

**CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT**

**FINANCIAL STATEMENTS**

**December 31, 2020**

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

December 31, 2020

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# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

To the Members of Council, Inhabitants and Ratepayer of the  
Corporation of the Township of South Stormont

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Corporation of the Township of South Stormont's Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

MNP LLP is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

  
Chief Administrative Officer

  
Director of Finance/Treasurer

July 14, 2021

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

## Opinion

We have audited the financial statements of Corporation of the Township of South Stormont (the "Township"), which comprise the statement of financial position as at December 31, 2020, and the statements of financial activities, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2020, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Cornwall, Ontario

July 14, 2021

*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

**CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT**  
**STATEMENT OF FINANCIAL POSITION**

As at December 31, 2020

	2020	2019
<b>NET FINANCIAL ASSETS</b>		
<b>ASSETS</b>		
Cash (Note 2)	\$ 11,560,310	\$ 11,051,832
Taxes receivable (Note 3)	2,191,667	1,741,056
Accounts receivable (Note 3)	3,895,777	3,278,497
Land held for resale	348,595	348,595
	<b>17,996,349</b>	<b>16,419,980</b>
 <b>LIABILITIES</b>		
Accounts payable	3,043,904	2,868,315
Accrued interest on municipal debt	73,681	73,681
Deferred revenue, obligatory reserve funds (Note 4)	935,971	974,006
Future employment benefits payable (Note 5)	58,780	66,404
Accrued landfill closure and post-closure costs (Note 6)	713,804	704,892
Municipal debt (Note 7)	7,464,017	8,021,479
	<b>12,290,157</b>	<b>12,708,777</b>
<b>NET FINANCIAL ASSETS</b>	<b>5,706,192</b>	<b>3,711,203</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	58,640,553	58,103,231
Inventory	371,567	409,897
Prepaid expenses	63,506	76,546
	<b>59,075,626</b>	<b>58,589,674</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 64,781,818</b>	<b>\$ 62,300,877</b>

**SUBSEQUENT EVENT (Note 16)**

**CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT**  
**STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended December 31, 2020

	(Note 11) BUDGET 2020	ACTUAL 2020	ACTUAL 2019
<b>REVENUES</b>			
Taxation	\$ 7,808,165	\$ 7,710,783	\$ 7,722,637
Fees and service charges	5,451,217	6,179,844	5,086,979
Grants	1,492,725	1,909,948	1,834,855
Rents	494,456	446,971	522,369
Investment income	452,800	169,255	592,294
Sale of land	90,000	1,160,199	119,338
Donations and other	4,000	999	35,558
	<b>15,793,363</b>	<b>17,577,999</b>	<b>15,914,030</b>
<b>EXPENSES</b>			
General government	2,541,235	2,400,047	1,790,770
Protection to persons and property	1,803,951	1,509,560	1,628,749
Transportation services	3,897,041	3,725,934	3,728,061
Environmental services	6,019,673	6,481,211	5,946,942
Health and recreation	1,632,386	1,519,931	1,359,723
Planning and development	520,311	373,579	436,104
	<b>16,414,597</b>	<b>16,010,262</b>	<b>14,890,349</b>
<b>SURPLUS (DEFICIT) BEFORE OTHER ITEMS</b>	<b>(621,234)</b>	<b>1,567,737</b>	<b>1,023,681</b>
<b>OTHER REVENUE RELATED TO CAPITAL</b>			
Deferred revenue earned (Note 4)	435,000	447,500	437,708
Grants	716,053	461,370	970,177
Gain on disposal of tangible capital assets	12,000	4,334	5,734
	<b>1,163,053</b>	<b>913,204</b>	<b>1,413,619</b>
<b>SURPLUS FOR THE YEAR</b>	<b>541,819</b>	<b>2,480,941</b>	<b>2,437,300</b>
<b>ACCUMULATED SURPLUS, beginning of year</b>	<b>62,300,877</b>	<b>62,300,877</b>	<b>59,863,577</b>
<b>ACCUMULATED SURPLUS, end of year</b>	<b>\$ 62,842,696</b>	<b>\$ 64,781,818</b>	<b>\$ 62,300,877</b>

