

**CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY**

**FINANCIAL STATEMENTS**

**December 31, 2023**

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

December 31, 2023

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# **CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY**

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

To the Members of Council, Inhabitants and Ratepayers of the  
Corporation of the Township of South Glengarry

Management is responsible for the preparation and presentation of the accompanying 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 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 financial statements.

The Corporation of the Township of South Glengarry's Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfills 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 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.

January 20, 2026

  
\_\_\_\_\_  
Chief Administrative Officer

  
\_\_\_\_\_  
Treasurer/General Manager of Finance

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of South Glengarry:

### Opinion

We have audited the financial statements of the Corporation of the Township of South Glengarry (the "Township"), which comprise the statement of financial position as at December 31, 2023, and the statements of financial activities, net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### Basis for Opinion

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

### Other Matter

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements dated October 23, 2024.

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

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

In preparing the financial statements, management is responsible for assessing the 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 Financial Statements

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

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

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

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

Cornwall, Ontario

January 20, 2026

*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	2023	2022
<b>NET FINANCIAL ASSETS</b>		
<b>ASSETS</b>		
Cash (Note 3)	\$ 7,247,970	\$ 8,760,671
Taxes receivable (Note 4)	3,448,771	3,274,572
Accounts receivable	2,234,838	2,527,332
	<b>12,931,579</b>	<b>14,562,575</b>
<b>LIABILITIES</b>		
Accounts payable	2,262,740	4,427,325
Deferred revenue - obligatory reserve funds (Note 5)	560,672	618,470
Municipal debt (Note 6)	17,200	27,827
Asset retirement obligations (Note 7)	5,187,658	-
Accrued landfill closure and post-closure costs (Note 2)	-	4,008,964
	<b>8,028,270</b>	<b>9,082,586</b>
<b>NET FINANCIAL ASSETS</b>	<b>4,903,309</b>	<b>5,479,989</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedules 1 and 2)	63,214,241	57,990,418
Inventory	401,922	511,725
Prepaid expenses	211,664	146,370
	<b>63,827,827</b>	<b>58,648,513</b>
<b>ACCUMULATED SURPLUS (Schedule 3)</b>	<b>\$ 68,731,136</b>	<b>\$ 64,128,502</b>

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2023

	(Note 13) BUDGET 2023	ACTUAL 2023	ACTUAL 2022
<b>REVENUES</b>			
Taxation	\$ 10,621,609	\$ 10,745,010	\$ 9,958,956
Fees and service charges	3,024,625	3,102,148	2,929,933
Grants (Note 9)	1,430,400	1,488,613	1,351,570
Investment income	535,000	799,627	694,962
Other	-	4,198	123,569
	15,611,634	16,139,596	15,058,990
<b>EXPENSES</b>			
General government	2,077,696	2,138,376	2,503,284
Protection to persons and property	1,866,919	2,218,145	1,915,541
Transportation services	6,410,401	6,030,699	5,856,836
Environmental services	4,043,926	3,835,673	3,702,201
Health services	42,542	62,815	36,964
Recreation and cultural services	1,702,616	1,764,334	1,679,685
Planning and development	761,000	616,400	393,969
	16,905,100	16,666,442	16,088,480
<b>NET REVENUES (EXPENSES)</b>	(1,293,466)	(526,846)	(1,029,490)
<b>OTHER REVENUE RELATED TO CAPITAL</b>			
Deferred revenue earned (Note 5, 9)	-	435,187	1,498,708
Grants (Note 9)	2,103,556	685,329	1,409,745
Gain on disposal of tangible capital assets	-	-	90,067
Contribution from developers	-	-	349,532
Reversal of landfill closure and post closure costs liability (Note 2)	-	4,008,964	-
	2,103,556	5,129,480	3,348,052
<b>SURPLUS FOR THE YEAR</b>	810,090	4,602,634	2,318,562
<b>ACCUMULATED SURPLUS, beginning of year</b>	64,128,502	64,128,502	61,809,940
<b>ACCUMULATED SURPLUS, end of year</b>	\$ 64,938,592	\$ 68,731,136	\$ 64,128,502

