,274
Amortization during the year	31,064	181,769	845,671	384,183	265,229	1,707,916	1,716,059
Amortization on disposals	-	228,730	-	-	-	228,730	-
Balance, end of year	503,906	2,684,064	19,999,932	14,130,340	4,361,277	41,679,519	40,200,333
Net book value 2023	\$ 541,444	\$ 1,910,971	\$ 12,518,905	\$ 19,182,000	\$ 7,341,676	\$ 41,494,996	\$ 37,991,340
Net book value 2022	\$ 576,725	\$ 2,092,740	\$ 12,139,055	\$ 16,214,876	\$ 6,967,944	\$ 37,991,340	

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
SCHEDULE OF ACCUMULATED SURPLUS

For the year ended December 31, 2023

	2023	2022
Surpluses		
Operating surplus	\$ -	\$ -
Land inventory surplus	159,084	159,084
EMS building surplus	49,500	49,500
Library board (deficit) surplus	(36)	15,849
Capital surplus (deficit)	146,642	(379,360)
Investment in Port of Johnstown	52,807,271	48,410,726
Investment in Rideau St. Lawrence Holdings Inc.	708,724	686,450
Unfunded liabilities to be recovered from future revenues		
Accrued interest on municipal debt	(59,248)	(60,754)
Asset retirement obligations	(177,588)	(208,654)
Total surplus	53,634,349	48,672,841
Reserves and reserve funds		
Reserves set aside for specific purposes by Council:		
Working capital	847,952	805,779
Capital expenditures	221,466	200,466
Tax stabilization	102,242	102,242
Election and insurance	61,779	-
Fire	861,877	571,114
Police	110,715	110,715
Transportation	781,600	581,600
Environmental	633,862	633,862
Recreation	226,278	322,024
Planning	89,234	84,234
Total reserves	3,937,005	3,412,036
Reserve funds set aside for specific purpose by legislation, regulation or agreement:		
Ontario modernization fund	236,219	282,575
Water and sewer	458,502	1,952,819
Subdivision	398,937	402,332
Industrial park	873,097	467,311
Johnstown	57,986	55,143
Endowment	180,398	147,220
Industrial park	262	247
Dedicated capital	1,046,253	647,273
GIC investment	1,828,514	2,549,062
Total reserve funds	5,080,168	6,503,982
Total reserves and reserve funds	9,017,173	9,916,018
Invested in tangible capital assets		
Tangible capital assets	41,494,996	37,991,340
Less: related debt	(6,187,808)	(6,467,317)
Invested in tangible capital assets	35,307,188	31,524,023
ACCUMULATED SURPLUS	\$ 97,958,710	\$ 90,112,882

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS

For the year ended December 31, 2023

	Surpluses	Reserves and Reserve Funds	Invested in Tangible Capital Assets	2023	2022
Balance, beginning of year	\$ 48,672,841	\$ 9,916,018	\$ 31,524,023	\$ 90,112,882	\$ 84,856,023
Surplus for the year	7,845,828	-	-	7,845,828	5,256,859
Reserve funds used for operations	3,484,036	(3,484,036)	-	-	-
Funds transferred to reserves	(2,585,191)	2,585,191	-	-	-
Current year funds used for tangible capital assets	(5,236,356)	-	5,236,356	-	-
Amortization of tangible capital assets	1,707,916	-	(1,707,916)	-	-
Disposal of tangible capital assets	24,784	-	(24,784)	-	-
Repayment of municipal debt related to capital	(279,509)	-	279,509	-	-
Change in accumulated surplus	4,961,508	(898,845)	3,783,165	7,845,828	5,256,859
Balance, end of year	\$ 53,634,349	\$ 9,017,173	\$ 35,307,188	\$ 97,958,710	\$ 90,112,882

