

CONSOLIDATED FINANCIAL REPORT

**THE CORPORATION OF THE
TOWNSHIP OF MCGARRY**

DISTRICT OF TIMISKAMING

YEAR ENDED DECEMBER 31, 2023

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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:


Deputy Mayor
Elaine Fic

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, 2023, 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, 2023, 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
February 18, 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, 2023

	2023	2022
FINANCIAL ASSETS		
Cash	\$ 359,614	\$ 325,520
Short-term investments – note 5	260,164	260,164
Taxes receivable	1,202,204	990,623
Accounts receivable	130,532	410,974
	<u>1,952,514</u>	<u>1,987,281</u>
LIABILITIES		
Accounts payable and accrued liabilities	135,050	185,422
Deferred revenue – other – note 7	465,248	425,591
Deferred revenue – obligatory reserve funds – note 8	249,065	267,126
Asset retirement obligations – note 9	2,445,816	2,379,196
Municipal debt – note 10	688,272	794,210
Deficiency in Government Business Partnership – note 11	983,602	818,819
	<u>4,967,053</u>	<u>4,870,364</u>
Contingent liabilities and commitments – note 13		
NET DEBT	(3,014,539)	(2,883,083)
NON-FINANCIAL ASSETS		
Tangible capital assets – note 16	9,616,622	9,805,317
Inventories of supplies	22,375	95,668
	<u>9,638,997</u>	<u>9,900,985</u>
ACCUMULATED SURPLUS – note 12	\$ 6,624,458	\$ 7,017,902

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

On behalf of Council:

Signed by:

 Deputy Mayor

Signed by:

 Clerk-Treasurer

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

	(Note 14) 2023 Budget	2023 Actual	2022 Actual
REVENUES			
Operating revenues			
Municipal taxation	\$ 833,610	\$ 814,588	\$ 801,374
User charges	517,010	518,230	486,511
Provincial grants	859,903	650,052	665,899
Federal grants	5,090	9,360	19,370
Federal gas tax	40,309	58,450	14,859
Investment income	16,500	25,992	21,436
Penalties and interest on taxes	140,000	151,014	95,559
Provincial Offences Act revenues	-	-	23
Gain on disposal of tangible capital assets	17,515	17,515	5,000
Loss from Government Business Partnership	-	(164,783)	(269,275)
Other	23,577	40,956	21,808
	<u>2,453,514</u>	<u>2,121,374</u>	<u>1,862,564</u>
Capital revenues			
Provincial grants	-	85,335	22,921
Federal grants	40,000	19,125	241,892
Federal gas tax	-	-	27,187
	<u>40,000</u>	<u>104,460</u>	<u>292,000</u>
Total revenues	<u>2,493,514</u>	<u>2,225,834</u>	<u>2,154,564</u>
EXPENDITURES			
General government	718,761	655,674	755,420
Protection to persons and property	243,925	225,165	227,950
Transportation services	446,420	510,201	419,398
Environmental services	812,468	747,899	806,236
Health services	143,571	141,524	132,186
Social and family services	62,100	62,815	58,284
Recreation and cultural services	273,512	242,537	226,660
Planning and Development services	33,204	33,463	13,211
Total expenditures	<u>2,733,961</u>	<u>2,619,278</u>	<u>2,639,345</u>
ANNUAL DEFICIT	(240,447)	(393,444)	(484,781)
Accumulated surplus, beginning of year	7,017,902	7,017,902	9,282,008
Adjustments related to adoption of new accounting standards - note 2	-	-	(1,779,325)
ACCUMULATED SURPLUS, END OF YEAR – note 12	<u>\$ 6,777,455</u>	<u>\$ 6,624,458</u>	<u>\$ 7,017,902</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, 2023