See Accompanying Notes

**CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

For the year ended December 31, 2023

	(Note 13) BUDGET 2023	ACTUAL 2023	ACTUAL 2022
Surplus for the year	\$ 810,090	\$ <b>4,602,634</b>	\$ 2,318,562
Amortization of tangible capital assets	2,700,200	<b>3,061,811</b>	2,687,345
Acquisition of tangible capital assets	(4,358,500)	<b>(3,160,129)</b>	(8,356,480)
Asset retirement obligations relating to tangible capital assets	-	<b>(5,125,505)</b>	-
Proceeds on disposal of tangible capital assets	-	-	90,067
(Gain) loss on disposal of tangible capital assets	-	-	(90,067)
Change in inventory	-	<b>109,803</b>	(422,486)
Change in prepaid expenses	-	<b>(65,294)</b>	(38,763)
Increase (decrease) in net financial assets	(848,210)	<b>(576,680)</b>	(3,811,822)
Net financial assets, beginning of year	5,479,989	<b>5,479,989</b>	9,291,811
Net financial assets, end of year	\$ 4,631,779	\$ <b>4,903,309</b>	\$ 5,479,989

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	2023	2022
<b>CASH FROM OPERATING ACTIVITIES</b>		
Surplus for the year	\$ 4,602,634	\$ 2,318,562
Item not affecting cash		
Amortization of tangible capital assets	3,061,811	2,687,345
Contributed tangible capital assets	-	(349,532)
Gain on sale of tangible capital assets	-	(90,067)
Reversal of landfill closure and post closure cost liability	(4,008,964)	-
	3,655,481	4,566,308
Changes in non-cash working capital balances		
Taxes receivable	(174,199)	(14,744)
Accounts receivable	292,494	(1,711,210)
Inventory	109,803	(422,486)
Prepaid expenses	(65,294)	(38,763)
Accounts payable	(2,164,585)	1,027,427
Deferred revenue, obligatory reserve funds	(57,798)	(544,167)
Asset retirement obligations	62,153	-
Accrued landfill closure and post-closure costs	-	58,869
	1,658,055	2,921,234
<b>CASH USED IN FINANCING ACTIVITIES</b>		
Repayment of municipal debt	(10,627)	(10,035)
<b>CASH USED IN CAPITAL ACTIVITIES</b>		
Proceeds on disposal of tangible capital assets	-	90,067
Acquisition of tangible capital assets	(3,160,129)	(8,006,948)
	(3,160,129)	(7,916,881)
<b>DECREASE IN CASH</b>	(1,512,701)	(5,005,682)
<b>CASH, beginning of year</b>	8,760,671	13,766,353
<b>CASH, end of year</b>	\$ 7,247,970	\$ 8,760,671

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## SCHEDULE 1 - SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2023

	Land and land Improvements	Buildings	Vehicles	Equipment	Plants and Facilities	Roads	Water and Sewer	Bridges	Assets under Construction	2023	2022
<b>Cost</b>											
Balance, beginning of year	\$ 1,774,559	\$ 15,402,326	\$ 7,129,033	\$ 3,383,421	\$ 23,270,418	\$ 47,835,075	\$ 12,824,898	\$ 12,791,218	\$ -	\$124,410,948	\$116,054,468
Additions during the year	-	702,757	55,351	286,143	-	1,426,808	-	531,846	157,224	3,160,129	8,356,480
Asset retirement obligations	5,125,505	-	-	-	-	-	-	-	-	5,125,505	-
Balance, end of year	6,900,064	16,105,083	7,184,384	3,669,564	23,270,418	49,261,883	12,824,898	13,323,064	157,224	132,696,582	124,410,948
<b>Accumulated Amortization</b>											
Balance, beginning of year	-	5,352,356	3,077,576	1,694,802	14,321,375	31,540,047	3,773,678	6,660,696	-	66,420,530	63,733,185
Amortization during the year	-	387,780	442,535	60,658	489,215	1,270,670	158,528	252,425	-	3,061,811	2,687,345
Balance, end of year	-	5,740,136	3,520,111	1,755,460	14,810,590	32,810,717	3,932,206	6,913,121	-	69,482,341	66,420,530
<b>Net book value</b>	<b>\$ 6,900,064</b>	<b>\$ 10,364,947</b>	<b>\$ 3,664,273</b>	<b>\$ 1,914,104</b>	<b>\$ 8,459,828</b>	<b>\$ 16,451,166</b>	<b>\$ 8,892,692</b>	<b>\$ 6,409,943</b>	<b>\$ 157,224</b>	<b>\$ 63,214,241</b>	<b>\$ 57,990,418</b>

