

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

December 31, 2024

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

Opinion

We have audited the consolidated financial statements of Corporation of the Township of Edwardsburgh/Cardinal (the "Township"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of financial activities, change in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2024, and the results of its consolidated operations, changes in its 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Township as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 29, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	2024	2023
NET FINANCIAL ASSETS		
Assets		
Cash	\$ 16,218,440	\$ 9,116,747
Short-term investments	3,001,043	-
Taxes receivable	809,385	743,632
Accounts receivable	2,965,621	1,463,582
Land held for resale	159,084	159,084
Long-term receivable (Note 3)	225,000	225,000
Investment in Rideau St. Lawrence Holdings Inc. (Note 4)	731,372	708,724
Investment in Port of Johnstown (Note 5)	-	52,278,708
	24,109,945	64,695,477
Liabilities		
Accounts payable	3,832,614	1,915,567
Accrued interest on municipal debt	59,248	59,248
Deferred revenue - obligatory reserve funds (Note 6)	11,674	318,164
Deferred revenue	123,722	294,802
Municipal debt (Note 8)	9,056,005	6,194,522
Asset retirement obligations (Note 9)	1,342,391	177,588
	14,425,654	8,959,891
Net Financial Assets	9,684,291	55,735,586
Non-Financial Assets (Liabilities)		
Tangible capital assets	122,858,348	41,494,996
Deferred capital contributions, Port of Johnstown (Note 7)	(29,570,015)	-
Inventory	159,677	158,843
Prepaid expenses	251,215	40,727
	93,699,225	41,694,566
Accumulated Surplus	\$ 103,383,516	\$ 97,430,152

See Accompanying Notes

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

For the year ended December 31, 2024

	2024 BUDGET (Note 11)	2024 ACTUAL	2023 ACTUAL
REVENUE			
Taxation	\$ 7,065,670	\$ 7,110,089	\$ 6,775,880
Fees and service charges	3,305,503	3,100,862	4,235,068
Grants	759,107	837,601	2,124,391
Investment income	315,800	628,609	1,233,728
Donations and sale of land	18,000	13,534	401,125
Port of Johnstown	11,018,095	11,791,912	-
	22,482,175	23,482,607	14,770,192
EXPENSES			
General government	1,484,540	1,702,261	1,384,719
Protection services	2,391,504	2,341,810	2,345,139
Transportation services	3,080,533	3,268,088	4,314,501
Environmental services	2,834,952	2,846,816	2,600,676
Recreation and cultural services	2,515,103	2,787,038	2,517,046
Planning and development	490,420	253,061	336,516
Port of Johnstown	5,315,089	6,548,358	-
	18,112,141	19,747,432	13,498,597
OTHER REVENUE			
Deferred revenue earned (Note 6)	278,158	558,025	278,158
Capital grants	1,053,910	879,795	1,806,498
Gain on disposal of tangible capital assets	2,500	230,556	70,763
Equity income from government business enterprises (Note 4, 5)	-	22,648	4,384,885
Amortization of deferred capital contributions (Note 7)	-	527,165	-
	1,334,568	2,218,189	6,540,304
ANNUAL SURPLUS	5,704,602	5,953,364	7,811,899
ACCUMULATED SURPLUS, beginning of year	97,430,152	97,430,152	89,618,253
ACCUMULATED SURPLUS, end of year	\$ 103,134,754	\$ 103,383,516	\$ 97,430,152

See Accompanying Notes

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

For the year ended December 31, 2024

	2024 BUDGET (Note 11)	2024 ACTUAL	2023 ACTUAL
Surplus for the year	\$ 5,704,602	\$ 5,953,364	\$ 7,811,899
Amortization of tangible capital assets	1,746,032	3,614,513	1,707,916
Acquisition of tangible capital assets	(9,247,315)	(16,641,606)	(5,236,356)
Proceeds on sale of tangible capital assets	-	294,839	95,546
Deferred capital contributions received	-	2,000,000	-
Amortization of deferred capital contributions	-	(527,165)	-
Gain on disposal of tangible capital assets	-	(230,556)	(70,763)
Change in inventory	-	(834)	(33,834)
Change in prepaid expenses	-	(210,488)	(9,007)
Reclassification of Port of Johnstown's non-financial assets	-	(40,303,362)	-
(Decrease) increase in net financial assets	(1,796,681)	(46,051,295)	4,265,401
Net financial assets, beginning of year	55,735,586	55,735,586	51,470,185
Net financial assets, end of year	\$ 53,938,905	\$ 9,684,291	\$ 55,735,586