	(Note 14) 2023 Budget	2023 Actual	2022 Actual
ANNUAL DEFICIT	\$ (240,447)	\$ (393,444)	\$ (484,781)
Acquisition of tangible capital assets	(28,000)	(186,606)	(422,310)
Amortization of tangible capital assets	375,301	375,301	354,043
Gain on disposal of tangible capital assets	(17,515)	(17,515)	(5,000)
Proceeds on sale of tangible capital assets	17,515	17,515	5,000
	<u>347,301</u>	<u>188,695</u>	<u>(68,267)</u>
Consumption (acquisition) of inventories of supplies	-	73,293	(13,784)
Increase (decrease) in net debt	106,854	(131,456)	(566,832)
Net debt, beginning of year	(2,883,083)	(2,883,083)	(260,111)
Adjustments related to adoption of new accounting standards - note 2	-	-	(2,056,140)
NET DEBT, END OF YEAR	<u>\$ (2,776,229)</u>	<u>\$ (3,014,539)</u>	<u>\$ (2,883,083)</u>

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, 2023

	2023	2022
Operating activities		
Annual deficit	\$ (393,444)	\$ (484,781)
Charges not affecting cash –		
Amortization of tangible capital assets	375,301	354,043
Gain on disposal of tangible capital assets	(17,515)	(5,000)
Share of loss of Solaire McGarry Solar Inc.	164,783	269,275
	<u>129,125</u>	<u>133,537</u>
Net change in non-cash working capital items –		
Taxes receivable	(211,581)	92,546
Accounts receivable	280,442	(158,298)
Inventories of supplies	73,293	(13,784)
Accounts payable and accrued liabilities	(50,372)	(34,186)
Deferred revenue – other	39,657	224,538
Deferred revenue – obligatory reserve funds	(18,061)	(2,876)
Asset retirement obligations	66,620	64,802
	<u>179,998</u>	<u>172,742</u>
Cash provided by operating activities	<u>309,123</u>	<u>306,279</u>
Capital activities		
Acquisition of tangible capital assets	(186,606)	(422,310)
Proceeds from sale of tangible capital assets	17,515	5,000
Cash used for capital activities	<u>(169,091)</u>	<u>(417,310)</u>
Financing activities		
New debt issued	50,570	56,418
Debt repayments	(156,508)	(144,400)
Cash used for financing activities	<u>(105,938)</u>	<u>(87,982)</u>
Increase (decrease) in cash	<u>34,094</u>	<u>(199,013)</u>
Cash and cash equivalents, beginning of year	<u>585,684</u>	<u>784,697</u>
Cash and cash equivalents, end of year	<u>\$ 619,778</u>	<u>\$ 585,684</u>
Represented by		
Cash	\$ 359,614	\$ 325,520
Short term investment	260,164	260,164
	<u>\$ 619,778</u>	<u>\$ 585,684</u>
Supplemental cash flow information		
Interest paid	\$ 34,735	\$ 40,123

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, 2023

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. Adoption of new accounting standards

On January 1, 2023, the Township adopted PS 3280 Asset retirement obligations (ARO) on a modified retroactive basis. PS 3280 Asset Retirement Obligations (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

In the past, the Township reported its obligations relating to the retirement of its landfill including closure and post-closure activities provided for over the estimated remaining life of the landfill site based on usage. The Township reported its obligation related to retirement of other tangible capital assets in the period in which the asset was retired directly as an expense.

The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded and replaces Section PS 3270 Solid Waste Landfill Closure and Post-Closure Liability.

As a result of the application of this accounting standard, an asset retirement obligation has been recognized as a liability, an asset retirement cost has been added to the cost of tangible capital assets and the landfill closure and post-closure liability has been removed in the consolidated statement of financial position. The asset retirement obligations represent the estimated costs of retiring assets owned by the Township.