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## SCHEDULE 2 - 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
<b>Cost</b>							
Balance, beginning of year	\$ 2,501,459	\$ 8,842,946	\$ 68,340,321	\$ 36,965,358	\$ 7,760,864	\$124,410,948	\$116,054,468
Additions during the year	-	431,640	2,244,798	55,352	271,115	3,002,905	8,356,480
Asset retirement obligations	-	-	-	5,125,505	-	5,125,505	-
Assets in service, end of year	2,501,459	9,274,586	70,585,119	42,146,215	8,031,979	132,539,358	124,410,948
Assets under construction	-	-	-	157,224	-	157,224	-
Balance, end of year	2,501,459	9,274,586	70,585,119	42,303,439	8,031,979	132,696,582	124,410,948
<b>Accumulated Amortization</b>							
Balance, beginning of year	686,630	2,595,750	41,431,039	18,369,535	3,337,576	66,420,530	63,733,185
Amortization during the year	41,092	332,576	1,792,951	674,585	220,607	3,061,811	2,687,345
Balance, end of year	727,722	2,928,326	43,223,990	19,044,120	3,558,183	69,482,341	66,420,530
<b>Net book value</b>	<b>\$ 1,773,737</b>	<b>\$ 6,346,260</b>	<b>\$ 27,361,129</b>	<b>\$ 23,259,319</b>	<b>\$ 4,473,796</b>	<b>\$ 63,214,241</b>	<b>\$ 57,990,418</b>

See Accompanying Notes

**CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY**  
**SCHEDULE 3 - SCHEDULE OF ACCUMULATED SURPLUS**

For the year ended December 31, 2023

	2023	2022
<b>Surpluses (Deficits)</b>		
Operating surplus (Note 12)	\$ -	\$ -
Street lights surplus	122,278	198,395
Unfunded liabilities to be recovered from future revenues		
Accrued landfill closure and post-closure	-	(4,008,964)
<b>Total surpluses (deficits)</b>	<b>122,278</b>	<b>(3,810,569)</b>
<b>Reserves</b>		
Reserves set aside for specific purposes by Council:		
Working capital	3,301,840	2,653,951
Waste management	1,096,878	1,096,878
Capital	230,564	55,068
Fire	373,427	345,427
Planning	143,685	114,185
Recreation and health	791,045	1,136,045
Roads	1,373,932	1,318,932
Sewer and water	2,983,713	2,950,976
Other	287,191	277,191
<b>Total reserves</b>	<b>10,582,275</b>	<b>9,948,653</b>
<b>Equity in tangible capital assets</b>		
Invested in tangible capital assets	63,214,241	57,990,418
Less: asset retirement obligations	(5,187,658)	-
<b>Total equity in tangible capital assets</b>	<b>58,026,583</b>	<b>57,990,418</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 68,731,136</b>	<b>\$ 64,128,502</b>

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## SCHEDULE 4 - SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS