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF SEGMENTED DISCLOSURE

For the year ended December 31, 2023

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development	2023	2022
REVENUE								
Taxation	\$ 251,017	\$ 2,263,910	\$ 1,127,774	\$ 1,258,128	\$ 1,672,898	\$ 202,153	\$ 6,775,880	\$ 6,532,896
Fees and service charges	1,139,467	52,539	53,955	2,072,544	824,206	92,357	4,235,068	3,917,433
Grants	(2,520)	-	674,300	1,433,822	18,789	-	2,124,391	750,488
Investment income	1,230,961	-	-	1,810	957	-	1,233,728	951,260
Donations	-	-	-	-	17,242	-	17,242	41,434
Proceeds from land held for resale	383,883	-	-	-	-	-	383,883	-
	3,002,808	2,316,449	1,856,029	4,766,304	2,534,092	294,510	14,770,192	12,193,511
EXPENSES								
Wages and benefits	811,012	606,761	697,701	597,718	1,241,804	105,692	4,060,688	3,693,296
Interest on municipal debt	17,389	688	1,831	-	206,573	1,090	227,571	230,610
Materials and services	250,171	266,080	2,681,600	895,265	700,099	199,824	4,993,039	3,125,376
Contracted services	243,243	1,229,910	1,954	633,177	16,925	27,501	2,152,710	2,108,684
Insurance and financial costs	31,840	59,931	85,744	90,333	86,416	2,409	356,673	323,953
Amortization	31,064	181,769	845,671	384,183	265,229	-	1,707,916	1,716,059
	1,384,719	2,345,139	4,314,501	2,600,676	2,517,046	336,516	13,498,597	11,197,978
OTHER REVENUE								
Deferred revenue earned	-	-	278,158	-	-	-	278,158	-
Capital grants	-	-	1,806,498	-	-	-	1,806,498	447,461
Gain on disposal of tangible capital assets	70,763	-	-	-	-	-	70,763	-
Equity income from government business enterprises	4,418,814	-	-	-	-	-	4,418,814	3,813,865
	4,489,577	-	2,084,656	-	-	-	6,574,233	4,261,326
SURPLUS (DEFICIT) FOR THE YEAR	\$ 6,107,666	\$ (28,690)	\$ (373,816)	\$ 2,165,628	\$ 17,046	\$ (42,006)	\$ 7,845,828	\$ 5,256,859

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared by management in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

(a) Basis of consolidation

(i) Consolidated entities

These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures and include the activities of all committees of Council and the following local board:

Township of Edwardsburgh/Cardinal Library Board

These consolidated financial statements reflect the investment in any government business enterprises and are consolidated using the modified equity method. Under the modified equity basis, the enterprises accounting principles are not adjusted to conform with those of the Township and intergovernmental transactions and balances are not eliminated. The following government business enterprises are consolidated based on the Township's share of ownership.

Rideau St. Lawrence Holdings Inc.

Port of Johnstown

(ii) Non-consolidated entities

There are no non-consolidated entities.

(iii) Accounting for United Counties of Leeds and Grenville and school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, and the United Counties of Leeds and Grenville are not reflected in the municipal fund balances of these consolidated financial statements.

(b) Accrual basis of accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(c) Measurement uncertainty (use of estimates)

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires administration to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Significant items subject to such estimates and assumptions include the estimated useful life of tangible capital assets, the valuation of allowances for doubtful taxes and accounts receivable, the valuation of inventories, and the estimated asset retirement obligations. Actual results could differ from these estimates.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Taxation and related revenue

Property tax billings are issued by the Township based on assessment rolls prepared by the Municipal Property Assessment Corporation ("MPAC") and collects property tax revenue for municipal purposes, county taxes on behalf of the United Counties of Leeds and Grenville, provincial education taxes on behalf of the Province of Ontario, payment in lieu of taxation, local improvements and other charges. The authority to levy and collect property taxes is established under the *Municipal Act 2001*, the *Assessment Act*, the *Education Act* and other legislation.

Taxation revenue consists of non-exchange transactions and is recognized in the period to which the assessment relates and a reasonable estimate of the amounts can be made. Annual taxation revenue also includes adjustments related to reassessments and appeals to prior years' assessments. The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(e) Government grants and transfers

Government grants transfers are the transfer of assets from other levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. The Township recognizes a government grant or transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government grant or transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Township recognizes revenue as the liability is settled.

(f) Fees and service charges

Fees and service charges are recognized when the activity is performed or when the services are rendered. Examples include, but are not limited to, water and waste water charges, solid waste tipping fees, licensing fees, permits, and other fees from various recreation programs and facilities.

