

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

December 31, 2019

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Financial Activities	4
Consolidated Statement of Change in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Schedule of Tangible Capital Assets	7 - 8
Schedule of Accumulated Surplus	9
Schedule of Change in Accumulated Surplus	10
Schedule of Segmented Disclosure	11
Notes to the Consolidated Financial Statements	12 - 24

Independent Auditor's Report

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, 2019, and the consolidated statements of financial activities, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2019, and the results of its consolidated operations 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

May 25, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

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

As at December 31, 2019

	2019	2018
NET FINANCIAL ASSETS		
Assets		
Cash	\$ 7,261,909	\$ 6,340,695
Taxes receivable	608,079	620,202
Accounts receivable	915,675	1,040,717
Land held for resale	193,509	125,779
Long-term receivable (Note 2)	225,000	225,000
Investment in Rideau St. Lawrence Holdings Inc. (Note 3)	637,824	638,766
Investment in Port of Johnstown (Note 4)	37,552,942	34,259,891
	47,394,938	43,251,050
Liabilities		
Accounts payable	1,354,865	1,351,375
Accrued interest on municipal debt	66,203	68,142
Deferred revenue - obligatory reserve funds (Note 5)	47,328	43,702
Deferred revenue - grants	190,137	-
Municipal debt (Note 6)	5,723,185	5,991,165
Capital leases (Note 7)	79,328	271,966
Accrued landfill closure and post-closure costs (Note 8)	277,111	298,454
	7,738,157	8,024,804
Net Financial Assets	39,656,781	35,226,246
Non-Financial Assets		
Tangible capital assets	35,881,809	35,510,396
Inventory	84,391	81,496
	35,966,200	35,591,892
Accumulated Surplus	\$ 75,622,981	\$ 70,818,138

See Accompanying Notes

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

For the year ended December 31, 2019

	2019 BUDGET	2019 ACTUAL	2018 ACTUAL
REVENUE			
Taxation	\$ 5,786,065	\$ 5,789,038	\$ 5,548,470
Fees and service charges	3,761,094	3,768,700	3,843,730
Grants	1,045,730	1,596,967	1,108,616
Investment income	203,400	328,881	316,563
Proceeds from land held for resale	-	-	138,967
Donations	62,000	68,212	84,599
	10,858,289	11,551,798	11,040,945
EXPENSES			
General government	1,167,682	1,119,983	1,050,447
Protection to persons and property	2,101,356	2,054,015	2,096,322
Transportation services	2,504,716	2,755,041	2,432,997
Environmental services	2,209,257	2,226,917	2,315,619
Recreation and cultural services	2,145,086	2,147,235	2,108,308
Planning and development	223,167	177,523	316,768
	10,351,264	10,480,714	10,320,461
OTHER REVENUE			
Deferred revenue earned (Note 5)	310,000	441,650	310,000
Capital grants	101,650	-	180,151
Gain on disposal of tangible capital assets	-	-	30,500
Equity income from government business enterprises	2,523,101	3,292,109	2,539,743
	2,934,751	3,733,759	3,060,394
SURPLUS FOR THE YEAR	3,441,776	4,804,843	3,780,878
ACCUMULATED SURPLUS, beginning of year	70,818,138	70,818,138	67,037,260
ACCUMULATED SURPLUS, end of year	\$ 74,259,914	\$ 75,622,981	\$ 70,818,138

See Accompanying Notes

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

For the year ended December 31, 2019

	2019 BUDGET	2019 ACTUAL	2018 ACTUAL
Surplus for the year	\$ 3,441,776	\$ 4,804,843	\$ 3,780,878
Amortization of tangible assets	1,640,181	1,727,934	1,639,360
Acquisition of tangible capital assets	(2,254,826)	(2,099,347)	(2,474,114)
Proceeds on sale of tangible capital assets	-	-	30,500
Gain on disposal of tangible capital assets	-	-	(30,500)
Change in inventory	-	(2,895)	11,966
Increase in net financial assets	2,827,131	4,430,535	2,958,090
Net financial assets, beginning of year	35,226,246	35,226,246	32,268,156
Net financial assets, end of year	\$ 38,053,377	\$ 39,656,781	\$ 35,226,246