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	2024	2023
CASH FROM OPERATING ACTIVITIES		
Surplus for the year	\$ 5,953,364	\$ 7,811,899
Items not affecting cash		
Amortization expense	3,614,513	1,707,916
Amortization of deferred capital contributions	(527,165)	-
Accretion of asset retirement obligations	34,937	-
Gain on disposal of tangible capital assets	(230,556)	(70,763)
Equity income from government business enterprises	(41,720)	(4,403,957)
	8,803,373	5,045,095
Changes in non-cash working capital balances		
Taxes receivable	(65,753)	(134,504)
Accounts receivable	(1,502,039)	(272,848)
Accounts payable	1,216,904	175,090
Accrued interest on municipal debt	-	(1,506)
Deferred revenue	(171,080)	232,036
Deferred revenue - obligatory reserve funds	(306,490)	(31,079)
Asset retirement obligations	(35,197)	(31,066)
Inventory	(834)	(33,834)
Prepaid expenses	(210,488)	(9,007)
Opening non-cash working capital balances from Port of Johnstown	698,349	-
	8,426,745	4,938,377
CASH FROM (USED IN) FINANCING ACTIVITIES		
Repayment of municipal debt	(347,748)	(1,102,847)
Proceeds from the issue of municipal debt	1,113,871	810,980
Capital contributions received	2,000,000	-
	2,766,123	(291,867)
CASH FROM INVESTING ACTIVITIES		
Dividends received from Rideau St. Lawrence Holdings Inc.	19,072	19,072
Change in short-term investments	611,241	-
Opening cash balance from Port of Johnstown	10,925,136	-
	11,555,449	19,072
CASH USED IN CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	294,839	95,546
Acquisition of tangible capital assets (Page 5,6)	(15,941,463)	(5,658,978)
	(15,646,624)	(5,563,432)
INCREASE (DECREASE) IN CASH	7,101,693	(897,850)
CASH, beginning of year	9,116,747	10,014,597
CASH, end of year	\$ 16,218,440	\$ 9,116,747

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2024

	Land	Buildings	Vehicles and Equipment	Plants and Facilities	Roads and Bridges	Water and Sewer	Annex and Marine Terminal	2024	2023
Cost									
Balance, beginning of year	\$ 757,874	\$ 12,251,514	\$ 9,516,367	\$ 17,382,488	\$ 29,492,054	\$ 13,774,218	\$ -	\$ 83,174,515	\$ 78,191,673
Additions during the year	1,915,535	3,563,559	7,818,095	-	3,266,686	77,731	-	16,641,606	5,236,356
Disposals during the year	64,283	4,017	-	-	-	-	-	68,300	253,514
Opening balance, Port of Johnstown	2,629,301	8,038,244	21,017,770	-	1,433,173	-	47,113,663	80,232,151	-
Balance, end of year	5,238,427	23,849,300	38,352,232	17,382,488	34,191,913	13,851,949	47,113,663	179,979,972	83,174,515
Accumulated Amortization									
Balance, beginning of year	-	4,980,223	5,196,770	8,649,171	18,074,867	4,778,488	-	41,679,519	40,200,334
Amortization during the year	22,794	535,613	929,841	152,194	975,524	243,689	754,858	3,614,513	1,707,916
Amortization on disposals	-	4,017	-	-	-	-	-	4,017	228,731
Opening balance, Port of Johnstown	74,839	1,141,723	4,261,993	-	-	-	6,353,054	11,831,609	-
Balance, end of year	97,633	6,653,542	10,388,604	8,801,365	19,050,391	5,022,177	7,107,912	57,121,624	41,679,519
Net book value 2024	\$ 5,140,794	\$ 17,195,758	\$ 27,963,628	\$ 8,581,123	\$ 15,141,522	\$ 8,829,772	\$ 40,005,751	\$ 122,858,348	\$ 41,494,996
Net book value 2023	\$ 757,874	\$ 7,271,291	\$ 4,319,597	\$ 8,733,317	\$ 11,417,187	\$ 8,995,730	\$ -	\$ 41,494,996	

Acquisitions of tangible capital assets include accounts payable of \$1,344,500 as at December 31, 2024 (2023 - \$644,356); these amounts are treated as a non-cash transactions for the purposes of the consolidated statement of cash flows.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2024

