

CONSOLIDATED FINANCIAL REPORT

**THE CORPORATION OF THE
TOWNSHIP OF MCGARRY**

DISTRICT OF TIMISKAMING

YEAR ENDED DECEMBER 31, 2024

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THE CORPORATION OF THE TOWNSHIP OF MCGARRY

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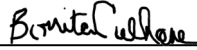
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the Township of McGarry are the responsibility of the Corporation of the Township of McGarry's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation of the Township of McGarry's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Kemp Elliott & Blair LLP, independent external auditors appointed by the Corporation of the Township of McGarry. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation of the Township of McGarry's financial statements.

Signed by:


Mayor
Bonita Culhane

Signed by:


Clerk-Treasurer
Karine Pelletier

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of McGarry, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of McGarry as at December 31, 2024, and the results of its operations, change in net debt and 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Corporation of the Township of McGarry in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 Corporation of the Township of McGarry'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 Corporation of the Township of McGarry or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation of the Township of McGarry's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation of the Township of McGarry'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 Corporation of the Township of McGarry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation of the Township of McGarry to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Kemp Elliott & Blair LLP

New Liskeard, Ontario
July 8, 2025

Kemp Elliott & Blair LLP
Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

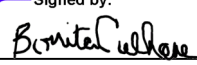
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash	\$ 787,742	\$ 359,614
Short-term investments – note 5	-	260,164
Taxes receivable	848,937	1,202,204
Accounts receivable	1,624,675	130,532
Inventories held for resale	360,707	-
	<u>3,622,061</u>	<u>1,952,514</u>
LIABILITIES		
Demand loan – note 6	2,008,608	-
Accounts payable and accrued liabilities	208,017	135,050
Deferred revenue – other – note 7	127,235	465,248
Deferred revenue – obligatory reserve funds – note 8	201,824	249,065
Asset retirement obligations – note 9	2,514,297	2,445,816
Municipal debt – note 10	511,389	688,272
Deficiency in Government Business Partnership – note 11	-	983,602
	<u>5,571,370</u>	<u>4,967,053</u>
Contingent liabilities and commitments – note 13		
NET DEBT	(1,949,309)	(3,014,539)
NON-FINANCIAL ASSETS		
Tangible capital assets – note 16	11,170,224	9,616,622
Inventories of supplies	20,134	22,375
	<u>11,190,358</u>	<u>9,638,997</u>
ACCUMULATED SURPLUS – note 12	\$ 9,241,049	\$ 6,624,458

The accompanying notes form an integral part of these consolidated financial statements.

On behalf of Council:

Signed by:

 Mayor A50F1D98DF684DB...

Signed by:

 Clerk-Treasurer F448560FF720840F...

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2024

	(Note 14) 2024 Budget	2024 Actual	2023 Actual
REVENUES			
Operating revenues			
Municipal taxation	\$ 956,572	\$ 951,087	\$ 814,588
User charges	544,000	566,672	518,230
Provincial grants	818,531	709,370	650,052
Federal grants	3,796	1,560	9,360
Federal gas tax	36,408	85,743	58,450
Investment income	26,259	16,194	25,992
Penalties and interest on taxes	145,000	184,685	151,014
Gain (loss) on disposal of tangible capital assets	-	(11,325)	17,515
Gain (loss) from Government Business Partnership	-	983,602	(164,783)
Other	42,615	64,044	40,956
	<u>2,573,181</u>	<u>3,551,632</u>	<u>2,121,374</u>
Capital revenues			
Provincial grants	1,792,679	1,135,292	85,335
Federal grants	628,354	713,461	19,125
	<u>2,421,033</u>	<u>1,848,753</u>	<u>104,460</u>
Total revenues	<u>4,994,214</u>	<u>5,400,385</u>	<u>2,225,834</u>
EXPENDITURES			
General government	656,187	802,728	655,674
Protection to persons and property	281,898	244,494	225,165
Transportation services	655,914	485,717	510,201
Environmental services	830,927	805,363	747,899
Health services	141,005	135,565	141,524
Social and family services	65,773	55,703	62,815
Recreation and cultural services	207,206	230,488	242,537
Planning and Development services	30,000	23,736	33,463
Total expenditures	<u>2,868,910</u>	<u>2,783,794</u>	<u>2,619,278</u>
ANNUAL SURPLUS (DEFICIT)	<u>2,125,304</u>	<u>2,616,591</u>	<u>(393,444)</u>
Accumulated surplus, beginning of year	<u>6,624,458</u>	<u>6,624,458</u>	<u>7,017,902</u>
ACCUMULATED SURPLUS, END OF YEAR – note 12	<u>\$ 8,749,762</u>	<u>\$ 9,241,049</u>	<u>\$ 6,624,458</u>

