

**DRAFT FOR REVIEW PURPOSES ONLY**

**CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2020**

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

December 31, 2020

## CONTENTS

	Page
<b>MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS</b>	
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
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.

---

CAO

---

Treasurer

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 and its subsidiaries (the "Township"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of financial activities, change 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, 2020, 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

*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

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

As at December 31, 2020

	2020	2019
<b>NET FINANCIAL ASSETS</b>		
<b>Assets</b>		
Cash	\$ 7,812,029	\$ 7,261,909
Taxes receivable	595,842	608,079
Accounts receivable	939,388	915,675
Land held for resale	160,326	193,509
Long-term receivable (Note 2)	225,000	225,000
Investment in Rideau St. Lawrence Holdings Inc. (Note 3)	664,845	637,824
Investment in Port of Johnstown (Note 4)	41,157,470	37,552,942
	<b>51,554,900</b>	<b>47,394,938</b>
<b>Liabilities</b>		
Accounts payable	1,173,445	1,354,865
Accrued interest on municipal debt	64,453	66,203
Deferred revenue - obligatory reserve funds (Note 5)	120,723	47,328
Deferred revenue - grants	110,403	190,137
Municipal debt (Note 6)	5,600,810	5,723,185
Capital leases (Note 7)	42,715	79,328
Accrued landfill closure and post-closure costs (Note 8)	254,728	277,111
	<b>7,367,277</b>	<b>7,738,157</b>
<b>Net Financial Assets</b>	<b>44,187,623</b>	<b>39,656,781</b>
<b>Non-Financial Assets</b>		
Tangible capital assets	35,854,817	35,881,809
Inventory	118,560	84,391
	<b>35,973,377</b>	<b>35,966,200</b>
<b>Accumulated Surplus</b>	<b>\$ 80,161,000</b>	<b>\$ 75,622,981</b>

See Accompanying Notes

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

For the year ended December 31, 2020

	2020 BUDGET (Note 13)	2020 ACTUAL	2019 ACTUAL
<b>REVENUE</b>			
Taxation	\$ 6,083,359	\$ 6,072,361	\$ 5,789,038
Fees and service charges	3,689,758	3,514,573	3,768,700
Grants	829,715	920,247	1,596,967
Investment income	181,200	209,163	328,881
Proceeds from land held for resale	-	6,298	-
Donations	43,000	33,334	68,212
	10,827,032	10,755,976	11,551,798
<b>EXPENSES</b>			
General government	1,117,973	1,268,215	1,119,983
Protection to persons and property	2,132,944	2,063,867	2,054,015
Transportation services	2,681,242	2,631,167	2,755,041
Environmental services	2,304,607	2,305,252	2,226,917
Recreation and cultural services	2,170,458	1,845,385	2,147,235
Planning and development	245,042	291,078	177,523
	10,652,266	10,404,964	10,480,714
<b>OTHER REVENUE</b>			
Deferred revenue earned (Note 5)	260,000	260,000	441,650
Capital grants	381,058	273,058	-
Gain on disposal of tangible capital assets	-	22,400	-
Equity income from government business enterprises	3,091,265	3,631,549	3,292,109
	3,732,323	4,187,007	3,733,759
<b>SURPLUS FOR THE YEAR</b>	3,907,089	4,538,019	4,804,843
<b>ACCUMULATED SURPLUS, beginning of year</b>	75,622,981	75,622,981	70,818,138
<b>ACCUMULATED SURPLUS, end of year</b>	\$ 79,530,070	\$ 80,161,000	\$ 75,622,981

See Accompanying Notes

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

For the year ended December 31, 2020

	2020 BUDGET (Note 13)	2020 ACTUAL	2019 ACTUAL
Surplus for the year	\$ 3,907,089	\$ 4,538,019	\$ 4,804,843
Amortization of tangible capital assets	1,727,935	1,806,146	1,727,934
Acquisition of tangible capital assets	(1,970,830)	(1,779,154)	(2,099,347)
Proceeds on sale of tangible capital assets	-	22,400	-
Gain on disposal of tangible capital assets	-	(22,400)	-
Change in inventory	-	(34,169)	(2,895)
Increase in net financial assets	3,664,194	4,530,842	4,430,535
Net financial assets, beginning of year	39,656,781	39,656,781	35,226,246
Net financial assets, end of year	\$ 43,320,975	\$ 44,187,623	\$ 39,656,781