	General Government	Protection Services	Transportation Services	Environmental Services	Health, and Recreation	Port of Johnstown	2024	2023
Cost								
Balance, beginning of year	\$ 1,045,350	\$ 4,595,035	\$ 32,490,241	\$ 33,255,748	\$ 11,702,953	\$ -	\$ 83,089,327	\$ 78,191,673
Additions during the year	2,192,321	5,063	3,826,593	290,424	458,557	6,670,959	13,443,917	5,151,168
Disposals during the year	64,283	-	-	-	-	4,017	68,300	253,514
Opening balance, Port of Johnstown	-	-	-	-	-	80,232,151	80,232,151	-
Assets in service, end of year	3,173,388	4,600,098	36,316,834	33,546,172	12,161,510	86,899,093	176,697,095	83,089,327
Assets under construction	-	-	162,891	-	-	3,119,986	3,282,877	85,188
Balance, end of year	3,173,388	4,600,098	36,479,725	33,546,172	12,161,510	90,019,079	179,979,972	83,174,515
Accumulated Amortization								
Balance, beginning of year	533,117	2,654,261	20,002,252	14,130,340	4,359,549	-	41,679,519	40,200,334
Amortization during the year	30,183	170,118	870,132	402,051	384,111	1,757,918	3,614,513	1,707,916
Amortization on disposals	-	-	-	-	-	4,017	4,017	228,731
Opening balance, Port of Johnstown	-	-	-	-	-	11,831,609	11,831,609	-
Balance, end of year	563,300	2,824,379	20,872,384	14,532,391	4,743,660	13,585,510	57,121,624	41,679,519
Net book value 2024	\$ 2,610,088	\$ 1,775,719	\$ 15,607,341	\$ 19,013,781	\$ 7,417,850	\$ 76,433,569	\$ 122,858,348	\$ 41,494,996
Net book value 2023	\$ 512,233	\$ 1,940,774	\$ 12,573,177	\$ 19,125,408	\$ 7,343,404	\$ -	\$ 41,494,996	

Acquisitions of tangible capital assets include accounts payable of \$1,344,500 as at December 31, 2024 (2023 - \$644,356); these amounts are treated as non-cash transactions for the purposes of the consolidated statement of cash flows.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF ACCUMULATED SURPLUS

For the year ended December 31, 2024

	2024	2023
Surpluses		
Operating surplus	\$ -	\$ -
Land inventory surplus	159,084	159,084
EMS building surplus	49,500	49,500
Library board (deficit) surplus	(8,396)	(31)
Port of Johnstown surplus	13,393,222	-
Investment in Port of Johnstown	-	52,278,708
Capital (deficit) surplus	(258,898)	146,642
Investment in Rideau St. Lawrence Holdings Inc.	731,372	708,724
Unfunded liabilities to be recovered from future revenues		
Accrued interest on municipal debt	(59,248)	(59,248)
Total surplus	14,006,636	53,283,379
Reserves and reserve funds		
Reserves set aside for specific purposes by Council:		
Working capital	542,610	847,952
Capital expenditures	132,332	221,466
Tax stabilization	102,242	102,242
Election and insurance	67,779	61,779
Fire	931,877	861,877
Police	110,715	110,715
Transportation	590,957	781,600
Environmental	658,862	633,862
Recreation	154,486	226,278
Planning	94,234	89,234
Total reserves	3,386,094	3,937,005
Reserve funds set aside for specific purpose by legislation, regulation or agreement:		
OMF/OCIF reserves	7,262	236,219
Water and sewer	1,338,783	458,502
Subdivision	272,162	398,937
Industrial park	(378,282)	873,359
Johnstown water wells	60,436	57,986
Endowment	214,564	180,398
Dedicated capital	265,195	1,046,253
GIC investment	1,320,727	1,828,514
Total reserve funds	3,100,847	5,080,168
Total reserves and reserve funds	6,486,941	9,017,173
Invested in tangible capital assets		
Tangible capital assets	122,858,348	41,494,996
Less: Deferred capital contributions, Port of Johnstown	(29,570,015)	-
Less: Related municipal debt	(9,056,003)	(6,187,808)
Less: Asset retirement obligations	(1,342,391)	(177,588)
Invested in tangible capital assets	82,889,939	35,129,600
ACCUMULATED SURPLUS	\$ 103,383,516	\$ 97,430,152