The accompanying notes form an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED DECEMBER 31, 2024

	(Note 14) 2024 Budget	2024 Actual	2023 Actual
ANNUAL SURPLUS (DEFICIT)	\$ 2,125,304	\$ 2,616,591	\$ (393,444)
Acquisition of tangible capital assets	(2,396,833)	(1,947,706)	(186,606)
Amortization of tangible capital assets	379,931	379,931	375,301
Gain (loss) on disposal of tangible capital assets	-	11,325	(17,515)
Proceeds on sale of tangible capital assets	-	2,848	17,515
	<u>(2,016,902)</u>	<u>(1,553,602)</u>	<u>188,695</u>
Consumption of inventories of supplies	-	2,241	73,293
Increase (decrease) in net debt	108,402	1,065,230	(131,456)
Net debt, beginning of year	<u>(3,014,539)</u>	<u>(3,014,539)</u>	<u>(2,883,083)</u>
NET DEBT, END OF YEAR	\$ (2,906,137)	\$ (1,949,309)	\$ (3,014,539)

The accompanying notes form an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
Operating activities		
Annual surplus (deficit)	\$ 2,616,591	\$ (393,444)
Charges not affecting cash –		
Amortization of tangible capital assets	379,931	375,301
Gain (loss) on disposal of tangible capital assets	11,325	(17,515)
Gain (loss) on Solaire McGarry Solar Inc.	(983,602)	164,783
	<u>2,024,245</u>	<u>129,125</u>
Net change in non-cash working capital items –		
Taxes receivable	353,267	(211,581)
Accounts receivable	(1,494,143)	280,442
Inventories held for resale	(360,707)	-
Inventories of supplies	2,241	73,293
Accounts payable and accrued liabilities	72,967	(50,372)
Deferred revenue – other	(338,013)	39,657
Deferred revenue – obligatory reserve funds	(47,241)	(18,061)
Asset retirement obligations	68,481	66,620
	<u>(1,743,148)</u>	<u>179,998</u>
Cash provided by operating activities	<u>281,097</u>	<u>309,123</u>
Capital activities		
Acquisition of tangible capital assets	(1,947,706)	(186,606)
Proceeds from sale of tangible capital assets	2,848	17,515
Cash used for capital activities	<u>(1,944,858)</u>	<u>(169,091)</u>
Financing activities		
Demand loan received	2,008,608	-
New debt issued	-	50,570
Debt repayments	(176,883)	(156,508)
Cash provided by (used for) financing activities	<u>1,831,725</u>	<u>(105,938)</u>
Increase in cash	<u>167,964</u>	<u>34,094</u>
Cash and cash equivalents, beginning of year	<u>619,778</u>	<u>585,684</u>
Cash and cash equivalents, end of year	<u>\$ 787,742</u>	<u>\$ 619,778</u>
Represented by		
Cash	\$ 787,742	\$ 359,614
Short term investment	-	260,164
	<u>\$ 787,742</u>	<u>\$ 619,778</u>
Supplemental cash flow information		
Interest paid	\$ 32,608	\$ 34,735

The accompanying notes form an integral part of these consolidated financial statements

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

The Corporation of the Township of McGarry ("the Township") is a single tier township situated in Northeastern Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act 2001, Provincial Offences Act and other related legislation.

1. **Accounting policies**

The consolidated financial statements of the Township are the representation of management and council prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada as prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing.

(a) (i) **Basis of consolidation**

These consolidated financial statements reflect the financial assets, liabilities, revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets and includes the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of the Council:

Public Library Board
Waterworks System

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

(ii) **Government Business Partnership**

Government Business Partnership (GBP) is comprised of the corporation Solaire McGarry Solar Inc. and is accounted for by the modified equity method. Under the modified equity method, the GBP's accounting principles are not adjusted to conform to those of the Township and inter-organization transactions and balances (if any) are not eliminated. The Township recognizes the original cost of the investment (equal to the purchase cost of the investment) on the Statement of Financial Position. The investment is adjusted for the Township's proportionate share of the earnings (losses) and any impairments in the value of the investment, with any deficiency in the Township's share of the GBP recognized as a liability. The Township's share of the GBP's net income (loss) is recognized on the Statement of Operations.

(iii) **Non-consolidated entities**

The following local boards, joint local boards, municipal enterprises and utilities are not consolidated:

Timiskaming District Health Unit

District of Timiskaming Social Services Administration Board

Although these are joint local boards, they run autonomously to provide those services mandated by the Province. The Township has no control over these programs or their financing. These joint local boards are not proportionately consolidated. The yearly requisitions of these boards are expensed by the Township in its statements (note 5).