The adoption of PS 3280 Asset Retirement Obligations (ARO) has been applied to the comparative period as follows:

	<u>2022</u>		
	As previously reported	Increase (decrease)	As restated
Statement of Financial Position			
Asset retirement obligations	\$ -	\$ 2,379,196	\$ 2,379,196
Landfill closure and post-closure liability	291,181	(291,181)	-
Tangible capital assets	9,545,972	259,345	9,805,317
Accumulated surplus	8,846,572	(1,828,670)	7,017,902
Statement of Operations			
General government	741,124	14,296	755,420
Transportation services	381,137	38,261	419,398
Environmental services	830,430	(24,194)	806,236
Health services	121,056	11,130	132,186
Recreation and cultural services	216,808	9,852	226,660
Annual deficit	(435,436)	(49,345)	(484,781)
Adjustments related to adoption of new accounting standards	-	(1,779,325)	(1,779,325)
Accumulated surplus, end of year	8,846,572	(1,828,670)	7,017,902

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

2. Adoption of new accounting standards - continued

	As previously reported	Increase (decrease)	As restated
Statement of Change In Net Financial Assets			
Annual deficit	\$ (435,436)	\$ (49,345)	\$ (484,781)
Amortization of tangible capital assets	336,573	17,470	354,043
Adjustments related to adoption of new accounting standards	-	(2,056,140)	(2,056,140)
Net debt, end of year	(260,111)	(2,056,140)	(2,883,083)
Statement of Cash Flows			
Annual surplus	(435,436)	(49,345)	(484,781)
Amortization of tangible capital assets	336,573	17,470	354,043
Change in asset retirement obligations	-	64,802	64,802

3. 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.

4. 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:

	2023	2022
\$	57,947	\$ 59,401

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

5. Contributions to non-consolidated Joint Boards

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

	2023	2022
Timiskaming Health Unit	\$ 33,500	\$ 32,231
District of Timiskaming Social Services Administration Board	\$ 122,639	\$ 116,368

6. Short-term investments

The short-term investments of \$260,164 (2022 \$260,164) are classified as held for trading due to their short-term nature and are recorded at market value.

7. 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 2023-10, bears interest at prime plus 0.25%. As at December 31, 2023, the outstanding balance of the line of credit was \$nil (2022 \$nil).

8. Deferred revenue – other

Deferred revenue – other consists of the following:

	December 31 2022	Funds Received	Revenue Earned	December 31 2023
Provincial grant - OCIF	\$ 295,829	\$ 105,166	\$ 130,481	\$ 270,514
Provincial grant - NORDS	129,762	64,972	-	194,734
	<u>\$ 425,591</u>	<u>\$ 170,138</u>	<u>\$ 130,481</u>	<u>\$ 465,248</u>

Ontario Community Infrastructure Funds – Formula based Component includes \$104,458 of funding plus \$708 interest.

Northern Ontario Resource Development Support – Project based for Water & Sewer project includes \$64,795 funding and \$177 of interest.

9. Deferred revenue – obligatory reserve funds

Deferred revenue – obligatory reserve funds consist of the following:

	December 31 2022	Funds Received	Revenue Earned	December 31 2023
Federal Gas Tax	\$ 267,126	\$ 40,389	\$ 58,450	\$ 249,065

Federal Gas Tax funds includes \$40,309 received from AMO plus \$80 interest.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

10. Asset retirement obligations

	2023	2022
Balance, beginning of period	\$ 2,379,196	\$ -
Opening balance adjustment	-	2,314,394
Accretion expense	66,620	64,802
	<u>\$ 2,445,816</u>	<u>\$ 2,379,196</u>

The asset retirement obligation at year end is as follows:

Landfill	\$ 199,225	\$ 193,798
Asbestos removal	2,119,953	2,062,210
Gravel pits	54,243	52,766
Water well and pumphouse	64,577	62,817
Fuel tank removal	7,818	7,605
	<u>\$ 2,445,816</u>	<u>\$ 2,379,196</u>

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 209,314 cubic meters, leaving an estimated remaining capacity of 602,642 cubic meters. The estimated life of the landfill site is 71 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.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

10. Asset retirement obligations – continued

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.

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.