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS

For the year ended December 31, 2024

	Surpluses	Reserves and Reserve Funds	Invested in Tangible Capital Assets	2024	2023
Balance, beginning of year	\$ 53,283,379	\$ 9,017,173	\$ 35,129,600	\$ 97,430,152	\$ 89,618,253
Surplus for the year	5,648,898	304,466	-	5,953,364	7,811,899
Reserve funds used for operations	4,294,845	(4,294,845)	-	-	-
Funds transferred to reserves	(1,460,147)	1,460,147	-	-	-
Reclassification of Port of Johnstown's investment	(37,042,939)	-	37,042,939	-	-
Current year funds used for tangible capital assets	(16,641,606)	-	16,641,606	-	-
Amortization of tangible capital assets	3,614,513	-	(3,614,513)	-	-
Disposal of tangible capital assets	64,283	-	(64,283)	-	-
Capital deferred contributions received	2,000,000	-	(2,000,000)	-	-
Amortization of deferred capital contributions	(527,165)	-	527,165	-	-
Proceeds received of municipal debt	1,113,871	-	(1,113,871)	-	-
Repayment of municipal debt	(341,036)	-	341,036	-	-
Net change in asset retirement obligations	(260)	-	260	-	-
Change in accumulated surplus	(39,276,743)	(2,530,232)	47,760,339	5,953,364	7,811,899
Balance, end of year	\$ 14,006,636	\$ 6,486,941	\$82,889,939	\$103,383,516	\$ 97,430,152

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

SCHEDULE OF SEGMENTED DISCLOSURE

For the year ended December 31, 2024

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development	Port of Johnstown	2024	2023
REVENUE									
Taxation	\$ 44,418	\$ 2,278,717	\$ 2,398,430	\$ 431,303	\$ 1,622,143	\$ 335,078	\$ -	\$ 7,110,089	\$ 6,775,880
Fees and service charges	141,670	38,194	43,507	1,944,749	703,783	228,959	-	3,100,862	4,235,068
Grants	742,819	-	-	78,895	15,887	-	-	837,601	2,124,391
Investment income	625,924	-	-	1,676	1,009	-	-	628,609	1,233,728
Donations and other revenues	-	-	-	-	13,534	-	-	13,534	401,125
Port of Johnstown	-	-	-	-	-	-	11,791,912	11,791,912	-
	1,554,831	2,316,911	2,441,937	2,456,623	2,356,356	564,037	11,791,912	23,482,607	14,770,192
EXPENSES									
Wages and benefits	876,169	608,175	821,480	730,136	1,346,282	101,445	3,068,021	7,551,708	4,060,688
Interest on municipal debt	16,344	299	260	23,592	207,061	6,793	61,863	316,212	227,571
Materials and services	332,609	238,241	1,480,757	918,917	743,993	102,497	884,347	4,701,361	4,993,039
Contracted services	422,485	1,261,785	12,150	674,704	16,930	40,122	329,311	2,757,487	2,152,710
Insurance and financial costs	24,471	63,192	83,309	97,416	88,661	2,204	446,898	806,151	356,673
Amortization	30,183	170,118	870,132	402,051	384,111	-	1,757,918	3,614,513	1,707,916
	1,702,261	2,341,810	3,268,088	2,846,816	2,787,038	253,061	6,548,358	19,747,432	13,498,597
OTHER REVENUE									
Deferred revenue earned	-	-	558,025	-	-	-	-	558,025	278,158
Capital grants	-	-	879,795	-	-	-	-	879,795	1,806,493
Gain on disposal of tangible capital assets	230,556	-	-	-	-	-	-	230,556	70,763
Income from government business enterprises	22,648	-	-	-	-	-	-	22,648	4,384,885
Amortization of deferred capital contributions	-	-	-	-	-	-	527,165	527,165	-
	253,204	-	1,437,820	-	-	-	527,165	2,218,189	6,540,299
SURPLUS (DEFICIT) FOR THE YEAR	\$ 105,774	\$ (24,899)	\$ 611,669	\$ (390,193)	\$ (430,682)	\$ 310,976	\$ 5,770,719	\$ 5,953,364	\$ 7,811,894

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

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

Port of Johnstown

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.

(ii) Non-consolidated entities

There are no non-consolidated entities.

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

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

(b) Accrual basis of accounting

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

(c) Measurement uncertainty (use of estimates)

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

(d) 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.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) 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.

(f) 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 grant or transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government grant or transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Township recognizes revenue as the liability is settled.

(g) 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.

(h) 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.