See Accompanying Notes

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

For the year ended December 31, 2020

	(Note 11) BUDGET 2020	ACTUAL 2020	ACTUAL 2019
Surplus for the year	\$ 541,819	\$ 2,480,941	\$ 2,437,300
Amortization of tangible capital assets	3,014,746	2,892,587	3,047,191
Acquisition of tangible capital assets	(7,071,263)	(3,429,909)	(3,107,138)
Proceeds on disposal of tangible capital assets	-	4,334	10,272
Gain on disposal of tangible capital assets	-	(4,334)	(5,734)
Change in inventory	-	38,330	(122,823)
Change in prepaid expenses	-	13,040	(27,280)
Increase (decrease) in net financial assets	(3,514,698)	1,994,989	2,231,788
Net financial assets, beginning of year	3,711,203	3,711,203	1,479,415
Net financial assets, end of year	\$ 196,505	\$ 5,706,192	\$ 3,711,203



# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

	2020	2019
<b>CASH FROM OPERATING ACTIVITIES</b>		
Surplus for the year	\$ 2,480,941	\$ 2,437,300
Items not affecting cash		
Amortization of tangible capital assets	2,892,587	3,047,191
Gain on disposal of tangible capital assets	(4,334)	(5,734)
Changes in non-cash working capital balances		
Taxes receivable	(450,611)	48,564
Accounts receivable	(617,280)	(85,300)
Inventory	38,330	(122,823)
Prepaid expenses	13,040	(27,280)
Accounts payable	175,589	356,097
Deferred revenue, obligatory reserve funds	(38,035)	393,483
Future employment benefits payable	(7,624)	-
Accrued landfill closure and post-closure costs	8,912	163,592
	<b>4,491,515</b>	<b>6,205,090</b>
<b>CASH USED IN FINANCING ACTIVITIES</b>		
Proceeds from the issue of municipal debt	19,900	314,900
Repayment of municipal debt	(577,362)	(576,218)
	<b>(557,462)</b>	<b>(261,318)</b>
<b>CASH USED IN CAPITAL ACTIVITIES</b>		
Proceeds on disposal of tangible capital assets	4,334	10,272
Acquisition of tangible capital assets	(3,429,909)	(3,107,138)
	<b>(3,425,575)</b>	<b>(3,096,866)</b>
<b>INCREASE IN CASH</b>	<b>508,478</b>	<b>2,846,906</b>
<b>CASH, beginning of year</b>	<b>11,051,832</b>	<b>8,204,926</b>
<b>CASH, end of year</b>	<b>\$ 11,560,310</b>	<b>\$ 11,051,832</b>