11. Municipal debt

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

	2023	2022
Loans and debentures		
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.	\$ 112,987	\$ 154,575
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.	314,273	358,542
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, maturing December 2024.	14,000	28,000
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.	44,985	53,042
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.	49,404	-
Total loans and debentures	535,649	594,159

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

11. Municipal debt - continued

Long-term capital lease

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.

\$ 152,623 \$ 200,051

Total municipal debt

\$ 688,272 \$ 794,210

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

2024	\$ 176,882
2025	171,752
2026	150,595
2027	61,512
2028	64,092
Thereafter	63,439
	<u>\$ 688,272</u>

In 2023, interest expense of \$34,735 (2022 \$40,123) has been reflected in the Consolidated Statement of Operations.

12. Government Business Enterprise

The Corporation of the Township of McGarry is the 50% owner of all of the issued capital of the corporation Solaire McGarry Solar Inc. with the other partner, Énergie Kapuskasing Energy Inc., owning the remaining 50% of the total issued capital. The Township no longer owns any share capital of Solaire McGarry Solar Inc. as of September 20, 2024.

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. 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 ended December 31, 2023 and, as of that date, 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.

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

12. Government Business Enterprise – continued

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

	2023	2022
Purchase of share capital (50 Class B shares)	\$ 50	\$ 50
Township's share of accumulated operating losses	(983,652)	(818,869)
	<u>\$ (983,602)</u>	<u>\$ (818,819)</u>

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

<u>Financial position</u>	2023	2022
Current assets	\$ 128,023	\$ 243,224
Capital assets	3,069,659	3,292,641
Total assets	\$ 3,197,682	\$ 3,535,865
Current liabilities	\$ 14,240	\$ 14,111
Due to related parties	3,181,255	3,037,589
Current portion of long-term debt	159,127	152,412
Long-term debt	1,810,264	1,969,391
Total liabilities	5,164,886	5,173,503
Capital stock	100	100
Accumulated deficit	(1,967,304)	(1,637,738)
Total liabilities and accumulated deficits	\$ 3,197,682	\$ 3,535,865
<u>Statement of loss</u>		
Sale of energy	\$ 196,838	\$ 175,498
Expenses	(526,404)	(535,837)
Future recovery of income taxes	-	(178,211)
Net loss	\$ (329,566)	\$ (538,550)

- (c) 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 \$50 (2022 \$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, 2023

13. Accumulated surplus

The accumulated surplus is made up of the following:

	2023	2022
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	375,562	478,799
Sanitary sewer system	357,080	298,743
Water supply system	(508,077)	(562,856)
Library surplus	2,142	18,012
Deficit in Solaire McGarry Solar	(983,602)	(818,819)
	<u>(248,839)</u>	<u>(78,065)</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	(2,445,816)	(2,379,196)
Unfinanced municipal debt	(688,272)	(794,210)
	<u>(3,134,088)</u>	<u>(3,173,406)</u>
Net debt	<u>(3,014,539)</u>	<u>(2,883,083)</u>
Non-financial assets		
Invested in tangible capital assets	9,616,622	9,805,317
Inventories of supplies	22,375	95,668
	<u>9,638,997</u>	<u>9,900,985</u>
Accumulated surplus	<u>\$ 6,624,458</u>	<u>\$ 7,017,902</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, 2023

14. **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, 2023, the Township contributed \$31,392 (2022 \$34,098) 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, 2023, OMERS had a funding deficit of \$4.2 billion (2022 \$6.7 billion) and Net Assets Available for Benefits of \$128.8 billion (2022 \$124 billion).