See Accompanying Notes

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

For the year ended December 31, 2019

	2019	2018
CASH FROM OPERATING ACTIVITIES		
Surplus for the year	\$ 4,804,843	\$ 3,780,878
Items not affecting cash		
Amortization expense	1,727,934	1,639,360
Gain on disposal of tangible capital assets	-	(30,500)
Equity income from government business enterprises	(3,311,181)	(2,539,743)
Changes in non-cash working capital balances		
Taxes receivable	12,123	457,578
Accounts receivable	125,042	99,004
Land held for resale	(67,730)	10,943
Accounts payable	3,490	20,325
Accrued interest on municipal debt	(1,939)	(875)
Deferred revenue - Grants	190,137	-
Deferred revenue - obligatory reserve funds	3,626	(84,776)
Accrued landfill closure and post-closure costs	(21,343)	(22,399)
Inventory	(2,895)	11,966
	3,462,107	3,341,761
CASH USED IN FINANCING ACTIVITIES		
Repayment of municipal debt	(267,980)	(412,192)
CASH FROM INVESTING ACTIVITIES		
Dividends received from Rideau St. Lawrence Holdings Inc.	19,072	19,072
CASH USED IN CAPITAL ACTIVITIES		
Proceeds on disposal of capital assets	-	30,500
Acquisition of tangible capital assets	(2,099,347)	(2,300,214)
Repayments of capital leases	(192,638)	(141,325)
	(2,291,985)	(2,411,039)
INCREASE IN CASH	921,214	537,602
CASH, beginning of year	6,340,695	5,803,093
CASH, end of year	\$ 7,261,909	\$ 6,340,695

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2019

	Land	Buildings	Vehicles and Equipment	Plants and Facilities	Roads	Water and Sewer	Bridges	2019	2018
Cost									
Balance, beginning of year	\$ 757,874	\$11,866,877	\$ 6,726,203	\$17,227,619	\$20,201,374	\$ 9,746,575	\$ 3,189,677	\$69,716,199	\$67,445,590
Additions during the year	-	90,210	423,190	125,868	1,185,886	163,236	110,957	2,099,347	2,474,114
Disposals during the year	-	-	74,462	-	87,624	-	-	162,086	203,505
Balance, end 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
Accumulated Amortization									
Balance, beginning of year	-	3,559,487	4,699,216	7,929,139	12,847,907	3,677,539	1,492,515	34,205,803	32,769,948
Amortization during the year	-	292,035	252,475	130,893	763,532	223,004	65,995	1,727,934	1,639,360
Amortization on disposals	-	-	74,462	-	87,624	-	-	162,086	203,505
Balance, end 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
Net book value	\$ 757,874	\$ 8,105,565	\$ 2,197,702	\$ 9,293,455	\$ 7,775,821	\$ 6,009,268	\$ 1,742,124	\$35,881,809	\$35,510,396

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2019

	General Government	Protection Services	Transportation Services	Environmental Services	Health, and Recreation	2019	2018
Cost							
Balance, beginning of year	\$ 954,446	\$ 4,014,503	\$ 25,939,289	\$ 28,223,923	\$ 10,178,510	\$ 69,310,671	\$ 67,367,992
Additions during the year	42,005	16,785	1,938,666	330,958	176,461	2,504,875	2,146,184
Disposals during the year	-	-	87,624	21,126	53,336	162,086	203,505
Assets in service, end of year	996,451	4,031,288	27,790,331	28,533,755	10,301,635	71,653,460	69,310,671
Assets under construction	-	-	-	-	-	-	405,528
Balance, end of year	996,451	4,031,288	27,790,331	28,533,755	10,301,635	71,653,460	69,716,199
Accumulated Amortization							
Balance, beginning of year	357,445	2,082,058	16,323,383	12,276,311	3,166,606	34,205,803	32,769,948
Amortization during the year	27,907	168,116	905,311	368,401	258,199	1,727,934	1,639,360
Amortization on disposals	-	-	87,624	21,126	53,336	162,086	203,505
Balance, end of year	385,352	2,250,174	17,141,070	12,623,586	3,371,469	35,771,651	34,205,803
Net book value	\$ 611,099	\$ 1,781,114	\$ 10,649,261	\$ 15,910,169	\$ 6,930,166	\$ 35,881,809	\$ 35,510,396