Temiskaming Municipal Services Association

The Temiskaming Municipal Services Association provides the services of a Chief Building Officer to 21 Municipalities. The operations of this organization are not proportionately consolidated into these statements because the Township does not have control. Building Permit revenues are transferred to this organization.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. Accounting policies – continued

(iv) Accounting for school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

(b) (i) Revenue recognition

Government transfers (provincial and federal grants)

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulation is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

Taxation and related revenues

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC") with the authority established under the Municipal Act, 2001, the Assessment Act, the Education Act, and other legislation. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known.

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.

Fees, service charges and other revenue

Fees, service charges and other revenue are recognized when earned.

(ii) Cash and cash equivalents

Cash consists of balances held at financial institutions and all cash equivalents consist of highly liquid financial instruments.

(iii) Inventories

Inventories held for consumption are recorded at lower of cost or replacement cost.

(iv) Leases

Leases are classified as operating or capital leases. Leases that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases and are recorded as a tangible capital asset and a liability. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. Accounting policies – continued

(v) **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	10 to 50 years
Buildings	25 to 50 years
Machinery and equipment	10 to 25 years
Office furniture and equipment	4 to 10 years
Vehicles	5 to 20 years
Roads and culverts	10 to 50 years
Water and sewer systems	15 to 100 years

A full year of amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is in productive use.

The Township has no capitalization threshold for land and buildings, a capitalization threshold of \$10,000 for infrastructure systems and \$2,500 for all other assets. Individual assets of lesser value may be capitalized if they are pooled, or because, collectively, they have significant value, or for operational purposes.

(v) **Deferred revenue – other**

The Township receives certain amounts pursuant to funding agreements that may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recorded as deferred revenue and are recognized as revenue in the fiscal year the eligibility criteria has been met except when stipulations are present and to the extent that the transfer gives rise to an obligation that meets the definition of a liability.

(vi) **Asset retirement obligations**

Asset retirement obligations represent the legal obligation associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the consolidated financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the Township to incur costs in relation to a specific tangible capital asset, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. Accounting Policies - continued

(vi) Asset retirement obligations - continued

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the Township derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the consolidated statement of operations and accumulated surplus.

(viii) Reserves and reserve funds

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

(ix) Use of estimates

Management has made estimates and assumptions that affect the amounts reported in preparing these consolidated financial statements. Significant areas requiring the use of management estimates relate to the determination of allowance for uncollectible taxes and receivables, tangible capital assets historical cost, estimated useful life and related amortization and landfill closure and post-closure costs.

(x) Financial instruments

The Township recognizes its financial instruments when the municipality becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section PS 3420 Inter-entity Transactions.

At initial recognition, the municipality may irrevocably elect to subsequently measure any financial instrument at fair value. The Township has not made such an election during the year.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

2. 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, liquidity, market, price or credit risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss because of a counter party to a financial instrument fails to discharge its contractual obligations. The Township manages its credit risk by establishing an allowance for doubtful accounts based on factors surrounding the credit risk of specific accounts, historical trends and other information. The Township has a significant number of customers and ratepayers which minimizes concentration of credit risk. Further, the Township has available to it a tax registration process to recover unpaid municipal taxes by way of forced transfer of properties with multi-year arrears.

Interest risk

Interest risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Township manages exposure through its normal operating and financing activities. The Township is exposed to interest rate risk primarily through its fixed rate loans and debentures.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Township is exposed to this risk mainly in respect of its receipt of funds from its customers and ratepayers, and other related sources, and accounts payable. The Township manages the liquidity risk resulting from its accounts payable by maintaining cash and investing in other liquid assets.

3. Operations of school boards

Further to note 1(a) (iv), net municipal taxation and taxation from governments levied on behalf of and payable to the school boards was:

	2024	2023
	<u>\$ 60,003</u>	<u>\$ 57,947</u>

4. Contributions to non-consolidated Joint Boards

Further to note 1(a) (iii), the following contributions were made by the Township to these boards:

	2024	2023
Timiskaming Health Unit	<u>\$ 35,175</u>	<u>\$ 33,500</u>
District of Timiskaming Social Services Administration Board	<u>\$ 106,112</u>	<u>\$ 122,639</u>

5. Short-term investments

The short-term investments of \$nil (2023 \$260,164) are classified as held for trading due to their short-term nature and are recorded at market value.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

6. Short-term debt

The Township has arranged a line of credit with its financial institution not to exceed from January 1 to September 30, 50% of the total estimated revenue as set out in the budget adopted for the current year, and from October 1 to December 31, 25% of the total estimated revenue as set out in the budget adopted for the current year or \$250,000, whichever is less. The line of credit, authorized by By-Law 2024-11, bears interest at prime plus 0.25%. As at December 31, 2024, the outstanding balance of the line of credit was \$nil (2023 \$nil).