See Accompanying Notes



# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

	2020	2019
<b>CASH FROM OPERATING ACTIVITIES</b>		
Surplus for the year	\$ 4,538,019	\$ 4,804,843
Items not affecting cash		
Amortization expense	1,806,146	1,727,934
Gain on disposal of tangible capital assets	(22,400)	-
Equity income from government business enterprises	(3,631,549)	(3,311,181)
Changes in non-cash working capital balances		
Taxes receivable	12,237	12,123
Accounts receivable	(23,713)	125,042
Land held for resale	33,183	(67,730)
Accounts payable	(181,420)	3,490
Accrued interest on municipal debt	(1,750)	(1,939)
Deferred revenue - Grants	(79,734)	190,137
Deferred revenue - obligatory reserve funds	73,395	3,626
Accrued landfill closure and post-closure costs	(22,383)	(21,343)
Inventory	(34,169)	(2,895)
	<b>2,465,862</b>	<b>3,462,107</b>
<b>CASH USED IN FINANCING ACTIVITIES</b>		
Repayment of municipal debt	(122,375)	(267,980)
<b>CASH FROM INVESTING ACTIVITIES</b>		
Dividends received from Rideau St. Lawrence Holdings Inc.	-	19,072
<b>CASH USED IN CAPITAL ACTIVITIES</b>		
Proceeds on disposal of tangible capital assets	22,400	-
Acquisition of tangible capital assets	(1,779,154)	(2,099,347)
Repayments of capital leases	(36,613)	(192,638)
	<b>(1,793,367)</b>	<b>(2,291,985)</b>
<b>INCREASE IN CASH</b>	<b>550,120</b>	<b>921,214</b>
<b>CASH, beginning of year</b>	<b>7,261,909</b>	<b>6,340,695</b>
<b>CASH, end of year</b>	<b>\$ 7,812,029</b>	<b>\$ 7,261,909</b>

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2020

	Land	Buildings	Vehicles and Equipment	Plants and Facilities	Roads	Water and Sewer	Bridges	2020	2019
<b>Cost</b>									
Balance, beginning of year	\$ 757,874	\$ 11,957,087	\$ 7,074,931	\$ 17,353,487	\$ 21,299,636	\$ 9,909,811	\$ 3,300,634	\$ 71,653,460	\$ 69,716,199
Additions during the year	-	115,325	1,002,443	-	535,376	126,010	-	1,779,154	2,099,347
Disposals during the year	-	-	450,564	-	-	-	-	450,564	162,086
Balance, end of year	757,874	12,072,412	7,626,810	17,353,487	21,835,012	10,035,821	3,300,634	72,982,050	71,653,460
<b>Accumulated Amortization</b>									
Balance, beginning of year	-	3,851,522	4,877,229	8,060,032	13,523,815	3,900,543	1,558,510	35,771,651	34,205,803
Amortization during the year	-	277,938	314,958	133,624	793,139	215,269	71,218	1,806,146	1,727,934
Amortization on disposals	-	-	450,564	-	-	-	-	450,564	162,086
Balance, end of year	-	4,129,460	4,741,623	8,193,656	14,316,954	4,115,812	1,629,728	37,127,233	35,771,651
<b>Net book value 2020</b>	\$ 757,874	\$ 7,942,952	\$ 2,885,187	\$ 9,159,831	\$ 7,518,058	\$ 5,920,009	\$ 1,670,906	\$ 35,854,817	\$ 35,881,809
<b>Net book value 2019</b>	\$ 757,874	\$ 8,105,565	\$ 2,197,702	\$ 9,293,455	\$ 7,775,821	\$ 6,009,268	\$ 1,742,124	\$ 35,881,809	