See Accompanying Notes

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

For the year ended December 31, 2019

	2019	2018
Surpluses		
Operating surplus	\$ -	\$ -
Land inventory surplus	193,509	125,779
EMS building surplus	49,500	49,500
Library board surplus	52,328	32,096
Capital surplus	56,200	189,193
Investment in Port of Johnstown	37,552,942	34,259,891
Investment in Rideau St. Lawrence Holdings Inc.	637,824	638,766
Unfunded liabilities to be recovered from future revenues		
Accrued interest on municipal debt	(66,203)	(68,142)
Accrued landfill closure and post-closure	(277,111)	(298,454)
Total surplus	38,198,989	34,928,629
Reserves and reserve funds		
Reserves set aside for specific purposes by Council:		
Working capital	750,000	750,000
Capital expenditures	147,465	95,636
Tax stabilization	130,000	130,000
Election	7,100	-
Fire	518,364	352,640
Police	110,715	118,715
Transportation	230,161	609,886
Environmental	238,946	206,887
Recreation	176,524	152,300
Planning	(6,558)	9,772
Total reserves	2,302,717	2,425,836
Reserve funds set aside for specific purpose by legislation, regulation or agreement:		
Ontario modernization fund	526,781	-
Water and sewer	1,381,976	1,207,345
Subdivision	279,294	290,106
Industrial park	504,784	412,796
Johnstown	25,819	20,205
Endowment	119,889	112,172
Industrial park	2,118,761	2,068,268
Total reserve funds	4,957,304	4,110,892
Total reserves and reserve funds	7,260,021	6,536,728
Invested in tangible capital assets		
Tangible capital assets	35,881,809	35,510,396
Less: related debt	(5,717,838)	(6,157,615)
Invested in tangible capital assets	30,163,971	29,352,781
ACCUMULATED SURPLUS	\$ 75,622,981	\$ 70,818,138

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS

For the year ended December 31, 2019

	Surpluses	Reserves and Reserve Funds	Invested in Tangible Capital Assets	2019	2018
Balance, beginning of year	\$ 34,928,629	\$ 6,536,728	\$ 29,352,781	\$ 70,818,138	\$ 67,037,260
Surplus (deficit) for the year	4,804,843	-	-	4,804,843	3,780,878
Reserve funds used for operations	652,566	(652,566)	-	-	-
Funds transferred to reserves	(1,375,859)	1,375,859	-	-	-
Current year funds used for tangible capital assets	(2,099,347)	-	2,099,347	-	-
Contributed tangible capital assets	1,727,934	-	(1,727,934)	-	-
Repayment of capital leases	(192,638)	-	192,638	-	-
Repayment of municipal debt related to capital	(247,139)	-	247,139	-	-
Change in accumulated surplus	3,270,360	723,293	811,190	4,804,843	3,780,878
Balance, end of year	\$ 38,198,989	\$ 7,260,021	\$ 30,163,971	\$ 75,622,981	\$ 70,818,138

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF SEGMENTED DISCLOSURE

For the year ended December 31, 2019

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development	2019	2018
REVENUE								
Taxation	\$ 5,789,038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,789,038	\$ 5,548,470
Fees and service charges	997,532	57,216	30,755	1,803,626	775,206	104,365	3,768,700	3,843,730
Grants	599,335	-	850,500	124,557	22,575	-	1,596,967	1,108,616
Investment income	326,227	-	-	1,758	896	-	328,881	316,563
Donations	-	-	-	-	68,212	-	68,212	84,599
Proceeds from land held for resale	-	-	-	-	-	-	-	138,967
	7,712,132	57,216	881,255	1,929,941	866,889	104,365	11,551,798	11,040,945
EXPENSES								
Wages and benefits	638,306	366,923	735,272	592,748	938,181	34,184	3,305,614	3,169,039
Interest on municipal debt	20,277	2,138	10,627	-	224,989	2,416	260,447	270,928
Materials and services	241,407	240,931	1,027,491	630,965	658,984	121,757	2,921,535	2,993,093
Contracted services	170,452	1,232,484	16,310	556,843	7,599	17,403	2,001,091	2,008,673
Insurance and financial costs	21,633	43,423	60,030	77,960	59,283	1,763	264,092	239,368
Amortization	27,908	168,116	905,311	368,401	258,199	-	1,727,935	1,639,360
	1,119,983	2,054,015	2,755,041	2,226,917	2,147,235	177,523	10,480,714	10,320,461
OTHER REVENUE								
Deferred revenue earned	441,650	-	-	-	-	-	441,650	310,000
Capital grants	-	-	-	-	-	-	-	180,151
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	30,500
Equity income from government business enterprises	3,292,109	-	-	-	-	-	3,292,109	2,539,743
	3,733,759	-	-	-	-	-	3,733,759	3,060,394
SURPLUS (DEFICIT) FOR THE YEAR	\$ 10,325,908	\$ (1,996,799)	\$ (1,873,786)	\$ (296,976)	\$ (1,280,346)	\$ (73,158)	\$ 4,804,843	\$ 3,780,878

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Government grants

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

(e) Government transfers

Government 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..