(i) Reserves and reserve funds

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

(j) Deferred revenue

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

(k) Deferred capital contributions, Port of Johnstown

Deferred capital contributions represent amounts received and receivable from the Federal and Provincial governments in aid of purchasing capital assets in the year. The contributions are amortized into revenue in the statement of operations at the same rate as the underlying tangible capital assets are amortized into expenses.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

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) 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, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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 to 100 years
Buildings	5 to 50 years
Machinery and equipment	10 to 60 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
Annex and marine terminal	30 to 100 years

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

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

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

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of the transfer.

(iii) Leases

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

(iv) Inventory

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

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) 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.

(p) Segments

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

(q) Financial instruments

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

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

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

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

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

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

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

2. CHANGE IN ACCOUNTING POLICIES

Revenue recognition

Effective January 1, 2024, the Township adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 Revenue. The new standard establishes when to recognize and how to measure revenue and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied retroactively, and prior periods have not been restated.

Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions."

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

3. LONG-TERM RECEIVABLE

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

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

4. INVESTMENT IN RIDEAU ST. LAWRENCE HOLDINGS INC.

	2024	2023
Investment, beginning of year	\$ 708,724	\$ 686,450
Share of net income for the year	41,720	41,346
Dividends received	(19,072)	(19,072)
Change for the year	22,648	22,274
Investment, end of year	\$ 731,372	\$ 708,724

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

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

Financial Position

	2024	2023
Current assets	\$ 5,196,653	\$ 5,196,653
Capital	11,173,232	11,173,232
Regulatory assets	1,049,498	1,049,498
Total Assets	17,419,383	17,419,383
Current liabilities	6,616,568	6,616,568
Long-term debt	2,622,974	2,622,974
Contributions in aid of construction	1,745,545	1,745,545
Deferred tax liabilities	8,991	8,991
Customer deposits	223,834	223,834
Regulatory liabilities	255,802	255,802
Total Liabilities	11,473,714	11,473,714
Net Assets	\$ 5,945,669	\$ 5,945,669

Financial Activities

	2024	2023
Total Revenue	\$ 17,350,000	\$ 17,354,838
Total Expenses	17,000,000	17,007,975
Net Income	\$ 350,000	\$ 346,863
Township share of net income (11.92%)	\$ 41,720	\$ 41,346

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

5. PORT OF JOHNSTOWN

Effective January 1, 2024, the Port of Johnstown (the "Port") was no longer considered a Government Business Enterprise but as a government unit of the Township. As a result, the Township changed the accounting treatment for the Port from the modified equity basis to a consolidation basis. This change in accounting policy was recorded prospectively.

The Port retroactively adopted Public Sector Accounting Board's (PSAB) from International Financial Reporting Standards (IFRS). There was not a material impact on the financial statements from the retroactive application of PSAB accounting standards, except for the adoption of Asset Retirement Obligations (AROs) PS3280, which became a new accounting standard effective January 1, 2023 and was applied on a modified retroactive basis.

The accounting policy change resulted in an increase to the Port's asset retirement obligations liability of \$1,131,129, an increase to tangible capital assets of \$636,500, an increase in expenses due to accretion expense of \$33,934 and a reduction to its accumulated surplus of \$528,563. This change reduced the Township's investment in the Port by \$528,563, applied retroactively, before the consolidation of the Port's net assets within these financial statements.

The change in investment is as follows:

	2024	2023
Investment, beginning of year	\$ 52,278,708	\$ 47,916,097
Net income for the year	-	4,926,022
Distribution of income	-	(563,411)
Allocation of investment to net assets	(52,278,708)	-
Change for the year	(52,278,708)	4,362,611
Investment, end of year	\$ -	\$ 52,278,708

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

Financial Position

	2024	2023
Cash	\$ 10,520,282	\$ 10,925,136
Investments	3,001,043	3,612,284
Accounts receivable	1,577,235	1,976,955
Inventory and prepaid expenses	183,852	159,032
Capital	76,433,569	68,400,542
Total Assets	91,715,981	85,073,949
Accounts payable	1,772,730	1,322,409
Deferred revenue	116,460	115,229
Long-term debt	2,007,349	2,095,360
Asset retirement obligations	1,200,000	1,165,063
Deferred contributions	29,570,015	28,097,180
Total Liabilities	34,666,554	32,795,241
Accumulated surplus	\$ 57,049,427	\$ 52,278,708