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2020

	General Government	Protection Services	Transportation Services	Environmental Services	Health, and Recreation	2020	2019
<b>Cost</b>							
Balance, beginning of year	\$ 996,451	\$ 4,031,288	\$ 27,790,331	\$ 28,533,755	\$ 10,301,635	\$ 71,653,460	\$ 69,310,671
Additions during the year	48,187	361,068	959,623	267,776	86,702	1,723,356	2,504,875
Disposals during the year	-	3,940	430,082	-	16,542	450,564	162,086
Other - donations and transfers	-	-	8,983	-	(8,983)	-	-
Assets in service, end of year	1,044,638	4,388,416	28,328,855	28,801,531	10,362,812	72,926,252	71,653,460
Assets under construction	-	-	55,798	-	-	55,798	-
Balance, end of year	1,044,638	4,388,416	28,384,653	28,801,531	10,362,812	72,982,050	71,653,460
<b>Accumulated Amortization</b>							
Balance, beginning of year	385,352	2,250,174	17,141,070	12,623,586	3,371,469	35,771,651	34,205,803
Amortization during the year	30,978	160,719	997,634	363,396	253,419	1,806,146	1,727,934
Amortization on disposals	-	3,940	430,082	-	16,542	450,564	162,086
Balance, end of year	416,330	2,406,953	17,708,622	12,986,982	3,608,346	37,127,233	35,771,651
<b>Net book value 2020</b>	<b>\$ 628,308</b>	<b>\$ 1,981,463</b>	<b>\$ 10,676,031</b>	<b>\$ 15,814,549</b>	<b>\$ 6,754,466</b>	<b>\$ 35,854,817</b>	<b>\$ 35,881,809</b>
<b>Net book value 2019</b>	<b>\$ 611,099</b>	<b>\$ 1,781,114</b>	<b>\$ 10,649,261</b>	<b>\$ 15,910,169</b>	<b>\$ 6,930,166</b>	<b>\$ 35,881,809</b>	

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## SCHEDULE OF ACCUMULATED SURPLUS

For the year ended December 31, 2020

	2020	2019
<b>Surpluses</b>		
Operating surplus	\$ -	\$ -
Land inventory surplus	160,326	193,509
EMS building surplus	49,500	49,500
Library board surplus	43,179	52,328
Capital surplus	196,214	56,200
Investment in Port of Johnstown	41,157,470	37,552,942
Investment in Rideau St. Lawrence Holdings Inc.	664,845	637,824
Unfunded liabilities to be recovered from future revenues		
Accrued interest on municipal debt	(64,453)	(66,203)
Accrued landfill closure and post-closure	(254,728)	(277,111)
<b>Total surplus</b>	<b>41,952,353</b>	<b>38,198,989</b>
<b>Reserves and reserve funds</b>		
<b>Reserves set aside for specific purposes by Council:</b>		
Working capital	750,000	750,000
Capital expenditures	191,466	147,465
Tax stabilization	165,000	130,000
Election	13,100	7,100
Fire	448,364	518,364
Police	110,715	110,715
Transportation	537,481	230,161
Environmental	273,821	238,946
Recreation	235,024	176,524
Planning	(21)	(6,558)
<b>Total reserves</b>	<b>2,724,950</b>	<b>2,302,717</b>
<b>Reserve funds set aside for specific purpose by legislation, regulation or agreement:</b>		
Ontario modernization fund	409,536	526,781
Water and sewer	1,565,616	1,381,976
Subdivision	334,908	279,294
Industrial park	580,691	504,784
Johnstown	31,135	25,819
Endowment	129,765	119,889
Industrial park	2,147,717	2,118,761
Dedicated capital	11,441	-
<b>Total reserve funds</b>	<b>5,210,809</b>	<b>4,957,304</b>
<b>Total reserves and reserve funds</b>	<b>7,935,759</b>	<b>7,260,021</b>
<b>Invested in tangible capital assets</b>		
Tangible capital assets	35,854,817	35,881,809
Less: related debt	(5,581,929)	(5,717,838)
<b>Invested in tangible capital assets</b>	<b>30,272,888</b>	<b>30,163,971</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 80,161,000</b>	<b>\$ 75,622,981</b>