(g) Investment income

Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory funds such as parkland allowances and gas tax funds is added to the associated funds and forms part of the respective deferred revenue, obligatory reserve fund balances.

(h) Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand, cash on deposit and short term investments, which includes guaranteed investment certificates with maturities of three months or less.

(i) Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and from reserves and reserve funds are an adjustment to the respective fund when approved.

(j) Deferred revenue

Deferred revenue represents government transfers that have been received for specific purposes, but the respective expenditures have not been incurred to date. These amounts will be recognized as revenues in the year the expenditures are incurred.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Asset retirement obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Township 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 future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at fiscal year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Township reviews the carrying amount of the asset retirement obligation liability. The Township recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Township continues to recognize the asset retirement obligation liability relating to the landfill post-closure costs until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(l) Liability for contaminated sites

A liability for contaminated sites arises when contamination is being introduced into the air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The Township is directly responsible, or accepts responsibility to remediate the site;
- (iv) The Township expects that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites. The liability estimate includes costs that are directly attributable to the remediation activities and includes integral post-remediation operation, maintenance and monitoring costs that are a part of the remediation strategy for the contaminated site. The costs that would be included in a liability are:

- Costs directly attributable to remediation activities (for example, payroll and benefits, equipment and facilities, materials, and legal and other professional services); and
- Costs of tangible capital assets acquired as part of remediation activities to the extent they have no other alternative use.

The measurement of a liability is based on estimates and professional judgment. The liability is recorded net of any expected recoveries. The carrying amount of a liability is reviewed at each financial reporting date with any revisions to the amount previously recognized accounted for in the period in which revisions are made.

A contingency is disclosed if all of the above criteria are not met.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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.

(i) Tangible capital assets

Tangible capital assets 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 are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 years
Buildings	10 to 50 years
Machinery and equipment	10 years
Vehicles	5 to 10 years
Computer hardware and software	5 to 10 years
Water and waste plants and networks	
underground networks	50 to 100 years
sewage treatment plants	50 to 75 years
water pumping stations and reservoirs	50 to 75 years
flood stations and other infrastructure	50 to 75 years
Transportation	
roads	10 to 50 years
bridges and structures	25 to 75 years
Leased assets	5 to 40 years

Full amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Active landfills are amortized annually based on the remaining estimated useful life. The estimated costs to close and maintain currently active landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are capitalized as part of the landfill tangible capital asset cost.

The Township has a capitalization threshold of \$25,000 so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pooled assets are desktop computer systems, bunker gear and furniture.

(ii) Contributions of tangible capital assets

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. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of the transfer.

(iii) 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 expenses as incurred.

(iv) Inventory

Inventory held for consumption is recorded at the lower of cost or replacement cost.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Employee benefits

Employee benefits include vacation entitlement and sick leave benefits. Vacation and sick leave benefits are accrued in accordance with the Township's policy. The Township accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), as a defined contribution plan.

(o) Segments

The Township conducts its operations through six reportable segments: general government, protection services, transportation services, environmental services, recreation and cultural services, and planning and development. These segments are established by senior management to facilitate the achievement of the Township's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

(p) Financial instruments

The Township recognizes its financial instruments when the Township becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Township may irrevocably elect to subsequently measure any financial instrument at fair value. The Township has made no such election during the year. The Township subsequently measures all its financial assets and liabilities at amortized cost.

The Township subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. The Township has not presented a consolidated statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the consolidated statement of financial activities.

Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized into income. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses in the fiscal year it occurs.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Future accounting pronouncements

Standards effective beginning on or after April 1, 2023

Revenues

PS 3400 Revenues establishes standards on how to account for and report on revenue by distinguishing between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The main features of this Section are as follows:

- Performance obligations are enforceable promises to provide specific goods or services to a specific payor;
- Performance obligations can be satisfied at a point in time or over a period of time;
- The new standard outlines five indicators to determine if the revenue would be recognized over a period of time;
- Revenue from a transaction with a performance obligation(s) is recognized when, or as, the entity has satisfied the performance obligation(s); and
- Revenue from transactions with no performance obligation is recognized when a public sector entity has the authority to claim or retain an inflow of economic resources and a past event that gives rise to a claim of economic resources has occurred.