For the year ended December 31, 2023

	Surpluses (Deficits)	Reserves	Equity in Tangible Capital Assets	2023	2022
<b>Balance, beginning of year</b>	<b>\$ (3,810,569)</b>	<b>\$ 9,948,653</b>	<b>\$ 57,990,418</b>	<b>\$ 64,128,502</b>	<b>\$ 61,809,940</b>
Surplus for the year	4,602,634	-	-	4,602,634	2,318,562
Reserve funds used for operations	1,713,613	(1,713,613)	-	-	-
Funds transferred to reserves	(2,347,235)	2,347,235	-	-	-
Current year funds used for tangible capital assets	(3,160,129)	-	3,160,129	-	-
Accretion expense of asset retirement obligations	62,153	-	(62,153)	-	-
Amortization of tangible capital assets	3,061,811	-	(3,061,811)	-	-
<b>Change in accumulated surplus</b>	<b>3,932,847</b>	<b>633,622</b>	<b>36,165</b>	<b>4,602,634</b>	<b>2,318,562</b>
<b>Balance, end of year</b>	<b>\$ 122,278</b>	<b>\$ 10,582,275</b>	<b>\$ 58,026,583</b>	<b>\$ 68,731,136</b>	<b>\$ 64,128,502</b>

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## SCHEDULE 5 - SCHEDULE OF SEGMENTED DISCLOSURE

For the year ended December 31, 2023

	General Government	Protection Services	Transportation Services	Environmental Services	Water and Sewer Services	Health Services	Recreation and Cultural Services	Planning and Development	2023	2022
<b>REVENUE</b>										
Taxation	\$ 513,870	\$ 1,964,643	\$ 5,163,585	\$ 1,111,179	\$ -	\$ 6,299	\$ 1,757,576	\$ 227,858	\$ 10,745,010	\$ 9,958,956
Fees and service charges	428,003	39,500	32,189	248,609	1,517,890	44,663	273,212	518,082	3,102,148	2,929,933
Grants	731,280	50,816	362,294	344,223	-	-	-	-	1,488,613	1,351,570
Investment income	791,894	-	-	-	7,733	-	-	-	799,627	694,962
Other	(1,000)	-	-	-	-	-	5,198	-	4,198	123,569
	2,464,047	2,054,959	5,558,068	1,704,011	1,525,623	50,962	2,035,986	745,940	16,139,596	15,058,990
<b>EXPENSES</b>										
Wages and benefits	1,351,133	1,052,918	1,324,428	47,366	418,396	-	607,592	454,210	5,256,043	4,732,107
Interest on municipal debt	-	-	-	-	-	-	-	1,670	1,670	2,260
Materials and services	643,143	635,225	1,864,617	372,853	805,227	61,706	835,188	151,549	5,369,508	5,731,819
Contracted services	-	25,035	928,419	1,447,993	16,320	-	-	-	2,417,767	2,420,029
Insurance and financial costs	50,141	37,948	100,850	24,704	28,229	901	46,316	8,971	298,060	244,371
Third party transfers	52,867	134,443	19,434	-	-	-	54,839	-	261,583	270,549
Amortization	41,092	332,576	1,792,951	23,052	651,533	208	220,399	-	3,061,811	2,687,345
	2,138,376	2,218,145	6,030,699	1,915,968	1,919,705	62,815	1,764,334	616,400	16,666,442	16,088,480
<b>SURPLUS (DEFICIT) BEFORE OTHER ITEMS</b>	325,671	(163,186)	(472,631)	(211,957)	(394,082)	(11,853)	271,652	129,540	(526,846)	(1,029,490)
<b>OTHER REVENUE RELATED TO CAPITAL</b>										
Deferred revenue earned	-	-	435,187	-	-	-	-	-	435,187	1,498,708
Grants	-	-	685,329	-	-	-	-	-	685,329	1,409,745
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	90,067
Contributions from developers	-	-	-	-	-	-	-	-	-	349,532
Reversal of landfill closure costs	-	-	-	4,008,964	-	-	-	-	4,008,964	-
	-	-	1,120,516	4,008,964	-	-	-	-	5,129,480	3,348,052
<b>SURPLUS (DEFICIT)</b>	\$ 325,671	\$ (163,186)	\$ 647,885	\$ 3,797,007	\$ (394,082)	\$ (11,853)	\$ 271,652	\$ 129,540	\$ 4,602,634	\$ 2,318,562

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### DESCRIPTION OF ORGANIZATION

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Basis of consolidation

##### (i) Consolidated entities

These financial statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund and reserves and include the activities of all committees of Council.