The Township has arranged a revolving loan facility with its financial institution to finance the storm drain project. During the revolving period, the Borrower may borrow, repay and reborrow up to the amount of this facility \$2,356,033, provided an event of default shall not have occurred. The revolving loan, authorized by By-Law 2024-24, bears interest at prime minus 0.50%. As at December 31, 2024, the outstanding balance of the line of credit was \$2,008,608 (2023 \$nil).

7. Deferred revenue – other

Deferred revenue – other consists of the following:

	December 31 2023	Funds Received	Revenue Earned	December 31 2024
Provincial grant - OCIF	\$ 270,514	\$ 126,987	\$ 280,000	\$ 117,501
Provincial grant - NORDS	194,734	65,000	250,000	9,734
	<u>\$ 465,248</u>	<u>\$ 191,987</u>	<u>\$ 530,000</u>	<u>\$ 127,235</u>

Ontario Community Infrastructure Funds – Formula based Component includes \$120,127 of funding plus \$6,860 interest.

Northern Ontario Resource Development Support – Project based for Water & Sewer project includes \$64,421 funding and \$579 of interest.

8. Deferred revenue – obligatory reserve funds

Deferred revenue – obligatory reserve funds consist of the following:

	December 31 2023	Funds Received	Revenue Earned	December 31 2024
Federal Gas Tax	\$ 249,065	\$ 38,502	\$ 85,743	\$ 201,824

Federal Gas Tax funds includes \$37,009 received from AMO plus \$1,493 interest.

9. Asset retirement obligations

	2024	2023
Balance, beginning of year	\$ 2,445,816	\$ 2,379,196
Accretion expense	68,481	66,620
Balance, end of year	<u>\$ 2,514,297</u>	<u>\$ 2,445,816</u>

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

9. Asset retirement obligations - continued

The asset retirement obligation at year end is as follows:

Landfill	\$	204,803	\$	199,225
Asbestos removal		2,179,310		2,119,953
Gravel pits		55,762		54,243
Water well and pumphouse		66,385		64,577
Fuel tank removal		8,037		7,818
	\$	2,514,297	\$	2,445,816

The discount rate used to present value future cash outputs is 2.80% (2023 2.80%).

Landfill

Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites, regardless of site use. The main components of the landfill closure plan are final capping using selected specific layers of earthen materials based on an engineered cap design and implementation of a drainage management plan. The post-closure maintenance requirements will involve cap maintenance, installation of monitoring wells, groundwater monitoring, inspections and annual reports.

The reported liability is based on estimates and assumptions with respect to events extending over the estimated remaining useful life using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The landfill site was established in 1980. The total capacity of the site is 811,656 cubic meters. The approximate area that has been landfilled is 243,499 cubic meters, leaving an estimated remaining capacity of 568,157 cubic meters. The estimated life of the landfill site is 70 years and post-closure care is estimated to be required for 25 years from the date of site closure.

Asbestos removal

The Township owns buildings which contain asbestos, and therefore, the Township is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Assumptions were made regarding the remaining useful life of the building that contains materials with asbestos in order to estimate when the costs of rehabilitation would be incurred.

Gravel pits

The Township owns two gravel pits for which the Township has a legal obligation under the Aggregate Resources Act to perform rehabilitation activities upon the gravel pit site when it is no longer in productive use. Assumptions were made regarding the remaining useful life of the gravel pits in order to estimate when the costs of rehabilitation would be incurred.

Water well and pumphouse

The Township owns a water well and pumphouse which represents an environmental hazard upon removal and decommissioning and there are legal obligations regarding how they must be removed. Assumptions were used to quantify unit time for the summation of service costs.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

9. Asset retirement obligations – continued

Fuel tank removal

The Township owns an above ground fuel tank which represents an environmental hazard upon removal and there are legal obligations regarding how they must be removed. Assumptions were used to quantify unit time for the summation of service costs.