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS

For the year ended December 31, 2020

	Surpluses	Reserves and Reserve Funds	Invested in Tangible Capital Assets	2020	2019
Balance, beginning of year	\$ 38,198,989	\$ 7,260,021	\$ 30,163,971	\$ 75,622,981	\$ 70,818,138
Surplus (deficit) for the year	4,538,019	-	-	4,538,019	4,804,843
Reserve funds used for operations	372,948	(372,948)	-	-	-
Funds transferred to reserves	(1,048,686)	1,048,686	-	-	-
Current year funds used for tangible capital assets	(1,779,154)	-	1,779,154	-	-
Amortization of tangible capital assets	1,806,146	-	(1,806,146)	-	-
Repayment of capital leases	(36,613)	-	36,613	-	-
Repayment of municipal debt related to capital	(99,296)	-	99,296	-	-
Change in accumulated surplus	3,753,364	675,738	108,917	4,538,019	4,804,843
Balance, end of year	\$ 41,952,353	\$ 7,935,759	\$ 30,272,888	\$ 80,161,000	\$ 75,622,981

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## SCHEDULE OF SEGMENTED DISCLOSURE

For the year ended December 31, 2020

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development	2020	2019
<b>REVENUE</b>								
Taxation	\$ 217,577	\$ 2,266,766	\$ 1,934,913	\$ 292,327	\$ 1,242,638	\$ 118,140	\$ 6,072,361	\$ 5,789,038
Fees and service charges	899,391	30,201	37,664	1,933,268	512,463	101,586	3,514,573	3,768,700
Grants	115,425	-	740,000	48,593	16,229	-	920,247	1,596,967
Investment income	207,359	-	-	1,214	590	-	209,163	328,881
Donations	-	-	-	-	33,334	-	33,334	68,212
Proceeds from land held for resale	6,298	-	-	-	-	-	6,298	-
	1,446,050	2,296,967	2,712,577	2,275,402	1,805,254	219,726	10,755,976	11,551,798
<b>EXPENSES</b>								
Wages and benefits	799,902	369,297	668,738	545,303	769,713	51,681	3,204,634	3,305,614
Interest on municipal debt	19,908	1,716	644	-	219,115	9,330	250,713	260,447
Materials and services	211,620	212,738	883,739	746,133	528,776	187,309	2,770,315	2,921,535
Contracted services	181,789	1,273,049	11,606	572,236	7,794	40,894	2,087,368	2,001,091
Insurance and financial costs	24,018	46,348	68,806	78,184	66,568	1,864	285,788	264,092
Amortization	30,978	160,719	997,634	363,396	253,419	-	1,806,146	1,727,935
	1,268,215	2,063,867	2,631,167	2,305,252	1,845,385	291,078	10,404,964	10,480,714
<b>OTHER REVENUE</b>								
Deferred revenue earned	-	-	260,000	-	-	-	260,000	441,650
Capital grants	-	-	225,000	48,058	-	-	273,058	-
Gain on disposal of tangible capital assets	22,400	-	-	-	-	-	22,400	-
Equity income from government business enterprises	3,631,549	-	-	-	-	-	3,631,549	3,292,109
	3,653,949	-	485,000	48,058	-	-	4,187,007	3,733,759
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	\$ 3,831,784	\$ 233,100	\$ 566,410	\$ 18,208	\$ (40,131)	\$ (71,352)	\$ 4,538,019	\$ 4,804,843

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 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) 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.

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) 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.

#### (e) 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.

#### (f) 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.

#### (g) 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.

#### (h) 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.

#### (i) 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.

#### (j) Landfill closure costs

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.



# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) 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.

#### (l) 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 charged to expense as the landfill sites capacity is used.

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (l) Non-financial assets (Continued)

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.

#### (m) 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, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (n) Measurement uncertainty (use of estimates)

The preparation of 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 landfill closure and post-closure costs. Actual results could differ from these estimates.

#### (o) Future accounting pronouncements

Standards effective beginning on or after April 1, 2022

Financial instruments

PS 3450 established recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard required fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of remeasurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

This standard is effective for fiscal years beginning on or after April 1, 2022. Early adoption is permitted.

Asset Retirement Obligations

PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn. The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.

This standard is effective for fiscal years beginning on or after April 1, 2022. Early adoption is permitted.

### 2. 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.

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 3. INVESTMENT IN RIDEAU ST. LAWRENCE HOLDINGS INC.