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

##### (ii) Non-consolidated entities

There are no non-consolidated entities.

##### (iii) Accounting for United Counties and school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards (the "School Boards"), and the United Counties of Stormont, Dundas and Glengarry (the "United Counties") are not reflected in the municipal fund balances of these 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"). The Township collects property tax revenue for municipal purposes, county taxes on behalf of the United Counties of Stormont, Dundas and Glengarry, provincial education taxes on behalf of the Province of Ontario, payments 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 when 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 SOUTH GLENGARRY**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2023

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

#### **(d) Government grants and transfers**

Government grants and 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 transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government 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 the Canada Community Building Fund (Gas Tax Funds) is added to the associated funds and forms part of the respective deferred revenue, obligatory reserve fund balances.

#### **(g) Cash**

Cash is defined as cash on hand and cash on deposit.

#### **(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 - obligatory reserve funds**

The Township receives restricted contributions under the authority of federal and provincial legislations. These funds by their nature are restricted in their use and are recorded as deferred revenue until applied to applicable costs. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

#### **(j) Future employee benefits**

Employee benefits include vacation entitlements. Vacation 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.

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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

#### (k) 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 surplus or deficit, 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 costs, less residual values, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	20 to 40 years
Buildings	20 to 50 years
Vehicles	5 to 20 years
Machinery and equipment	3 to 30 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	7 to 50 years
Bridges and structures	25 to 75 years

One half of the annual amortization is charged in the year of acquisition and the year of disposal. Assets under construction are not amortized until the assets are available for productive use, at which time they are capitalized.

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, vehicles, utility poles and defibrillators.

##### (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 SOUTH GLENGARRY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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

#### (l) 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.

#### (m) 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 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 lives of tangible capital assets, the valuation of allowances for doubtful taxes and accounts receivable, the valuation of inventories, deferred revenue and the estimated asset retirement obligations. Actual results could differ from these estimates.

#### (n) Segments

The Township conducts its operations through seven reportable segments: General Government, Protection services, Transportation services, Environmental services, Water and Sewer services, Health 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.

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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

#### (o) 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 include:

- 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.

#### (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 statement of remeasurement gains and losses. The Township has not presented a 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 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.

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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

#### (p) Financial instruments (continued)

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 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 statement of remeasurement gains and losses in the fiscal year it occurs.

#### (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.

##### *Public Private Partnerships*

PS 3160 Public Private Partnerships, which contains requirements for recognizing, measuring, and classifying infrastructure procured through a public private partnership. PS 3160 applies when public private partnership infrastructure is procured by the public sector entity using a private sector partner that is obligated to:

- Design, build, acquire or better new or existing infrastructure;
- Finance the transaction past the point where the infrastructure is ready for use; and
- Operate and/or maintain the infrastructure.

Public private partnership infrastructure should be recognized as an asset when the public sector entity acquires control of the infrastructure. A liability, which could be in the form of a financial liability, a performance obligation, or a combination of both, should be recognized when the public private partnership recognizes an asset.

These standards are 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 these standards on its financial statements.

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### 2. CHANGE IN SIGNIFICANT 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(l).

There was a material impact on the financial statements from the prospective application of the new accounting policies resulting in an increase to asset retirement obligations of \$5,125,505, an increase to active tangible capital assets of \$5,125,505 and the reversal of landfill closure and post-closure costs relating to active landfill sites of \$4,008,964.

#### 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 financial statements from the prospective application of the new accounting recommendations.

### 3. CASH

	2023		2022
Operating	\$ 6,652,434	\$	8,211,816
Reserve funds	595,536		548,855
	<b>\$ 7,247,970</b>	<b>\$</b>	<b>8,760,671</b>

### 4. TAXES RECEIVABLE

The balance of taxes receivable reported on the Statement of Financial Position is comprised of the following:

	2023		2022
Taxes	\$ 3,095,570	\$	2,742,159
Interest and penalties	383,201		562,413
Allowance for doubtful accounts	(30,000)		(30,000)
	<b>\$ 3,448,771</b>	<b>\$</b>	<b>3,274,572</b>