10. Municipal debt

The balance of the municipal debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2024	2023
<u>Loans and debentures</u>		
Ontario Strategic Infrastructure Financing Authority (OSIFA) debenture to assist with sewage treatment infrastructure, repayable in blended semi-annual payments of \$24,243 including interest at 4.78%, secured by equipment, maturing January 2026.	\$ 69,386	\$ 112,987
Ontario Strategic Infrastructure Financing Authority (OSIFA) debenture to assist with sewage treatment infrastructure, repayable in blended semi-annual payments of \$30,425 including interest at 4.77%, secured by future Province of Ontario funding, maturing December 2029.	267,868	314,273
Ontario Strategic Infrastructure Financing Authority (OSIFA) debenture to assist with LED street light conversion, repayable in semi-annual payments of \$7,000 principal plus interest at 2.53%, secured by future Province of Ontario funding, and matured in December 2024.	-	14,000
Scotiabank Loan for 2023 Chevy Silverado truck, repayable in blended monthly payments of \$772 including interest at 4.08%, secured by the vehicle with a carrying value of \$51,619, maturing July 2029.	36,928	44,985
Mitsubishi HC Capital Canada Loan for 2012 Freightliner truck, repayable in blended monthly payments of \$1,691 including interest at 12.462%, secured by the vehicle with a carrying value of \$89,000, maturing November 2026.	34,435	49,404
Total loans and debentures	408,617	535,649
<u>Long-term capital lease</u>		
John Deere Canada ULC capital lease to purchase a 2018 grader, repayable in blended monthly payments of \$4,695 including interest at 4.99%, secured by the grader with a carrying value of \$266,920, maturing November 2026.	102,772	152,623
Total municipal debt	\$ 511,389	\$ 688,272

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

10. Municipal debt - continued

Principal payments due in the next five years are as follows:

2025	\$ 171,752
2026	150,595
2027	61,512
2028	64,092
2029	63,438
Thereafter	<u>-</u>
	<u>\$ 511,389</u>

In 2024, interest expense of \$32,608 (2023 \$34,735) has been reflected in the Consolidated Statement of Operations.

11. Government Business Enterprise

The Corporation of the Township of McGarry is no longer an owner of the corporation Solaire McGarry Solar Inc. As of September 20, 2024, the corporation Solaire McGarry Solar Inc. purchased for cancellation the 50 Class B shares held by the Corporation of the Township of McGarry for \$1.

Solaire McGarry Solar Inc. was incorporated under the Ontario Business Corporations Act on September 13, 2012 pursuant to section 142 of the Electricity Act (Ontario). The corporation's principal activity is the ownership, administration and management of solar power generating projects for the purpose of generating, transmitting, distributing and retailing electricity. This corporation is accounted for on a modified equity basis in these consolidated financial statements.

The audited statements for Solaire McGarry Solar Inc. for the year ended December 31, 2023 were prepared on a going concern basis, but did identify that there was a material uncertainty related to going concern since the company incurred a loss of \$538,550 during the year and, as of December 31, 2023, the company's total liabilities exceeded its total assets by \$1,637,638. The continuation of the company is dependent upon the continued availability of operating and long-term financing and achieving and maintaining a profitable level of operations. Management of the company are continuing to actively address the situation by increasing revenue, controlling costs and working with the company's creditors in order to ensure that it is able to meet its financing requirements. Management is also considering divestment. As the outcome of management's actions is dependent on future events, there is no certainty that management will be able to satisfactorily resolve these issues.

(a) The Township's portion of the deficiency in the Government Business Partnership consists of the following:

	2024	2023
Purchase of share capital (50 Class B shares)	\$ -	\$ 50
Township's share of accumulated operating losses	<u>-</u>	<u>(983,652)</u>
	<u>\$ -</u>	<u>\$ (983,602)</u>

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

11. Government Business Enterprise – continued

- (a) The following schedules provide condensed supplementary financial information for the year ended December 31, 2023 of Solaire McGarry Solar Inc.

<u>Financial position</u>	<u>2023</u>
Current assets	\$ 128,023
Capital assets	<u>3,069,659</u>
Total assets	<u>\$ 3,197,682</u>
Current liabilities	\$ 14,240
Due to related parties	3,181,255
Current portion of long-term debt	159,127
Long-term debt	<u>1,810,264</u>
Total liabilities	5,164,886
Capital stock	100
Accumulated deficit	<u>(1,967,304)</u>
Total liabilities and accumulated deficits	<u>\$ 3,197,682</u>
<u>Statement of loss</u>	
Sale of energy	\$ 196,838
Expenses	(526,404)
Future recovery of income taxes	<u>-</u>
Net loss	<u>\$ (329,566)</u>

- (b) Related party transactions between the Corporation of the Township of McGarry and its Government Business Partnership are as follows:

- 1) The Township has an accounts payable of \$nil (2023 \$50) for the purchase of their portion of the share capital included in the consolidated statement of financial position.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

12. Accumulated surplus

The accumulated surplus is made up of the following:

	2024	2023
Reserves, surpluses and deficits		
Roads capital projects reserve	\$ 4,335	\$ 4,335
Safe restart reserve	8,470	8,470
Working funds reserve	109,707	109,707
Equipment replacement reserve	280,850	280,850
Waste site reserve	104,694	104,694
General fund	216,714	375,562
Sanitary sewer system	428,927	357,080
Water supply system	(457,380)	(508,077)
Library surplus	11,672	2,142
Deficit in Solaire McGarry Solar	-	(983,602)
	<u>707,989</u>	<u>(248,839)</u>
Reserve funds		
Recreation programs and facilities	217,383	217,383
Fire department	28,722	28,722
Future development	11,749	11,749
Library	2,738	2,738
Waterworks capital projects	95,025	95,025
Community events	12,771	12,771
	<u>368,388</u>	<u>368,388</u>
Amounts to be recovered		
Asset retirement obligations	(2,514,297)	(2,445,816)
Municipal debt	(511,389)	(688,272)
	<u>(3,025,686)</u>	<u>(3,134,088)</u>
Net debt	<u>(1,949,309)</u>	<u>(3,014,539)</u>
Non-financial assets		
Invested in tangible capital assets	11,170,224	9,616,622
Inventories of supplies	20,134	22,375
	<u>11,190,358</u>	<u>9,638,997</u>
Accumulated surplus	<u>\$ 9,241,049</u>	<u>\$ 6,624,458</u>

Reserves represent an appropriation of surplus for a specific purpose, determined by council, are non-statutory and subject to change by council at any time.

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 expenditures, provides the Change in Net Debt for the year.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

13. **Contingent Liabilities and Commitments**

Non-Consolidated Entities

The Township is contingently liable for the deficits and long-term debt of the non-consolidated entities.

Funding agreements

Under the terms of various funding agreements, the Township could have provincial and federal grants become repayable if it is determined that funding was applied towards ineligible costs or if other terms of the agreements were not met. At year end, management is of the opinion that all conditions have been met and funding was applied towards eligible costs.

Ontario Municipal Employees Retirement Fund

All permanent, full-time employees of the Township are eligible to be members of the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Township's contributions equal the employee contributions to the plan. During the year ended December 31, 2024, the Township contributed \$35,320 (2023 \$31,392) to the plan. As this is a multi-employer pension plan, the contributions by the Township are recognized as an expenditure. No pension liability for this type of plan is recognized in the Township's financial statements. As of December 31, 2024, OMERS had a funding deficit of \$2.9 billion (2023 \$4.2 billion) and Net Assets Available for Benefits of \$138.4 billion (2023 \$128.8 billion).

14. **Budgeting**

The Township budgets to determine an appropriate tax rate based on all budgeted revenues, including proceeds on long-term debt, and all expenditures, including debt principal payments and the acquisition of tangible capital assets, but does not include amortization. The Township reconciles this tax levy budget to the budget in accordance with Public Sector Accounting Standards.

	<u>2024</u>
Tax levy budget surplus for the year – as below	\$ -
Add: Capital expenditures	2,396,833
Debt repayments	176,882
Less: Estimated amortization	(379,931)
Estimated accretion expense	<u>(68,480)</u>
Budget surplus per Consolidated Statement of Operations – page 5	<u>\$ 2,125,304</u>

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

14. Budgeting (continued)

	Budget 2024	Actual 2024	Actual 2023
REVENUES			
Operating			
Municipal taxation	\$ 956,572	\$ 951,087	\$ 814,588
User charges	544,000	566,672	518,230
Provincial grants	818,531	709,370	650,052
Federal grants	3,796	1,560	9,360
Federal gas tax	36,408	85,743	58,450
Investment income	26,259	16,194	25,992
Penalties and interest on taxes	145,000	184,685	151,014
Proceeds on sale of tangible capital assets	-	2,848	17,515
Gain (loss) from Government Business Partnership	-	983,602	(164,783)
Other	42,615	64,044	40,956
	<u>2,573,181</u>	<u>3,565,805</u>	<u>2,121,374</u>
Capital			
Provincial grants	1,792,679	1,135,292	85,335
Federal grants	628,354	713,461	19,125
	<u>2,421,033</u>	<u>1,848,753</u>	<u>104,460</u>
Total revenues	<u>4,994,214</u>	<u>5,414,558</u>	<u>2,225,834</u>
EXPENDITURES			
Operating expenditure			
General government	631,824	778,364	649,105
Protection to persons and property	271,323	233,919	214,590
Transportation services	545,584	375,387	431,273
Environmental services	571,324	545,760	494,674
Health services	125,558	120,118	135,379
Social and family services	65,773	55,703	62,815
Recreation and cultural services	179,113	202,395	222,678
Planning and development	30,000	23,736	33,463
	<u>2,420,499</u>	<u>2,335,382</u>	<u>2,243,977</u>
Capital expenditures	2,396,833	1,947,706	186,606
Long-term debt repayments	176,882	176,883	156,508
Total expenditures	<u>4,994,214</u>	<u>4,459,971</u>	<u>2,587,091</u>
Surplus (deficit), tax levy budget base	<u>\$ -</u>	<u>\$ 954,587</u>	<u>\$ (361,257)</u>
Financed by			
Transfers from (to) reserves and surplus	<u>\$ -</u>	<u>\$ (954,587)</u>	<u>\$ 361,257</u>

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

15. **Segmented information**

The Township is a diversified municipal government institution that provides a wide range of services to its citizens, including General Government Services, Protection Services, Transportation Services, Environmental Services, Health Services, Social and Family Services, Recreational and Cultural Services and Planning and Development Services. Service areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these service areas. Departments disclosed in the segmented information, along with the services they provide, are as follows:

General Government Services

The Departments within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing Municipal assets; ensuring effective financial management; monitoring performance and ensuring that high quality Municipal Service standards are met.