	2020	2019
Investment, beginning of year	\$ 637,824	\$ 638,766
Share of net income for the year	27,021	18,130
Dividends received	-	(19,072)
Investment, end of year	\$ 664,845	\$ 637,824

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

	2020	2019
Current assets	\$ 3,522,303	\$ 4,399,108
Capital	8,315,108	8,003,732
Regulatory assets	603,670	149,114
Total Assets	12,441,081	12,551,954
Current liabilities	5,590,261	6,035,816
Customer deposits	242,271	257,135
Regulatory liabilities	483,015	325,521
Long-term debt	374,205	416,502
Total Liabilities	6,689,752	7,034,974
Net Assets	\$ 5,751,329	\$ 5,516,980

#### Financial Activities

	2020	2019
Total Revenue	\$ 18,414,422	\$ 16,360,807
Total Expenses	18,187,732	16,208,711
Net Income	\$ 226,690	\$ 152,096
Township share of net income (11.92%)	\$ 27,021	\$ 18,130

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 4. INVESTMENT IN PORT OF JOHNSTOWN

	2020	2019
Investment, beginning of year	\$ 37,552,942	\$ 34,259,891
Share of net income for the year	3,604,528	3,293,051
Investment, end of year	\$ 41,157,470	\$ 37,552,942

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

	2020	2019
Cash	\$ 7,750,242	\$ 6,404,473
Investments	5,653,599	5,604,327
Accounts receivable	1,785,250	1,256,424
Other assets	65,304	53,006
Capital	56,834,396	50,672,220
Total Assets	72,088,791	63,990,450
Current liabilities	4,273,628	814,761
Deferred contributions	26,657,693	25,622,747
Total Liabilities	30,931,321	26,437,508
Net Assets	\$ 41,157,470	\$ 37,552,942

#### Financial Activities

	2020	2019
Total Revenue	\$ 9,206,642	\$ 8,934,000
Total Expenses	5,602,114	5,640,949
Net Income	\$ 3,604,528	\$ 3,293,051

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 5. 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 obligatory reserve fund are summarized as follows:

	2020	2019
Balance, beginning of year	\$ 47,328	\$ 43,702
Grants received	332,050	440,954
Interest and other	1,345	4,322
Deferred revenue earned	(260,000)	(441,650)
Balance, end of year	\$ 120,723	\$ 47,328

### 6. MUNICIPAL DEBT

	2020	2019
Loan payable, interest at 4.59%, payable in blended semi-annual payments of \$151,849, due October 2043	\$ 4,759,640	\$ 4,842,024
Loan payable, interest at 2.88%, payable in blended monthly payments of \$7,052, due October 2024	52,928	65,241
Loan payable, interest at 2.91%, payable in blended semi-annual payments of \$26,523, due July 2036	674,697	707,393
Loan payable, interest at 3.25%, payable in blended monthly payments of \$1,469, due May 2023	35,634	51,351
Loan payable, interest at 0%, payable in monthly payments of \$955, due January 2022	12,403	23,852
Loan payable, interest at 0%, payable in bi-weekly payments of \$476, due March 2024	39,546	-
Tile drainage loans, interest at 6%, repayable over a ten year period in blended payments ranging between \$850 and \$6,800, maturity dates ranging from 2021 to 2024	25,962	33,324
	\$ 5,600,810	\$ 5,723,185

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

2021	\$ 180,965
2022	175,778
2023	161,905
2024	158,079
2025	141,145
Thereafter	4,782,938
	\$ 5,600,810

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 6. MUNICIPAL DEBT (Continued)

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

	2021 - 2025	Thereafter
Taxation revenues	\$ 525,896	\$ 4,286,672
Other revenues	230,380	496,266
Benefiting landowners	61,596	-
	<b>\$ 817,872</b>	<b>\$ 4,782,938</b>

### 7. CAPITAL LEASES

	2020	2019
Capital lease obligation on equipment, interest at 0%, payable in monthly payments of \$3,051, due March 2022	<b>42,715</b>	79,328
	<b>\$ 42,715</b>	<b>\$ 79,328</b>
Lease payments due in the next two years are as follows:		
2021	\$ 36,613	
2022	6,102	
	<b>\$ 42,715</b>	

### 8. ACCRUED LANDFILL CLOSURE AND POST-CLOSURE COSTS

The Township operates one solid waste landfill site. The landfill site has reached its useful life and capping procedures have commenced in 2016. The estimate associated with closure and post-closure include costs such as clay, topsoil, hydro seed, site preparation, equipment, ditching, drainage, fencing and post-closure monitoring estimated for ten years. Total closure and post-closure costs were estimated to be \$372,880. During the year closing costs of \$22,383 were incurred and were charged to the accrued liability. The remaining estimated costs of \$254,728 are to be recovered from future taxation revenue and reserves.