15. **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>2023</u>
Tax levy budget deficit for the year – as below	\$ (48,546)
Add: Capital expenditures	28,000
Debt repayments	155,400
Less: Estimated amortization	<u>(375,301)</u>
Budget deficit per Consolidated Statement of Operations – page 5	<u>\$ (240,447)</u>

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

15. Budgeting (continued)

	Budget 2023	Actual 2023	Actual 2022
REVENUES			
Operating			
Municipal taxation	\$ 833,610	\$ 814,588	\$ 801,374
User charges	517,010	518,230	486,511
Provincial grants	859,903	650,052	665,899
Federal grants	5,090	9,360	19,370
Federal gas tax	40,309	58,450	14,859
Investment income	16,500	25,992	21,436
Penalties and interest on taxes	140,000	151,014	95,559
Provincial Offences Act revenues	-	-	23
Proceeds on sale of tangible capital assets	17,515	17,515	5,000
Loss from Government Business Partnership	-	(164,783)	(269,275)
Other	23,577	40,956	21,808
	<u>2,453,514</u>	<u>2,121,374</u>	<u>1,862,564</u>
Capital			
Provincial grants	-	85,335	22,921
Federal grants	40,000	19,125	241,892
Federal gas tax	-	-	27,187
	<u>40,000</u>	<u>104,460</u>	<u>292,000</u>
Total revenues	<u>2,493,514</u>	<u>2,225,834</u>	<u>2,154,564</u>
EXPENDITURES			
Operating expenditure			
General government	712,192	649,105	748,660
Protection to persons and property	233,350	214,590	217,375
Transportation services	367,492	431,273	351,874
Environmental services	559,243	494,674	553,489
Health services	137,426	135,379	126,041
Social and family services	62,100	62,815	58,284
Recreation and cultural services	253,653	222,678	216,368
	<u>33,204</u>	<u>33,463</u>	<u>13,211</u>
	<u>2,358,660</u>	<u>2,243,977</u>	<u>2,285,302</u>
Capital expenditures	28,000	186,606	422,310
Long-term debt repayments	<u>155,400</u>	<u>156,508</u>	<u>144,400</u>
Total expenditures	<u>2,542,060</u>	<u>2,587,091</u>	<u>2,852,012</u>
Deficit, tax levy budget base	\$ (48,546)	\$ (361,257)	\$ (697,448)
Financed by			
Transfers from reserves and surplus	\$ 48,546	\$ 361,257	\$ 697,448

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

16. **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, 2023

16. 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 2023	Total 2022
Revenues										
Operating revenues										
Municipal taxation	\$ 814,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814,588	\$ 801,374
User charges	4,154	1,427	-	477,598	13,200	-	21,751	100	518,230	486,511
Provincial grants	635,000	-	-	4,729	-	-	10,323	-	650,052	665,899
Federal grants	-	-	7,440	-	-	-	1,920	-	9,360	19,370
Federal gas tax	-	-	-	58,450	-	-	-	-	58,450	14,859
Investment income	25,992	-	-	-	-	-	-	-	25,992	21,436
Penalties and interest on taxes	151,014	-	-	-	-	-	-	-	151,014	95,559
Provincial Offences Act revenues	-	-	-	-	-	-	-	-	-	23
Gain on disposal of tangible capital asset	-	-	17,515	-	-	-	-	-	17,515	5,000
Loss from Government Business	-	-	-	-	-	-	-	-	-	-
Partnership	-	-	-	-	-	-	-	(164,783)	(164,783)	(269,275)
Other	168	-	12,250	-	-	-	28,538	-	40,956	21,808
	1,630,916	1,427	37,205	540,777	13,200	-	62,532	(164,683)	2,121,374	1,862,564
Capital revenues										
Provincial grants	-	-	85,335	-	-	-	-	-	85,335	22,921
Federal grants	-	-	-	-	-	-	19,125	-	19,125	241,892
Federal gas tax	-	-	-	-	-	-	-	-	-	27,187
Total revenues	1,630,916	1,427	122,540	540,777	13,200	-	81,657	(164,683)	2,225,834	2,154,564
Expenditures										
Wages and benefits	348,244	35,051	178,071	87,682	1,850	-	57,822	-	708,720	713,294
Long-term interest	-	-	11,257	23,478	-	-	-	-	34,735	40,123
Materials	176,629	42,979	184,110	125,489	19,233	-	139,891	-	688,331	723,267
Contracted services	102,264	136,560	27,086	250,838	11,923	-	16,954	33,463	579,088	586,737
Rents and financial expenses	21,968	-	30,749	7,187	9,049	-	8,011	-	76,964	72,596
External transfers	-	-	-	-	93,324	62,815	-	-	156,139	149,285
Amortization	6,569	10,575	78,928	253,225	6,145	-	19,859	-	375,301	354,043
Total expenditures	655,674	225,165	510,201	747,899	141,524	62,815	242,537	33,463	2,619,278	2,639,345
Annual surplus (deficit)	\$ 975,242	\$ (223,738)	\$ (387,661)	\$ (207,122)	\$ (128,324)	\$ (62,815)	\$ (160,880)	\$ (198,146)	\$ (393,444)	\$ (484,781)