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### 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 balances in the obligatory reserve funds are summarized as follows:

		COVID-19	Canada Community Building Fund	Parkland	Development Charges	2023	2022
Balance, beginning of year	\$	47,615	\$ 103,252	\$ 131,296	\$ 336,307	\$ 618,470	\$ 1,162,637
Grants and contributions		-	435,187	15,000	-	450,187	439,055
Interest and other		-	11,428	6,537	18,237	36,202	515,486
Funds used for operating		(45,000)	-	(64,000)	-	(109,000)	-
Funds used for capital		-	(435,187)	-	-	(435,187)	(1,498,708)
Balance, end of year	\$	2,615	\$ 114,680	\$ 88,833	\$ 354,544	\$ 560,672	\$ 618,470

### 6. MUNICIPAL DEBT

The balance of municipal debt reported on the Statement of Financial Position is comprised of the following:

	2023	2022
Tile drain loans, interest rates 6%, repayable over a ten year period in blended payments ranging between \$1,209 and \$6,617, maturity dates ranging from 2025 to 2031	\$ 17,200	\$ 27,827
Principal payments assuming the loans are renewed under the same terms and conditions are as follows:		
2024	\$ 4,647	
2025	4,926	
2026	1,743	
2027	1,848	
2028	1,959	
2029 - 2031	2,077	
	\$ 17,200	

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### 7. ASSET RETIREMENT OBLIGATIONS

The Township operates two solid waste landfill sites. The North Lancaster landfill site has an estimated remaining life of 8 years as the result of an amended provisional certificate of approval from the Ministry of the Environment dated March 2010. The Beaverbrook landfill site has an estimated remaining life of 17 years as the result of an amended provisional certificate of approval from the Ministry of the Environment dated December 2008. The estimates 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 twenty-five years. Total closure and post-closure costs are estimated to be \$5,187,658 (2022 - \$4,008,964) being accrued at the end of the current fiscal year. These costs are to be recovered from future taxation revenue and reserves.

The reported liability is based on estimates and assumptions using the best information available at the end of the reporting period. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total liability and will be recognized prospectively, as a change in estimate, when applicable.

	2023	2022
Original balance, landfill closure and post-closure liability	\$ 4,008,964	\$ -
Additional liabilities relating to landfill closure and post closure costs	1,116,541	-
Adjusted balance, beginning of year	5,125,505	-
Accretion expense	62,153	-
Balance, end of year	\$ 5,187,658	\$ -

### 8. AMOUNTS TO BE RECOVERED FROM FUTURE REVENUES

Amounts to be recovered from future taxation, benefiting landowners and reserves are as follows:

	2023	2022
Municipal debt	\$ 17,200	\$ 27,827
Asset retirement obligations	5,187,658	-
Accrued landfill closure and post-closure costs	-	4,008,964
	\$ 5,204,858	\$ 4,036,791

Amounts are to be recovered from the following sources:

General municipal revenues	\$ 4,090,780	\$ 2,912,086
Reserves and reserve funds	1,096,878	1,096,878
Benefiting landowners	17,200	27,827
	\$ 5,204,858	\$ 4,036,791

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### 9. GRANTS BY FUNDING SOURCE

	2023	2022
Received from Federal Government	\$ 1,120,516	\$ 2,331,269
Received from Provincial Government	1,488,613	1,928,754
	<b>\$ 2,609,129</b>	<b>\$ 4,260,023</b>

### 10. OPERATING EXPENDITURES BY OBJECT

	(Note 13) BUDGET 2023	ACTUAL 2023	ACTUAL 2022
Wages and benefits	\$ 5,190,750	\$ 5,256,043	\$ 4,732,107
Interest on municipal debt	20,000	1,670	2,260
Materials and services	5,791,900	5,369,508	5,731,819
Contracted services	2,624,500	2,417,767	2,420,029
Insurance and other financial costs	303,250	298,060	244,371
Third party transfers	274,500	261,583	270,549
Amortization	2,700,200	3,061,811	2,687,345
	<b>\$ 16,905,100</b>	<b>\$ 16,666,442</b>	<b>\$ 16,088,480</b>

### 11. 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 of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are the 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 financial statements.