This standard is effective for annual financial statements relating to fiscal years beginning on or after April 1, 2023. Early application continues to be permitted. The Township has not yet determined the impact of this standard on its consolidated financial statements.

2. CHANGE IN ACCOUNTING POLICIES

Asset retirement obligations

Effective January 1, 2023, the Township adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 Asset Retirement Obligations. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was not applied retroactively, and prior periods have not been restated.

Previously, the Township recorded liabilities associated with asset retirement obligations such as landfill closure costs in accordance with PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. This previous standard required recognition of a liability for closure and post-closure care as the site capacity was used and was equal to the proportion of the estimated total expenditure required for closure and post-closure care. Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 1(k).

There was no material impact on the consolidated financial statements from the modified retrospective application of the new accounting recommendations.

Financial instruments

Effective January 1, 2023, the Township adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 Financial Instruments. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

3. LONG-TERM RECEIVABLE

The long-term receivable is due from Rideau St. Lawrence Holdings Inc., bears interest at 3.72%, paid quarterly, has no specific terms of repayment, and is unsecured.

4. INVESTMENT IN RIDEAU ST. LAWRENCE HOLDINGS INC.

	2023	2022
Investment, beginning of year	\$ 686,450	\$ 666,249
Share of net income for the year	41,346	18,031
Dividends received	(19,072)	(19,072)
Adjustment for prior year income	-	21,242
Investment, end of year	\$ 708,724	\$ 686,450

The Township of Edwardsburgh/Cardinal owns 11.92% of the outstanding share capital of Rideau St. Lawrence Holdings Inc.

The following table provides condensed supplementary financial information for Rideau St. Lawrence Holdings Inc.:

Financial Position

	2023	2022
Current assets	\$ 5,196,653	\$ 4,379,443
Capital	11,173,232	10,073,319
Regulatory assets	1,049,498	1,186,540
Total Assets	17,419,383	15,639,302
Current liabilities	6,616,568	7,536,138
Long-term debt	2,622,974	291,039
Contributions in aid of construction	1,745,545	1,621,495
Deferred tax liabilities	8,991	14,427
Customer deposits	223,834	209,106
Regulatory liabilities	255,802	208,292
Total Liabilities	11,473,714	9,880,497
Net Assets	\$ 5,945,669	\$ 5,758,805

Financial Activities

	2023	2022
Total Revenue	\$ 17,354,838	\$ 17,421,237
Total Expenses	17,007,975	17,269,969
Net Income	\$ 346,863	\$ 151,268
Township share of net income (11.92%)	\$ 41,346	\$ 18,031

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

5. INVESTMENT IN PORT OF JOHNSTOWN

	2023	2022
Investment, beginning of year	\$ 48,410,726	\$ 44,617,062
Share of net income for the year	4,959,956	4,379,310
Distribution of income	(563,411)	(585,646)
Investment, end of year	\$ 52,807,271	\$ 48,410,726

The Township of Edwardsburgh/Cardinal owns 100% of the Port of Johnstown.

(a) The following table provides condensed supplementary financial information for Port of Johnstown:

Financial Position

	2023	2022
Cash	\$ 10,925,136	\$ 9,150,157
Investments	3,612,284	3,430,171
Accounts receivable	1,976,955	1,302,666
Other assets	159,032	65,630
Capital	67,764,042	66,448,811
Total Assets	84,437,449	80,397,435
Current liabilities	1,437,638	1,219,364
Mortgage payable	2,095,360	2,180,765
Deferred contributions	28,097,180	28,586,580
Total Liabilities	31,630,178	31,986,709
Net Assets	\$ 52,807,271	\$ 48,410,726

Financial Activities

	2023	2022
Total Revenue	\$ 11,994,109	\$ 10,618,706
Total Expenses	7,034,153	6,239,396
Net Income	\$ 4,959,956	\$ 4,379,310

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

6. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of Canadian 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 transactions in the federal gas tax and COVID-19 restart program obligatory reserve funds are summarized as follows:

	Federal Gas Tax	COVID-19 Restart	2023	2022
Balance, beginning of year	\$ 291,218	\$ 58,025	\$ 349,243	\$ 120,851
Grants received	234,736	-	234,736	224,956
Interest and other	12,343	-	12,343	3,436
Deferred revenue earned	(278,158)	-	(278,158)	-
Balance, end of year	\$ 260,139	\$ 58,025	\$ 318,164	\$ 349,243

7. MUNICIPAL DEBT

	2023	2022
Loan payable, interest at 4.59%, payable in blended semi-annual payments of \$151,849, due October 2048	\$ 4,488,822	\$ 4,583,221
Loan payable, interest at 2.88%, payable in blended monthly payments of \$7,052, due October 2024	13,805	27,221
Loan payable, interest at 2.91%, payable in blended semi-annual payments of \$26,523, due July 2036	570,746	606,402
Loan payable, interest at 3.25%, payable in blended monthly payments of \$1,469, due May 2023	-	6,616
Loan payable, interest at 0%, payable in bi-weekly payments of \$476, due March 2024	2,382	14,770
Loan payable, interest at 1.73%, payable in blended monthly payments of \$8,563, due June 2024	51,075	151,995
Loan payable, interest at 4.23%, payable in blended monthly payments, due January 2042, financing up to \$1,894,707 for completion of capital projects from 2022 in 2023	1,060,980	1,083,709
Tile drainage loans, interest at 6%, repayable over a ten year period in blended payments ranging between \$2,568 and \$6,793, maturity dates ranging from 2024 to 2026	6,712	12,455
	\$ 6,194,522	\$ 6,486,389

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

7. MUNICIPAL DEBT (Continued)

Principal payments, assuming the loans are renewed under the same terms and conditions, are as follows:

	2024	\$	241,996
	2025		175,233
	2026		182,802
	2027		190,708
	2028		198,965
	Thereafter		5,204,818
			\$ 6,194,522

(b) Of the municipal debt reported, principal payments are payable from the following sources as follows:

	2024 - 2028		Thereafter
Taxation revenues	\$ 786,025	\$	4,828,657
Other revenues	196,967		376,161
Benefiting landowners	6,712		-
			\$ 989,704 \$ 5,204,818

8. ASSET RETIREMENT OBLIGATIONS

The Township's asset retirement obligations include one solid waste landfill site's post closure monitoring costs. The landfill site reached its useful life and capping and monitoring procedures commenced in 2016. The landfill post-closure monitoring period is estimated for ten years. Total closure and post-closure costs were estimated to be \$372,880 in 2016. The change in asset retirement obligations for the year is as follows:

	2023		2022
Balance, beginning of year	\$ 208,654	\$	238,678
Liabilities settled	(31,066)		(30,024)
Balance, end of year	\$ 177,588	\$	208,654

The remaining estimated liability is to be recovered from future taxation revenue and reserves.

9. PENSION AGREEMENTS

The Township is a member of the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer retirement plan. The plan is a contributory defined benefit plan that specifies the amount of retirement benefit to be received by the employees based on the length of service and rates pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Township does not recognize any share of the OMERS pension deficit of \$4.2 billion (2022 - \$6.7 billion) in these consolidated financial statements.

The employer amount contributed to OMERS for 2023 was \$421,735 (2022 - \$373,548) for current service and is included as an expenditure on the consolidated statement of financial activities.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

10. OPERATING EXPENDITURES BY OBJECT

Municipal operating expenditures are summarized as follows:

	BUDGET 2023 (Note 11)	ACTUAL 2023	ACTUAL 2022
Wages and benefits	\$ 3,929,862	\$ 4,060,688	\$ 3,693,296
Interest on long-term debt	308,604	227,571	230,610
Materials and services	5,425,354	4,993,039	3,125,376
Contracted services	2,205,299	2,152,710	2,108,684
Insurance and financial expenses	358,786	356,673	323,953
Amortization	1,722,822	1,707,916	1,716,059
	\$ 13,950,727	\$ 13,498,597	\$ 11,197,978

11. BUDGET FIGURES

The 2023 budget amounts that were approved on March 27, 2023 were established for Capital, Reserves and Reserve Funds and are based on a project-oriented basis, the costs of which may be carried out over one or more years.