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

5. PORT OF JOHNSTOWN (Continued)

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

Financial Activities

	2024	2023
Total revenue	\$ 12,319,077	\$ 11,994,109
Total expenses	6,548,358	6,068,087
Total municipality administration fees	1,000,000	1,000,000
Net Income	\$ 4,770,719	\$ 4,926,022

6. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of Canadian public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The transactions in the federal gas tax and COVID-19 restart program obligatory reserve funds are summarized as follows:

	Federal Gas Tax	COVID-19 Restart	2024	2023
Balance, beginning of year	\$ 260,139	\$ 58,025	\$ 318,164	\$ 349,243
Grants received	239,463	-	239,463	234,736
Interest and other	12,072	-	12,072	12,343
Deferred revenue earned	(500,000)	(58,025)	(558,025)	(278,158)
Balance, end of year	\$ 11,674	\$ -	\$ 11,674	\$ 318,164

7. DEFERRED CAPITAL CONTRIBUTIONS, PORT OF JOHNSTOWN

Deferred revenue represents the unamortized amount of grants and funding received for the purchase of capital assets at the Port of Johnstown. The transactions in deferred capital contributions are summarized as follows:

	2024	2023
Balance, beginning of year	\$ -	\$ -
Allocation of deferred capital contributions	28,097,180	-
Contributions received during the year	2,000,000	-
Amortization of deferred capital contributions	(527,165)	-
Balance, end of year	\$ 29,570,015	\$ -

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

8. MUNICIPAL DEBT

	2024	2023
Loan payable, interest at 4.59%, payable in blended semi-annual payments of \$151,849, due October 2048	\$ 4,390,040	\$ 4,488,822
Loan payable, interest at 2.91%, payable in blended semi-annual payments of \$26,523, due July 2036	534,044	570,746
Loan payable, interest at 4.37%, payable in blended semi-annual payments of \$38,890, due February 2044	1,013,768	-
Loan payable, interest 0%, payable in monthly payments of \$1,395, due November 2029	82,326	-
Loan payable, interest at 4.82%, payable in blended monthly payments of \$41,627, due August 2043	1,028,478	1,060,980
Mortgage payable, interest at 3.01%, payable in blended monthly payments of \$12,489, due February 2042, Port of Johnstown	2,007,349	-
Loan payable, payable in bi-weekly payments of \$476, matured in March 2024	-	2,382
Loan payable, interest at 1.73%, payable in blended monthly payments of \$8,563, matured in June 2024	-	51,075
Loan payable, interest at 2.88%, payable in blended monthly payments of \$7,052, matured in October 2024	-	13,805
<u>Tile drainage loans, interest at 6%, repayable over a ten year period in blended payments ranging between \$2,568 and \$6,793, matured in 2024</u>	<u>-</u>	<u>6,712</u>
	\$ 9,056,005	\$ 6,194,522

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

2025	\$ 316,522
2026	328,354
2027	340,673
2028	353,501
2029	365,462
Thereafter	7,351,493
	\$ 9,056,005

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

	2025 - 2029	Thereafter
Taxation revenues	\$ 755,009	\$ 6,753,184
Other revenues	949,504	598,308
	\$ 1,704,513	\$ 7,351,492

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

9. ASSET RETIREMENT OBLIGATIONS

The Township's asset retirement obligations include one solid waste landfill site's post closure monitoring costs and the Port of Johnstown's future decommission of the salt retention pond and the removal of asbestosis from its buildings. The estimated future asset retirement obligations are \$1,342,391 of which have been adjusted by applying a discount rate of 3%, based on the Township's borrowing rate.

The landfill site reached its useful life and capping and monitoring procedures commenced in 2016. The landfill post-closure monitoring period is estimated for ten years. Total closure and post-closure costs were estimated to be \$372,880 in 2016. The remaining future asset retirement obligation relating to the landfill site is \$142,391 (2023 - \$177,588).

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.

The change in asset retirement obligations for the year is as follows:

	2024	2023
Balance, beginning of year	\$ 177,588	\$ 208,654
Liabilities incurred	1,165,063	-
Liabilities settled	(35,197)	(31,066)
Accretion	34,937	-
Balance, end of year	\$ 1,342,391	\$ 177,588

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

10. PENSION AGREEMENTS

The Township is a member of the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer retirement plan. The plan is a contributory defined benefit plan that specifies the amount of retirement benefit to be received by the employees based on the length of service and rates pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Township does not recognize any share of the OMERS pension deficit of \$2.9 billion (2023 - \$4.2 billion) in these consolidated financial statements.