(f) Fees and service charges

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

(g) Investment income

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

(h) Cash and cash equivalents

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

(i) Reserve funds

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

(j) Deferred revenue

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

(k) 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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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.

(m) Non-financial assets

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

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

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

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

Active landfills are amortized annually based on the remaining estimated useful life. The estimated costs to close and maintain currently active landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are 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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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.

(n) 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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) 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.

(p) Future accounting pronouncements

Standards effective beginning on or after April 1, 2021

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, 2021. 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, 2021. 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, 2019

3. INVESTMENT IN RIDEAU ST. LAWRENCE HOLDINGS INC.

	2019	2018
Investment, beginning of year	\$ 638,766	\$ 640,031
Share of net income for the year	18,130	17,807
Dividends received	(19,072)	(19,072)
Investment, end of year	\$ 637,824	\$ 638,766

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

3. INVESTMENT IN RIDEAU ST. LAWRENCE HOLDINGS INC. (Continued)

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

Financial Position

	2019	2018
Current assets	\$ 4,399,108	\$ 4,355,282
Capital	8,003,732	7,847,414
Regulatory assets	149,114	189,320
Total Assets	12,551,954	12,392,016
Current liabilities	6,035,816	5,586,213
Customer deposits	257,135	260,103
Regulatory liabilities	325,521	563,681
Long-term debt	416,502	457,135
Total Liabilities	7,034,974	6,867,132
Net Assets	\$ 5,516,980	\$ 5,524,884

Financial Activities

	2019	2018
Total Revenue	\$ 16,360,807	\$ 15,757,968
Total Expenses	16,208,711	15,608,578
Net Income	\$ 152,096	\$ 149,390
Township share of net income (11.92%)	\$ 18,130	\$ 17,807

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

For the year ended December 31, 2019

4. INVESTMENT IN PORT OF JOHNSTOWN

	2019	2018
Investment, beginning of year	\$ 34,259,891	\$ 31,737,955
Share of net income for the year	3,293,051	2,521,936
Investment, end of year	\$ 37,552,942	\$ 34,259,891

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

	2019	2018
Cash	\$ 6,404,473	\$ 3,699,968
Investments	5,604,327	6,379,482
Accounts receivable	1,256,424	1,842,040
Other assets	53,006	87,591
Capital	50,672,220	48,340,543
Total Assets	63,990,450	60,349,624
Current liabilities	814,761	776,328
Deferred contributions	25,622,747	25,313,405
Total Liabilities	26,437,508	26,089,733
Net Assets	\$ 37,552,942	\$ 34,259,891

Financial Activities

	2019	2018
Total Revenue	\$ 8,934,000	\$ 8,364,717
Total Expenses	5,640,949	5,842,781
Net Income	\$ 3,293,051	\$ 2,521,936

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

For the year ended December 31, 2019

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:

	2019	2018
Balance, beginning of year	\$ 43,702	\$ 128,478
Grants received	440,954	221,651
Interest and other	4,322	3,573
Deferred revenue earned	(441,650)	(310,000)
Balance, end of year	\$ 47,328	\$ 43,702

6. MUNICIPAL DEBT

	2019	2018
Loan payable, interest at 4.59%, payable in blended semi-annual payments of \$151,849, due October 2043	\$ 4,842,024	\$ 4,920,733
Loan payable, interest at 2.88%, payable in blended monthly payments of \$7,052, due October 2024	65,241	77,207
Loan payable, interest at 4.3%, was repaid in the year	-	113,249
Loan payable, interest at 2.91%, payable in blended semi-annual payments of \$26,523, due July 2036	707,393	739,158
Loan payable, interest at 3.25%, payable in blended monthly payments of \$1,469, due May 2023	51,351	65,248
Loan payable, interest at 0%, payable in monthly payments of \$955, due January 2022	23,852	35,301
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	33,324	40,269
	\$ 5,723,185	\$ 5,991,165