12. OPERATING AND WATERWORKS AND SEWER OPERATIONS SURPLUSES AND DEFICITS

The operating surplus for the fiscal year ended December 31, 2023 was \$97,952 of which the balance was transferred to the working capital reserve.

The waterworks and sewer operations' net surplus for the fiscal year ended December 31, 2023 was \$178,574 of which a surplus of \$682 was transferred to the Spencerville wastewater reserve fund, \$19,091 was transferred to the low lift reserve fund, \$514 was transferred to the Industrial Park water reserve fund, \$27,705 was transferred to the Cardinal Wastewater reserve fund, \$140,809 was transferred to the Cardinal water reserve fund; whereas \$10,227 was transferred from the Industrial Park wastewater reserve fund to fund deficits incurred for the year.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

12. OPERATING AND WATERWORKS AND SEWER OPERATIONS SURPLUSES AND DEFICITS (Continued)

	(Note 11) BUDGET 2023	ACTUAL 2023	ACTUAL 2022
Surplus for the year	\$ 6,799,855	\$ 7,845,828	\$ 5,256,859
Funds transferred to reserves	(984,348)	(1,968,405)	(1,374,323)
Reserve funds used for operations	2,405,512	3,484,036	884,098
Reserve fund interest	-	(340,255)	(160,716)
Change in asset retirement obligations	-	(31,066)	(30,024)
Acquisition of tangible capital assets	(7,254,143)	(5,236,356)	(4,047,545)
Annual amortization expense	1,722,822	1,707,916	1,716,059
Loss on sale of tangible capital assets	-	(70,763)	-
Proceeds on sale of tangible capital assets	-	95,547	-
Change in accrued interest on municipal debt	-	(1,506)	(1,778)
Port of Johnstown	(3,699,728)	(4,396,545)	(3,793,664)
Rideau St. Lawrence Holdings Inc.	-	(22,269)	(20,201)
Change in capital surplus or capital deficit	425,457	(526,002)	783,612
Principal payments on municipal debt	(237,992)	(1,090,480)	(256,562)
Proceeds from municipal debt	810,980	810,980	1,083,709
Operating surplus (deficit) for the year	(11,585)	260,660	39,524
Library board deficit for the year	11,585	15,866	30,293
Transfer to water and sewer reserves	-	(178,574)	(14,038)
Transfer to reserves	-	(97,952)	(55,779)
	\$ -	\$ -	\$ -

13. SEGMENTED INFORMATION

The Township is responsible for providing a range of services to its citizens. For management reporting purposes the Township's operations and activities are organized and reported by department. These departments are reported by functional area in the body of the consolidated financial statements similar to reporting reflected in the Ontario Financial Information Return. These functional areas represent segments for the Township of Edwardsburgh/Cardinal and expended disclosure by object has been reflected in the schedule of segmented disclosure.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

A brief description of each segment follows:

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

13. SEGMENTED INFORMATION (Continued)

(a) General government

General government includes corporate services and governance of the Township. Administration as a segment includes operating and maintaining municipal owned buildings, human resource management, legal, communications, information systems and technology, support to Council for policy development, by-law development in compliance with the *Ontario Municipal Act*, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status as well as frontline reception and customer service.

(b) Protection services

Protection services includes fire protection, conservation authority, protective inspection and control, and emergency measures. Fire protection includes inspection, extinguishing and suppression services, emergency medical first response, and prevention education and training programs. Inspection and control includes building inspection, by-law enforcement and dog control services.

(c) Transportation services

Transportation services includes administration and operation of traffic and parking services for the Township. In addition, services are provided for the winter and summer road maintenance along with the repair and construction of the municipal roads system including bridges and culverts, as well as operation and maintenance of a fleet of vehicles and equipment for use in providing services to the Township.

(d) Environmental services

Environmental services includes waste collection, disposal, recycling services and water and sewer services. Water and sewer services includes the operation of water and waste water facilities and infrastructure for the collection and distribution of both water and sewer services within the Township.

(e) Recreation and cultural services

Recreation and cultural services provides services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure programs and facilities including community halls, libraries, parks, recreation fields, and arenas.