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 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 employee 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 \$3.2 billion (2019 - \$3.4 billion) in these consolidated financial statements.

The employer amount contributed to OMERS for 2020 was \$364,649 (2019 - \$369,155) for current service and is included as an expenditure on the statement of financial activities.

### 10. OPERATING EXPENDITURES BY OBJECT

Municipal operating expenditures are summarized as follows:

	BUDGET 2020 (Note 13)	ACTUAL 2020	ACTUAL 2019
Wages and benefits	\$ 3,361,444	\$ 3,204,634	\$ 3,305,614
Interest on long-term debt	247,870	250,713	260,447
Materials and services	3,004,390	2,770,315	2,921,535
Contracted services	2,016,137	2,087,368	2,001,091
Insurance and financial expenses	294,490	285,788	264,092
Amortization	1,727,935	1,806,146	1,727,935
	<b>\$ 10,652,266</b>	<b>\$ 10,404,964</b>	<b>\$ 10,480,714</b>

### 11. OPERATING AND WATERWORKS AND SEWER OPERATIONS SURPLUSES AND DEFICITS

The operating surplus for the fiscal year ending December 31, 2020 was \$113,900 of which \$78,900 was transferred to Transportation reserve and \$35,000 was transferred to Tax stabilization reserve.

The waterworks and sewer operations surplus for the fiscal year ending December 31, 2020 was \$167,291, of which a surplus of \$5,829 was transferred to the Spencerville wastewater reserve, \$17,375 was transferred to the low lift reserve, \$17,892 was transferred to the Industrial Park water reserve, \$3,811 was transferred to the Industrial Park wastewater reserve and \$171,389 was transferred to the Cardinal water reserve and a deficit of \$48,041 was transferred from Cardinal Wastewater and \$964 was transferred from the Spencerville wastewater reserves.



# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 11. OPERATING AND WATERWORKS AND SEWER OPERATIONS SURPLUSES AND DEFICITS (Continued)

	(Note 13) BUDGET 2020	ACTUAL 2020	ACTUAL 2019
Surplus for the year	\$ 3,907,089	\$ 4,538,019	\$ 4,804,843
Funds transferred to reserves	(722,550)	(647,234)	(1,073,365)
Reserve funds used for operations	264,109	323,940	421,843
Reserve fund interest	-	(71,255)	(138,364)
Change in accrued landfill costs	-	(22,383)	(21,343)
Acquisition of tangible capital assets	(1,970,830)	(1,779,154)	(2,099,347)
Annual amortization expense	1,727,935	1,806,146	1,727,934
Gain on sale of tangible capital assets	-	(22,400)	-
Proceeds on sale of tangible capital assets	-	22,400	-
Change in accrued interest on municipal debt	-	(1,750)	(1,939)
Port of Johnstown	(3,092,530)	(3,604,528)	(3,293,051)
Rideau St. Lawrence Holdings Inc.	(1,265)	(27,021)	942
Change in capital surplus	47,530	(140,014)	132,993
Principal payments on municipal debt	(188,341)	(185,457)	(439,777)
Proceeds from municipal debt	-	49,551	-
Change in land inventory surplus	-	33,183	(67,730)
Operating (deficit) surplus for the year	(28,853)	272,043	(46,361)
Library board surplus	28,853	9,148	(20,222)
Transfer to water and sewer reserves	-	(167,291)	(164,128)
Transfer from reserves	-	(113,900)	230,711
	\$ -	\$ -	\$ -

### 12. 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, 2020

### 12. 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 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.

### 13. BUDGET FIGURES

The 2020 budget amounts that were approved on May 23, 2020 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.

# **CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2020

### **14. SIGNIFICANT EVENT**

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Township received a provincial grant of \$192,800 of which \$75,925 was used to cover additional operating costs resulting from the pandemic and the remaining \$116,875 has been included in deferred revenues - obligatory reserve funds (Note 5).