The employer amount contributed to OMERS for 2024 was \$462,281 (2023 - \$421,735) for current service and is included as an expenditure on the consolidated statement of financial activities.

11. BUDGET FIGURES

The 2024 budget amounts that were approved on February 26, 2024 were established for Capital, Reserves and Reserve Funds and are based on a project-oriented basis, the costs of which may be carried out over one or more years.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

12. OPERATING EXPENDITURES BY OBJECT

Municipal operating expenditures are summarized as follows:

	BUDGET 2024 (Note 11)	ACTUAL 2024	ACTUAL 2023
Wages and benefits	\$ 7,560,436	\$ 7,551,708	\$ 4,060,688
Interest on long-term debt	252,483	316,212	227,571
Materials and services	5,081,780	4,701,361	4,993,039
Contracted services	2,684,717	2,757,487	2,152,710
Insurance and financial expenses	786,693	806,151	356,673
Amortization	1,746,032	3,614,513	1,707,916
	\$ 18,112,141	\$ 19,747,432	\$ 13,498,597

13. OPERATING AND WATERWORKS AND SEWER OPERATIONS SURPLUSES AND DEFICITS

The operating deficit for the fiscal year ended December 31, 2024 was \$207,391 (2023 - surplus of \$97,952) of which the balance was transferred to the working capital reserve.

The waterworks and sewer operations' net deficit for the fiscal year ended December 31, 2024 was \$299,351 of which \$21,207 was transferred from the Spencerville wastewater reserve fund, \$33,871 was transferred from the Industrial Park water reserve fund, \$28,397 was transferred from the Industrial Park wastewater reserve fund, \$102,939 was transferred from the Cardinal wastewater reserve fund, \$124,791 was transferred from the Cardinal water reserve fund; whereas a surplus of \$11,853 was transferred to the low lift reserve fund.

	(Note 11) BUDGET 2024	ACTUAL 2024	ACTUAL 2023
Annual surplus, statement of operations	\$ 5,704,602	\$ 5,953,364	\$ 7,811,899
Funds transferred to reserves	(734,348)	(1,966,889)	(1,968,405)
Reserve funds used for operations and tangible capital assets	2,780,064	4,294,844	3,484,036
Reserve fund interest	-	(304,467)	(340,255)
Change in asset retirement obligations	-	(260)	(31,066)
Acquisition of tangible capital assets	(9,247,315)	(16,641,606)	(5,236,356)
Annual amortization expense	1,746,032	3,614,513	1,707,916
Loss on sale of tangible capital assets	-	(230,556)	(70,763)
Proceeds on sale of tangible capital assets	-	294,839	95,546
Change in accrued interest on municipal debt	-	-	(1,506)
Deferred capital contributions received	-	2,000,000	-
Amortization of deferred capital contributions	-	(527,165)	-
Change in capital surplus or capital deficit	-	405,540	(526,000)
Principal payments on municipal debt	(249,035)	(341,036)	(1,090,484)
Proceeds from municipal debt	-	1,113,871	810,980
Equity pick-up of Rideau St. Lawrence Holdings Inc.	-	(22,648)	(22,269)
Equity change in Port of Johnstown's	-	1,842,547	(4,362,611)
Library board operating deficit for the year	-	8,367	15,864
Operating surplus (deficit) for the year before year-end transfers	-	(506,742)	276,526
Transfer (to) water and sewer reserves	-	299,351	(178,574)
Transfer from (to) reserves	-	207,391	(97,952)
Operating surplus (deficit) for the year	\$ -	\$ -	\$ -

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

14. SEGMENTED INFORMATION

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

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

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

A brief description of each segment follows:

(a) General government

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

(b) Protection services

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

(c) Transportation services

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

(d) Environmental services

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

(e) Recreation and cultural services

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

(f) Planning and development

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

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

15. SEGMENTED INFORMATION (Continued)

(g) Port of Johnstown

The Port of Johnstown is a government organization which provides multi-modal transportation hub and seasonal river port services for dry bulk products. The Port's main functions include bulk cargo handling and storage, grain cleaning, and marine, rail and truck loading and unloading services.

16. FINANCIAL INSTRUMENTS

The Township, as part of its operations, carries a number of financial instruments. It is management's opinion that the Township is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Financial instruments that potentially subject the Township to concentrations of credit risk consist primarily taxes and accounts receivable. However, credit exposure is limited due to the Township's large customer base.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Port is exposed to interest rate cash flow risk with respect to long-term debt and short-term investments. However, the exposure is limited as long-term debt and short-term investments are at a fixed interest rate.