Protection Services

Police services, including the enforcement of laws, prevention of crime, and maintenance of peace, order, and security are provided to the Township by agreement with the Ontario Provincial Police. Fire protection services are provided by way of a volunteer Fire Department, which provides fire suppression, fire prevention and education programs to residents. The Township also enforces By-laws and offers dog control and property standards enforcement under contract.

Transportation Services

The Public Works department is responsible for the delivery of municipal public works services related to planning, design, construction, cleaning, repair, snow removal and signage of roadway systems, as well as maintaining all Municipal vehicles and equipment, and providing some building maintenance services to Municipal facilities.

Environmental Services

The Public Works department is also responsible for the water supply and distribution system and the wastewater collection and treatment facilities. This service is provided under contract with the Ontario Clean Water Agency who oversee both operations. The Public Works department is responsible for the maintenance of the system, which includes repair of water and sewer mains and fire hydrants, service connections and manholes. The Public Works department also operates the solid waste collection and manages the Township's waste disposal site.

Health Services

The Township funds a range of public health services through the Timiskaming Health Unit and provides ambulance services through the District of Timiskaming Social Services Administration Board. The Township also provides cemetery services through the Town of Kirkland Lake.

Social and Family Services

The services are provided indirectly by the Township through the District of Timiskaming Social Services Administration Board and includes social housing, childcare and general assistance services.

Recreation and Cultural Services

The Township is responsible for providing, facilitating the development of, and maintaining parks and recreational facilities, and cultural services, including library services.

Planning and Development Services

The Township is responsible for preparing land use plans, by-laws and policies for sustainable development of the Township and for reviewing and approving new development.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

15. Segmented information – continued

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning Development Services	Total 2024	Total 2023
Revenues										
Operating revenues	\$ 951,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 951,087	\$ 814,588
Municipal taxation										
User charges	3,106	4,784	-	526,491	9,325	-	22,966	-	566,672	518,230
Provincial grants	635,000	9,200	30,000	17,232	-	-	17,938	-	709,370	650,052
Federal grants	-	-	-	-	-	-	1,560	-	1,560	9,360
Federal gas tax	-	-	-	62,936	-	-	-	22,807	85,743	58,450
Investment income	16,194	-	-	-	-	-	-	-	16,194	25,992
Penalties and interest on taxes	184,685	-	-	-	-	-	-	-	184,685	151,014
Gain (loss) on disposal of tangible capital assets	-	-	(11,325)	-	-	-	-	-	(11,325)	17,515
Gain (loss) from Government Business Partnership	-	-	-	-	-	-	-	983,602	983,602	(164,783)
Other	4,199	-	39,333	-	-	-	20,512	-	64,044	40,956
	1,794,271	13,984	58,008	606,659	9,325	-	62,976	1,006,409	3,551,632	2,121,374
Capital revenues										
Provincial grants	-	40,800	399,583	694,909	-	-	-	-	1,135,292	85,335
Federal grants	-	-	260,474	452,987	-	-	-	-	713,461	19,125
Total revenues	1,794,271	54,784	718,065	1,754,555	9,325	-	62,976	1,006,409	5,400,385	2,225,834
Expenditures										
Wages and benefits	395,798	34,999	198,478	103,692	790	-	60,576	-	794,333	708,720
Long-term interest	-	-	13,278	19,330	-	-	-	-	32,608	34,735
Materials	294,042	52,176	140,331	131,308	19,148	-	127,030	-	764,035	688,331
Contracted services	75,409	146,744	23,300	291,430	12,366	-	14,789	23,736	587,744	579,088
Rents and financial expenses	25,064	-	31,610	7,386	9,302	-	8,234	-	81,596	76,964
External transfers	-	-	-	-	87,814	55,703	-	-	143,517	156,139
Amortization	12,415	10,575	78,720	252,217	6,145	-	19,859	-	379,931	375,301
Total expenditures	802,728	244,494	485,717	805,363	135,565	55,703	230,488	23,736	2,783,794	2,619,278
Annual surplus (deficit)	\$ 991,543	\$ (189,710)	\$ 232,348	\$ 949,192	\$ (126,240)	\$ (55,703)	\$ (167,512)	\$ 982,673	\$ 2,616,591	\$ (393,444)