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

	\$ 162,458	
2020	168,577	
2021	161,014	
2022	149,517	
2023	155,697	
2024	4,925,922	
Thereafter		
	\$ 5,723,185	

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

For the year ended December 31, 2019

6. MUNICIPAL DEBT (Continued)

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

	2020 - 2024	Thereafter
Taxation revenues	\$ 517,225	\$ 4,390,040
Other revenues	197,201	534,044
Benefiting landowners	84,675	-
	\$ 799,101	\$ 4,924,084

7. CAPITAL LEASES

	2019	2018
Capital lease obligation, equipment, 0%, was repaid in the year	\$ -	\$ 130,754
Capital lease obligation, equipment, 0%, was repaid in the year	-	25,272
Capital lease obligation, equipment, 0%, monthly payments of \$3,051, matures March 2022	79,328	115,940
	\$ 79,328	\$ 271,966

Lease payments due in the next three years are as follows:

2020	\$ 36,613
2021	36,613
2022	6,102
	\$ 79,328

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 \$21,343 were incurred and were charged to the accrued liability. The remaining estimated costs of \$277,111 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, 2019

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 \$3.4 billion (2018 - \$4.2 billion) in these consolidated financial statements.

The employer amount contributed to OMERS for 2019 was \$369,155 (2018 - \$366,203) 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 2019	ACTUAL 2019	ACTUAL 2018
Wages and benefits	\$ 3,335,264	\$ 3,305,614	\$ 3,169,039
Interest on long-term debt	358,708	260,447	270,928
Materials and services	2,797,754	2,921,535	2,993,093
Contracted services	1,959,667	2,001,091	2,008,673
Insurance and financial expenses	259,690	264,092	239,368
Amortization	1,640,181	1,727,935	1,639,360
	\$ 10,351,264	\$ 10,480,714	\$ 10,320,461

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

11. OPERATING AND WATERWORKS AND SEWER OPERATIONS SURPLUSES AND DEFICITS

The operating deficit for the fiscal year ending December 31, 2019 was \$230,711 of which \$150,000 was transferred from the transportation reserve, \$70,000 was transferred from the winter control reserve, \$2,158 from the capital reserve and \$4,276 was transferred from each of the fire department and recreation reserves.

The waterworks and sewer operations surplus for the fiscal year ending December 31, 2019 was \$164,128, of which a surplus of \$28,300 was transferred to the Spencerville wastewater reserve and \$17,058 was transferred to the low lift reserve, a surplus of \$1,985 was transferred to the Industrial Park water reserve, a surplus of \$32,215 was transferred to the Cardinal wastewater reserve, and a surplus of \$84,570 was transferred to the Cardinal water reserve.

	BUDGET 2019	ACTUAL 2019	ACTUAL 2018
Surplus for the year	\$ 3,441,776	\$ 4,804,843	\$ 3,780,878
Funds transferred to reserves	(578,870)	(1,073,365)	(571,531)
Reserve funds used for operations	505,285	421,843	871,743
Reserve fund interest	-	(138,364)	(106,885)
Change in accrued landfill costs	-	(21,343)	(22,399)
Acquisition of tangible capital assets	(2,254,826)	(2,099,347)	(2,474,114)
Annual amortization expense	1,640,181	1,727,934	1,639,360
Gain on sale of tangible capital assets	-	-	(30,500)
Proceeds on sale of tangible capital assets	-	-	30,500
Change in accrued interest on municipal debt	-	(1,939)	(875)
Port of Johnstown	(2,524,366)	(3,293,051)	(2,521,936)
Rideau St. Lawrence Holdings Inc.	(1,265)	942	1,265
Change in capital surplus	2,530	132,993	(69,495)
Principal payments on municipal debt	(228,315)	(439,777)	(562,489)
Proceeds from municipal debt	-	-	40,071
Tangible capital assets acquired by capital leases	-	-	173,900
Change in land inventory surplus	-	(67,730)	10,943
Operating (deficit) surplus for the year	2,130	(46,361)	188,436
Library board surplus	(2,130)	(20,222)	(6,090)
Transfer (to) from water and sewer reserves	-	(164,128)	(28,074)
Transfer (to) from reserves	-	230,711	(154,272)
	\$ -	\$ -	\$ -

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

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 expanded 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:

(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.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

13. SEGMENTED INFORMATION (Continued)

(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 2019 budget amounts that were approved on May 27, 2019 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.