Liquidity risk

Liquidity risk is the risk that the Port will not be able to meet its financial obligations as they become due.

The Port manages liquidity risk by continually monitoring actual and forecasted cash flows from operations to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

17. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year's financial statement presentation.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2024

FINANCIAL ACTIVITIES (000's)

	2024	2023	2022	2021	2020
Revenues					
Taxation	\$ 7,110	\$ 6,776	\$ 6,533	\$ 6,172	\$ 6,072
Fees and service charges	3,101	4,235	3,917	3,571	3,511
Grants	838	2,124	750	958	920
Investment income	629	1,234	951	183	209
Donations and other	13	401	41	23	40
Port of Johnstown	11,792	-	-	-	-
	23,483	14,770	12,192	10,907	10,752
Expenses					
General government	1,702	1,385	1,223	1,413	1,262
Protection to persons and property	2,342	2,345	2,188	2,091	2,064
Transportation services	3,268	4,314	2,909	2,612	2,631
Environmental	2,847	2,601	2,421	2,162	2,305
Recreation and cultural services	2,787	2,517	2,224	1,873	1,845
Planning and development	253	337	240	227	291
Port of Johnstown	6,548	-	-	-	-
	19,747	13,499	11,205	10,378	10,398
Other Revenue					
Deferred revenue earned	558	278	-	442	260
Capital grants	880	1,806	447	182	273
Gain on disposal of tangible capital assets	230	71	-	74	26
Equity income	23	4,385	3,814	3,461	3,632
Amortization of deferred capital contributions	527	-	-	-	-
	2,218	6,540	4,261	4,159	4,191
Annual surplus	\$ 5,954	\$ 7,811	\$ 5,248	\$ 4,688	\$ 4,545

PROPERTY TAXES BILLED (000's)

	2024	2023	2022	2021	2020
Own purposes	\$ 7,110	\$ 6,776	\$ 6,533	\$ 6,172	\$ 6,072
Upper-tier municipality	3,986	3,715	3,426	3,388	3,301
School boards	2,296	2,264	2,306	2,234	2,443
	\$ 13,392	\$ 12,755	\$ 12,265	\$ 11,794	\$ 11,816

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2024

TAXABLE ASSESSMENT (000's)

	2024	2023	2022	2021	2020
Residential and farm	\$ 811,954	\$ 804,665	\$ 789,869	\$ 783,785	\$ 779,682
Commercial and industrial	146,853	144,302	143,895	139,421	139,024
	958,807	948,967	933,764	923,206	918,706
Exempt	41,157	39,251	39,008	37,934	38,205
	\$ 999,964	\$ 988,218	\$ 972,772	\$ 961,140	\$ 956,911
Commercial and industrial	15.32%	15.21%	15.41%	15.10%	15.13%

FINANCIAL INDICATORS

	2024	2023	2022	2021	2020
Tax arrears					
Percentage of own levy	11 %	11 %	9 %	9 %	10 %
Percentage of total levy	6 %	6 %	5 %	5 %	5 %
Municipal debt	\$ 5,041,307	\$ 6,194,521	\$ 6,486,389	\$ 5,672,917	\$ 5,600,811
Municipal debt charges	\$ 663,960	\$ 1,330,418	\$ 500,849	\$ 478,299	\$ 373,087
Sustainability					
Financial assets to liabilities	1.67	7.22	6.57	7.59	7.00
Financial assets to liabilities excluding municipal debt	3.57	4.67	4.32	6.50	5.93
Municipal debt to tangible capital assets	19.61 %	15.02 %	17.07 %	15.93 %	15.84 %
Flexibility					
Debt charges to total operating revenue	2.83 %	9.01 %	4.11 %	4.37 %	3.47 %
Total operating revenue to taxable assessment	2.35 %	1.49 %	1.25 %	1.14 %	1.12 %
Vulnerability					
Operating grants to operating revenue	3.57 %	14.38 %	6.15 %	8.78 %	8.57 %
Total grants to total revenues	6.68 %	18.45 %	7.28 %	7.57 %	7.99 %
Reserve coverage					
Reserves and reserve funds	\$ 6,486,941	\$ 9,017,173	\$ 9,916,018	\$ 9,195,259	\$ 7,935,759
Reserves to operating expenses	33 %	67 %	88 %	89 %	76 %
Reserves to working capital	2.75	2.17	3.45	2.19	3.08