The employer amount contributed to OMERS for 2023 was \$330,758 (2022 - \$256,553) for current service and is included as an expenditure on the Statement of Financial Activities.

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### 12. OPERATING SURPLUS

	(Note 13) BUDGET 2023	ACTUAL 2023	ACTUAL 2022
Surplus for the year	\$ 810,090	\$ 4,602,634	\$ 2,318,562
Funds transferred to reserves	(1,415,500)	(1,534,169)	(2,031,656)
Reserves used for operations	1,993,000	1,713,613	5,363,348
Acquisition of tangible capital assets	(4,358,500)	(3,160,129)	(8,356,480)
Annual amortization expense	2,700,200	3,061,811	2,687,345
Proceeds from long-term debt	346,710	-	-
Municipal debt payments	(35,000)	-	-
Change in accrued landfill closure and post-closure costs	-	(4,008,964)	58,869
Accretion expense of asset retirement obligations	-	62,153	-
Operating surplus for the year	41,000	736,949	39,988
Transfer from (to) street lights surplus	(41,000)	76,117	(39,988)
Transfer from (to) water and sewer surplus	-	(33,177)	-
Transfer from (to) working capital reserves	-	(779,889)	-
	\$ -	\$ -	\$ -

### 13. BUDGET FIGURES

The 2023 budget which includes operating, capital, reserves and reserve funds transactions were approved by Council on March 9, 2023. The budgets established for capital, reserves and reserve funds are based on a project-oriented basis, the costs of which may be carried out over one or more years.

### 14. TRANSFERS TO THE SCHOOL BOARDS AND UNITED COUNTIES

The Township collected and remitted county taxes on behalf of the United Counties of Stormont, Dundas and Glengarry in the amount of \$12,311,270 (2022 - \$11,699,896). During the year, the Township also collected and remitted \$4,115,255 (2022 - \$4,156,836) for provincial education taxes on behalf of the school boards.

### 15. CONTINGENCIES

#### Legal action

The Township is involved in various legal actions in the normal course of business. The Township and its insurers are defending all actions against the Township. In the opinion of administration, the aggregate amount of any potential liability is not expected to have a material adverse effect on the Township's financial position. Losses, if any, will be accounted for in the period they become determinable.

#### WSIB disability

As a result of recent changes to the *Workplace Safety and Insurance Act*, the Township would be responsible to reimburse WSIB for disability payments under the revised regulations for work-related disabilities for firefighters. The potential future benefit and administrative costs if claims are made are estimated at \$Nil. As at December 31, 2023 no claims have been filed.

# **CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2023

### **16. 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 financial statements similar to reporting reflected in the Ontario Financial Information Return. These functional areas represent segments for the Township 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 financial statements as disclosed in Note 1.

A brief description of each segment follows:

**(a) General government**

General government includes corporate services and governance of the Township. Administration as a segment includes operating and maintaining municipally-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 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 and recycling services.

**(e) 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.

**(f) Health services**

Health services provides funding for local public health organizations.

# **CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2023

### **16. SEGMENTED INFORMATION (Continued)**

#### **(g) 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.

#### **(h) 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.

### **17. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year presentation. The comparative figures were audited by another chartered professional accounting firm who issued an unmodified audit opinion dated October 23, 2024.