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

17. Schedule of tangible capital assets

Schedule of tangible capital assets											2023							
		Opening Cost		Additions		Disposals		Ending Cost		Opening Accumulated Amortization		Current Amortization		Disposals		Ending Accumulated Amortization		Net Assets Dec 31, 2023
		Dec 31, 2022					Dec 31, 2023		Dec 31, 2022		Dec 31, 2022		Dec 31, 2023		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		32,663		317,368		-		-		-		-		32,663
Total	\$	19,167,065	\$	503,974	\$	19,353,671	\$	317,368	\$	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, 2023

17. Schedule of tangible capital assets - continued

2022

	Opening Cost Dec 31, 2022	Additions	Disposals	Ending Cost Dec 31, 2023	Opening Accumulated Amortization Dec 31, 2022	Current Amortization Dec 31, 2022	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	46,125	1,714	-	47,839	51,867
Buildings	9,150,564	-	-	9,150,564	4,813,913	196,038	-	5,009,951	4,140,613
Equipment	1,429,916	7,057	-	1,436,973	1,031,504	33,514	-	1,065,018	371,955
Vehicles	618,048	57,354	30,254	645,148	426,268	23,109	30,254	419,123	226,025
Leased vehicles	333,650	-	-	333,650	50,047	16,683	-	66,730	266,920
Infrastructure									
Roads, bridges and culverts	1,485,685	-	-	1,485,685	1,392,522	9,644	-	1,402,166	83,519
Underground networks	5,552,037	27,187	-	5,579,224	1,277,581	73,340	-	1,350,921	4,228,303
Construction in progress	15,299	330,710	-	346,009	-	-	-	-	346,009
Total	\$ 18,775,011	\$ 422,308	\$ 30,254	\$ 19,167,065	\$ 9,037,960	\$ 354,042	\$ 30,254	\$ 9,361,748	\$ 9,805,317

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

18. Public Library board

Financial Position

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash and cash equivalents	\$ 19,319	\$ 19,849
Accounts receivable	1,069	901
	<u>20,388</u>	<u>20,750</u>
Liabilities		
Accounts payable and accrued liabilities	<u>-</u>	<u>-</u>
Net Financial Assets and accumulated surplus	<u>\$ 20,388</u>	<u>\$ 20,750</u>

Schedule of Operations

	<u>2023</u>	<u>2022</u>
Revenue		
Grants - municipal	\$ 33,534	\$ 38,707
Grants - provincial	2,699	2,699
Other	6,096	3,507
Total revenue	<u>42,329</u>	<u>44,913</u>
Expenditures		
Salaries and benefits	17,048	14,703
Professional fees	2,000	2,000
Materials	15,613	13,751
Office	8,030	6,308
Total expenditures	<u>42,691</u>	<u>36,762</u>
Annual surplus (deficit)	(362)	8,151
Accumulated surplus, beginning of year	<u>20,750</u>	<u>12,599</u>
Accumulated surplus, end of year	<u>\$ 20,388</u>	<u>\$ 20,750</u>
Accumulated surplus is made up of:	<u>2023</u>	<u>2022</u>
Operating surplus	\$ 17,650	\$ 18,012
Reserve fund	2,738	2,738
	<u>\$ 20,388</u>	<u>\$ 20,750</u>