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Township as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Township's financial condition.

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2020

### FINANCIAL ACTIVITIES (000's)

	2020	2019	2018	2017	2016
<b>Revenues</b>					
Taxation	\$ 6,072	\$ 5,789	\$ 5,548	\$ 4,714	\$ 4,659
Fees and service charges	3,515	3,769	3,844	4,085	4,225
Grants	920	1,597	1,109	941	917
Investment income	209	329	317	249	231
Donations and other	40	68	224	100	3,035
	10,756	11,552	11,042	10,089	13,067
<b>Expenses</b>					
General government	1,268	1,120	1,050	898	897
Protection to persons and property	2,064	2,054	2,096	2,010	1,896
Transportation services	2,631	2,755	2,433	2,861	1,839
Environmental	2,305	2,227	2,316	1,897	2,683
Recreation and cultural services	1,845	2,147	2,108	2,088	2,096
Planning and development	291	178	317	178	203
	10,404	10,481	10,320	9,932	9,614
<b>Other Revenue</b>					
Deferred revenue earned	260	442	310	300	200
Capital grants	273	-	180	297	297
Gain on disposal of tangible capital assets	22	-	31	-	-
Equity income	3,632	3,292	2,540	2,345	2,293
	4,187	3,734	3,061	2,942	2,790
<b>Surplus for the year</b>	\$ 4,539	\$ 4,805	\$ 3,783	\$ 3,099	\$ 6,243

### PROPERTY TAXES BILLED (000's)

	2020	2019	2018	2017	2016
Own purposes	\$ 6,072	\$ 5,789	\$ 5,548	\$ 4,714	\$ 4,658
Upper-tier municipality	3,301	3,213	2,846	2,735	2,589
School boards	2,443	2,467	1,941	1,944	2,097
	\$ 11,816	\$ 11,469	\$ 10,335	\$ 9,393	\$ 9,344

### TAXABLE ASSESSMENT (000's)

	2020	2019	2018	2017	2016
Residential and farm	\$ 779,682	\$ 746,000	\$ 712,539	\$ 679,026	\$ 668,904
Commercial and industrial	139,024	134,908	80,570	76,415	79,628
	918,706	880,908	793,109	755,441	748,532
Exempt	38,205	37,010	34,078	33,273	33,932
	\$ 956,911	\$ 917,918	\$ 827,187	\$ 788,714	\$ 782,464
Commercial and industrial	15.13%	15.31%	10.16%	10.12%	10.64%

# CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

## FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2020

### FINANCIAL INDICATORS

	2020	2019	2018	2017	2016
<b>Tax arrears</b>					
Percentage of own levy	10 %	11 %	11 %	23 %	18 %
Percentage of total levy	5 %	5 %	6 %	11 %	9 %
<b>Municipal debt</b>	\$ 5,600,810	\$ 5,723,185	\$ 5,991,166	\$ 6,403,357	\$ 6,849,564
<b>Municipal debt charges</b>	\$ 373,088	\$ 528,427	\$ 683,120	\$ 728,373	\$ 669,227
<b>Sustainability</b>					
Financial assets to liabilities	7.00	6.12	5.39	4.79	3.91
Financial assets to liabilities excluding municipal debt	5.93	5.16	4.67	4.47	2.83
Municipal debt to tangible capital assets	15.74 %	16.17 %	16.87 %	18.47 %	20.05 %
<b>Flexibility</b>					
Debt charges to total operating revenue	3.47 %	4.57 %	6.19 %	7.22 %	5.12 %
Total operating revenue to taxable assessment	1.12 %	1.26 %	1.33 %	1.28 %	1.67 %
<b>Vulnerability</b>					
Operating grants to operating revenue	8.56 %	13.82 %	10.04 %	9.33 %	7.02 %
Total grants to total revenues	7.99 %	10.45 %	9.14 %	9.50 %	7.66 %
<b>Reserve coverage</b>					
Reserves and reserve funds	\$ 7,935,759	\$ 7,260,021	\$ 6,536,718	\$ 6,547,699	\$ 6,752,075
Reserves to operating expenses	76 %	69 %	63 %	66 %	70 %
Reserves to working capital	2.74	3.17	3.11	2.89	3.18