14. SUBSEQUENT EVENT

Subsequent to year-end, 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. 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, 2019

FINANCIAL ACTIVITIES (000's)

	2019	2018	2017	2016	2015
Revenues					
Taxation	\$ 5,789	\$ 5,548	\$ 4,714	\$ 4,659	\$ 4,623
Fees and service charges	3,769	3,844	4,085	4,225	3,554
Grants	1,597	1,109	941	917	887
Investment income	329	317	249	231	196
Donations and other	68	224	100	3,035	140
	11,552	11,042	10,089	13,067	9,400
Expenses					
General government	1,120	1,050	898	897	1,063
Protection to persons and property	2,054	2,096	2,010	1,896	1,818
Transportation services	2,755	2,433	2,861	1,839	2,171
Environmental	2,227	2,316	1,897	2,683	2,575
Recreation and cultural services	2,147	2,108	2,088	2,096	1,936
Planning and development	178	317	178	203	154
	10,481	10,320	9,932	9,614	9,717
Other Revenue					
Deferred revenue earned	442	310	300	200	-
Capital grants	-	180	297	297	200
Gain on disposal of tangible capital assets	-	31	-	-	49
Equity income	3,292	2,540	2,345	2,293	3,927
	3,734	3,061	2,942	2,790	4,176
Surplus for the year	\$ 4,805	\$ 3,783	\$ 3,099	\$ 6,243	\$ 3,859

PROPERTY TAXES BILLED (000's)

	2019	2018	2017	2016	2015
Own purposes	\$ 5,789	\$ 5,548	\$ 4,714	\$ 4,658	\$ 4,623
Upper-tier municipality	3,213	2,846	2,735	2,589	2,513
School boards	2,467	1,941	1,944	2,097	2,084
	\$ 11,469	\$ 10,335	\$ 9,393	\$ 9,344	\$ 9,220

TAXABLE ASSESSMENT (000's)

	2019	2018	2017	2016	2015
Residential and farm	\$ 746,000	\$ 712,539	\$ 679,026	\$ 668,904	\$ 631,185
Commercial and industrial	134,908	80,570	76,415	79,628	65,109
	880,908	793,109	755,441	748,532	696,294
Exempt	37,010	34,078	33,273	33,932	32,491
	\$ 917,918	\$ 827,187	\$ 788,714	\$ 782,464	\$ 728,785
Commercial and industrial	15.31%	10.16%	10.12%	10.64%	9.35%

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2019

FINANCIAL INDICATORS

	2019	2018	2017	2016	2015
Tax arrears					
Percentage of own levy	11 %	11 %	23 %	18 %	18 %
Percentage of total levy	5 %	6 %	11 %	9 %	8 %
Municipal debt	\$ 5,723,185	\$ 5,991,166	\$ 6,403,357	\$ 6,849,564	\$ 6,429,926
Municipal debt charges	\$ 528,427	\$ 683,120	\$ 728,373	\$ 669,227	\$ 639,231
Sustainability					
Financial assets to liabilities	6.12	5.39	4.79	3.91	3.86
Financial assets to liabilities excluding municipal debt	5.16	4.67	4.47	2.83	2.81
Municipal debt to tangible capital assets	16.17 %	16.87 %	18.47 %	20.05 %	20.12 %
Flexibility					
Debt charges to total operating revenue	4.57 %	6.19 %	7.22 %	5.12 %	6.80 %
Total operating revenue to taxable assessment	1.26 %	1.33 %	1.28 %	1.67 %	1.29 %
Vulnerability					
Operating grants to operating revenue	13.82 %	10.04 %	9.33 %	7.02 %	9.44 %
Total grants to total revenues	10.45 %	9.14 %	9.50 %	7.66 %	28.26 %
Reserve coverage					
Reserves and reserve funds	\$ 7,260,021	\$ 6,536,728	\$ 6,547,699	\$ 6,752,075	\$ 4,034,466
Reserves to operating expenses	69 %	63 %	66 %	70 %	42 %
Reserves to working capital	3.17	3.11	2.89	3.18	1.81