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2023

### FINANCIAL ACTIVITIES (000's)

	2023	2022	2021	2020	2019
<b>Revenues</b>					
Taxation	\$ 10,745	\$ 9,959	\$ 9,533	\$ 9,943	\$ 9,633
Taxation from other governments	-	-	-	-	-
Fees and service charges	3,102	2,930	3,283	2,745	2,748
Grants	1,489	1,352	1,781	1,442	1,944
Investment income	800	695	536	603	653
Other	4	124	3	-	-
	16,140	15,060	15,136	14,733	14,978
<b>Expenses</b>					
General government	2,138	2,503	1,732	1,752	1,338
Protection to persons and property	2,218	1,916	1,749	1,539	1,501
Transportation services	6,031	5,857	6,017	5,042	5,449
Environmental	3,836	3,702	3,172	2,827	2,691
Health services	63	37	47	55	47
Social and family services	-	-	-	-	-
Recreation and cultural services	1,764	1,680	1,422	1,724	1,444
Planning and development	616	394	427	414	522
	16,666	16,089	14,566	13,353	12,992
<b>Net Revenue (Expenses)</b>	(526)	(1,029)	570	1,380	1,986
<b>Other revenue related to capital</b>					
Deferred revenue earned	435	1,499	395	1,008	-
Grants	685	1,410	329	382	254
Gain on disposal of tangible capital assets	-	90	-	-	-
Contributions from developers	-	350	-	-	-
Reversal of landfill closure costs	4,009	-	-	-	-
	5,129	3,349	724	1,390	254
<b>Surplus for the year</b>	\$ 4,603	\$ 2,320	\$ 1,294	\$ 2,770	\$ 2,240

### PROPERTY TAXES BILLED (000's)

	2023	2022	2021	2020	2019
Own Purposes	\$ 10,745	\$ 9,959	\$ 9,533	\$ 9,943	\$ 9,633
Upper-Tier	12,311	11,700	11,214	11,276	10,693
School Boards	4,115	4,043	3,945	4,265	4,267
	\$ 27,171	\$ 25,702	\$ 24,692	\$ 25,484	\$ 24,593

# CORPORATION OF THE TOWNSHIP OF SOUTH GLENGARRY

## FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2023

### TAXABLE ASSESSMENT (000's)

	2023	2022	2021	2020	2019
Residential and farm	\$ 2,327,364	\$ 2,315,969	\$ 2,154,224	\$ 1,995,382	\$ 1,825,457
Commercial and industrial	159,110	159,242	151,055	144,540	138,886
	2,486,474	2,475,211	2,305,279	2,139,922	1,964,343
Exempt	48,556	46,130	45,946	44,059	42,691
	\$ 2,535,030	\$ 2,521,341	\$ 2,351,225	\$ 2,183,981	\$ 2,007,034
Commercial and industrial	6.40%	6.43%	6.55%	6.75%	7.07%

### FINANCIAL INDICATORS

	2023	2022	2021	2020	2019
<b>Tax arrears</b>					
Percentage of own levy	32 %	33 %	34 %	44 %	38 %
Percentage of total levy	13 %	13 %	13 %	17 %	15 %
<b>Municipal debt</b>	\$ 17,200	\$ 27,827	\$ 37,862	\$ 47,309	\$ 66,009
<b>Municipal debt charges</b>	\$ 1,670	\$ 2,260	\$ 2,849	\$ 4,932	\$ 5,139
<b>Sustainability</b>					
Financial assets to liabilities	1.61	1.60	2.27	2.37	3.05
Financial assets to liabilities excluding municipal debt	1.61	1.61	2.28	2.38	3.08
Municipal debt to tangible capital assets	0.03 %	0.05 %	0.07 %	0.09 %	0.13 %
<b>Flexibility</b>					
Debt charges to total operating revenue	0.01 %	0.02 %	0.02 %	0.03 %	0.03 %
Total operating revenue to taxable assessment	6.37 %	5.97 %	6.60 %	7.01 %	7.26 %
<b>Vulnerability</b>					
Operating grants to operating revenue	9.22 %	8.98 %	11.76 %	9.79 %	12.98 %
Total grants to total revenues	10.22 %	15.00 %	13.30 %	11.31 %	14.43 %
<b>Reserve coverage</b>					
Reserves	\$10,582,275	\$9,948,653	\$13,280,348	\$13,046,606	\$11,717,729
Reserves to operating expenses	63 %	62 %	91 %	98 %	90 %
Reserves to working capital	1.05	1.04	0.99	0.97	0.99
Working capital reserve	\$3,301,840	\$2,653,951	\$3,830,248	\$3,576,553	\$2,903,557
Working capital reserve to operating expenses	20 %	16 %	26 %	27 %	22 %