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

16. Schedule of tangible capital assets

2024

	Opening Cost Dec 31, 2023	Additions	Disposals	Ending Cost Dec 31, 2024	Opening Accumulated Amortization Dec 31, 2023	Current Amortization Dec 31, 2024	Disposals	Ending Accumulated Amortization Dec 31, 2024	Net Assets Dec 31, 2024
General									
Land	\$ 90,106	\$ -	\$ -	\$ 90,106	\$ -	\$ -	\$ -	\$ -	\$ 90,106
Land improvements	99,706	-	-	99,706	49,553	1,714	-	51,267	48,439
Buildings	9,495,158	-	-	9,495,158	5,217,664	207,713	-	5,425,377	4,069,781
Equipment	1,454,944	36,161	-	1,491,105	1,099,501	40,329	-	1,139,830	351,275
Vehicles	750,007	-	48,590	701,417	452,717	29,545	34,417	447,845	253,572
Leased vehicles	333,650	-	-	333,650	83,413	16,683	-	100,096	233,554
Infrastructure									
Roads, bridges and culverts	1,489,536	98,601	-	1,588,137	1,409,461	11,137	-	1,420,598	167,539
Underground networks	5,607,901	-	-	5,607,901	1,424,740	72,810	-	1,497,550	4,110,351
Construction in progress	32,663	1,812,944	-	1,845,607	-	-	-	-	1,845,607
Total	\$ 19,353,671	\$ 1,947,706	\$ 48,590	\$ 21,252,787	\$ 9,737,049	\$ 379,931	\$ 34,417	\$ 10,082,563	\$ 11,170,224

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

16. Schedule of tangible capital assets - continued

2023

	Opening Cost Dec 31, 2022	Additions	Disposals	Ending Cost Dec 31, 2023	Opening Accumulated Amortization Dec 31, 2022	Current Amortization Dec 31, 2023	Disposals	Ending Accumulated Amortization Dec 31, 2023	Net Assets Dec 31, 2023
General									
Land	\$ 90,106	\$ -	\$ -	\$ 90,106	\$ -	\$ -	\$ -	\$ -	\$ 90,106
Land improvements	99,706	-	-	99,706	47,839	1,714	-	49,553	50,153
Buildings	9,150,564	344,594	-	9,495,158	5,009,951	207,713	-	5,217,664	4,277,494
Equipment	1,436,973	17,971	-	1,454,944	1,065,018	34,483	-	1,099,501	355,443
Vehicles	645,148	104,859	-	750,007	419,123	33,594	-	452,717	297,290
Leased vehicles	333,650	-	-	333,650	66,730	16,683	-	83,413	250,237
Infrastructure									
Roads, bridges and culverts	1,485,685	3,851	-	1,489,536	1,402,166	7,295	-	1,409,461	80,075
Underground networks	5,579,224	28,677	-	5,607,901	1,350,921	73,819	-	1,424,740	4,183,161
Construction in progress	346,009	4,022	317,368	32,663	-	-	-	-	32,663
Total	\$ 19,167,065	\$ 503,974	\$ 317,368	\$ 19,353,671	\$ 9,361,748	\$ 375,301	\$ -	\$ 9,737,049	\$ 9,616,622

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

17. Public Library board

Financial Position

	2024	2023
Financial assets		
Cash and cash equivalents	\$ 12,812	\$ 19,319
Accounts receivable	1,598	1,069
	<u>14,410</u>	<u>20,388</u>
Liabilities		
Accounts payable and accrued liabilities	<u>-</u>	<u>-</u>
Net Financial Assets and accumulated surplus	<u>\$ 14,410</u>	<u>\$ 20,388</u>

Schedule of Operations

	2024	2023
Revenue		
Grants - municipal	\$ 32,715	\$ 33,534
Grants - provincial	7,415	2,699
Other	2,519	6,096
Total revenue	<u>42,649</u>	<u>42,329</u>
Expenditures		
Salaries and benefits	21,883	17,048
Professional fees	2,000	2,000
Materials	18,968	15,613
Office	5,776	8,030
Total expenditures	<u>48,627</u>	<u>42,691</u>
Annual deficit	(5,978)	(362)
Accumulated surplus, beginning of year	<u>20,388</u>	<u>20,750</u>
Accumulated surplus, end of year	<u>\$ 14,410</u>	<u>\$ 20,388</u>

Accumulated surplus is made up of:

	2024	2023
Operating surplus	\$ 11,672	\$ 17,650
Reserve fund	<u>2,738</u>	<u>2,738</u>
	<u>\$ 14,410</u>	<u>\$ 20,750</u>