(f) Planning and development

Planning and development manages development for business interests, environmental concerns, heritage matters, local neighbourhoods and community development. It also facilitates economic development by providing services for the approval of all land development plans and the application and enforcement of the zoning by-law and official plan.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2023

FINANCIAL ACTIVITIES (000's)

	2023	2022	2021	2020	2019
Revenues					
Taxation	\$ 6,776	\$ 6,533	\$ 6,172	\$ 6,072	\$ 5,789
Fees and service charges	4,235	3,917	3,571	3,511	3,769
Grants	2,124	750	958	920	1,597
Investment income	1,234	951	183	209	329
Donations and other	401	41	23	40	68
	14,770	12,192	10,907	10,752	11,552
Expenses					
General government	1,385	1,215	1,408	1,268	1,120
Protection to persons and property	2,345	2,188	2,091	2,064	2,054
Transportation services	4,314	2,909	2,612	2,631	2,755
Environmental	2,601	2,421	2,162	2,305	2,227
Recreation and cultural services	2,517	2,224	1,873	1,845	2,147
Planning and development	337	240	227	291	178
	13,499	11,197	10,373	10,404	10,481
Other Revenue					
Deferred revenue earned	278	-	442	260	442
Capital grants	1,806	447	182	273	-
Gain on disposal of tangible capital assets	71	-	74	26	-
Equity income	4,419	3,814	3,461	3,632	3,292
	6,574	4,261	4,159	4,191	3,734
Surplus for the year	\$ 7,845	\$ 5,256	\$ 4,693	\$ 4,539	\$ 4,805

PROPERTY TAXES BILLED (000's)

	2023	2022	2021	2020	2019
Own purposes	\$ 6,776	\$ 6,533	\$ 6,172	\$ 6,072	\$ 5,789
Upper-tier municipality	3,715	3,426	3,388	3,301	3,213
School boards	2,264	2,306	2,234	2,443	2,467
	\$ 12,755	\$ 12,265	\$ 11,794	\$ 11,816	\$ 11,469

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2023

TAXABLE ASSESSMENT (000's)

	2023	2022	2021	2020	2019
Residential and farm	\$ 804,665	\$ 789,869	\$ 783,785	\$ 779,682	\$ 746,000
Commercial and industrial	144,302	143,895	139,421	139,024	134,908
	948,967	933,764	923,206	918,706	880,908
Exempt	39,251	39,008	37,934	38,205	37,010
	\$ 988,218	\$ 972,772	\$ 961,140	\$ 956,911	\$ 917,918
Commercial and industrial	15.21%	15.41%	15.10%	15.13%	15.31%

FINANCIAL INDICATORS

	2023	2022	2021	2020	2019
Tax arrears					
Percentage of own levy	11 %	9 %	9 %	10 %	11 %
Percentage of total levy	6 %	5 %	5 %	5 %	5 %
Municipal debt	\$ 6,194,521	\$ 6,486,389	\$ 5,672,917	\$ 5,600,811	\$ 5,723,185
Municipal debt charges	\$ 1,330,418	\$ 500,849	\$ 478,299	\$ 373,087	\$ 528,427
Sustainability					
Financial assets to liabilities	7.28	6.57	7.59	7.00	6.12
Financial assets to liabilities excluding municipal debt	4.69	4.34	6.50	5.93	5.16
Municipal debt to tangible capital assets	14.93 %	17.07 %	15.93 %	15.84 %	16.17 %
Flexibility					
Debt charges to total operating revenue	9.01 %	4.11 %	4.37 %	3.47 %	4.57 %
Total operating revenue to taxable assessment	1.49 %	1.25 %	1.14 %	1.12 %	1.26 %
Vulnerability					
Operating grants to operating revenue	14.38 %	6.15 %	8.78 %	8.57 %	13.82 %
Total grants to total revenues	18.42 %	7.28 %	7.57 %	7.99 %	10.45 %
Reserve coverage					
Reserves and reserve funds	\$ 9,017,173	\$ 9,916,018	\$ 9,195,259	\$ 7,935,759	\$ 7,260,022
Reserves to operating expenses	67 %	89 %	89 %	76 %	69 %
Reserves to working capital	2.15	3.40	2.16	3.04	3.89