See Accompanying Notes

**CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT**

**SCHEDULE OF TANGIBLE CAPITAL ASSETS**

For the year ended December 31, 2020

	Land and Land Improvements	Buildings	Vehicles	Equipment	Plants and Facilities	Roads	Water and waste water	Bridges	Assets under Construction	2020	2019
<b>Cost</b>											
Balance, beginning of year	\$ 3,852,692	\$ 14,315,787	\$ 5,908,166	\$ 2,679,511	\$ 30,105,762	\$ 30,599,459	\$ 17,369,706	\$ 5,691,632	\$ 1,105,435	\$ 111,628,150	\$ 108,630,601
Additions during the year	229,112	29,860	44,800	223,568	39,206	1,545,079	46,413	262,324	1,009,547	3,429,909	3,107,138
Disposals during the year	-	-	(35,573)	(26,240)	-	-	-	(63,635)	-	(125,448)	(109,589)
Transfers	-	11,796	(631,593)	631,593	-	99,229	67,503	-	(178,528)	-	-
<b>Balance, end of year</b>	<b>4,081,804</b>	<b>14,357,443</b>	<b>5,285,800</b>	<b>3,508,432</b>	<b>30,144,968</b>	<b>32,243,767</b>	<b>17,483,622</b>	<b>5,890,321</b>	<b>1,936,454</b>	<b>114,932,611</b>	<b>111,628,150</b>
<b>Accumulated Amortization</b>											
Balance, beginning of year	1,470,692	4,568,118	3,295,799	1,943,412	20,949,401	14,883,757	4,856,617	1,557,123	-	53,524,919	50,582,779
Amortization during the year	185,412	385,438	253,934	141,817	662,785	982,348	201,036	79,817	-	2,892,587	3,047,191
Amortization on disposals	-	-	(35,573)	(26,240)	-	-	-	(63,635)	-	(125,448)	(105,051)
<b>Balance, end of year</b>	<b>1,656,104</b>	<b>4,953,556</b>	<b>3,514,160</b>	<b>2,058,989</b>	<b>21,612,186</b>	<b>15,866,105</b>	<b>5,057,653</b>	<b>1,573,305</b>	<b>-</b>	<b>56,292,058</b>	<b>53,524,919</b>
<b>Net book value</b>	<b>\$ 2,425,700</b>	<b>\$ 9,403,887</b>	<b>\$ 1,771,640</b>	<b>\$ 1,449,443</b>	<b>\$ 8,532,782</b>	<b>\$ 16,377,662</b>	<b>\$ 12,425,969</b>	<b>\$ 4,317,016</b>	<b>\$ 1,936,454</b>	<b>\$ 58,640,553</b>	<b>\$ 58,103,231</b>

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2020

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Recreation	Planning and Development	<b>2020</b>	2019
<b>Cost</b>								
Balance, beginning of year	\$ 6,659,962	\$ 7,133,798	\$ 39,724,344	\$ 49,310,121	\$ 6,788,079	\$ 906,411	\$110,522,715	\$106,821,658
Additions during the year	92,543	11,796	2,112,318	153,122	3,804	225,307	2,598,890	3,810,646
Disposals during the year	-	-	(125,448)	-	-	-	(125,448)	(109,589)
Assets in service, end of year	6,752,505	7,145,594	41,711,214	49,463,243	6,791,883	1,131,718	112,996,157	110,522,715
Assets under construction	-	-	111,482	1,634,214	151,164	39,594	1,936,454	1,105,435
<b>Balance, end of year</b>	<b>6,752,505</b>	<b>7,145,594</b>	<b>41,822,696</b>	<b>51,097,457</b>	<b>6,943,047</b>	<b>1,171,312</b>	<b>114,932,611</b>	<b>111,628,150</b>
<b>Accumulated Amortization</b>								
Balance, beginning of year	1,351,549	3,257,960	18,178,204	27,199,023	3,382,364	155,819	53,524,919	50,582,779
Amortization during the year	172,023	215,185	1,285,809	1,027,371	186,577	5,622	2,892,587	3,047,191
Amortization on disposals	-	-	(125,448)	-	-	-	(125,448)	(105,051)
<b>Balance, end of year</b>	<b>1,523,572</b>	<b>3,473,145</b>	<b>19,338,565</b>	<b>28,226,394</b>	<b>3,568,941</b>	<b>161,441</b>	<b>56,292,058</b>	<b>53,524,919</b>
<b>Net book value</b>	<b>\$ 5,228,933</b>	<b>\$ 3,672,449</b>	<b>\$ 22,484,131</b>	<b>\$ 22,871,063</b>	<b>\$ 3,374,106</b>	<b>\$ 1,009,871</b>	<b>\$ 58,640,553</b>	<b>\$ 58,103,231</b>

See Accompanying Notes

**CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT**  
**SCHEDULE OF ACCUMULATED SURPLUS**

For the year ended December 31, 2020

	2020	2019
<b>Operating deficits</b>		
Operating surplus (Note 12)	\$ -	\$ -
Water and waste water deficit	(368,104)	(315,191)
Unexpended capital financing	8,972	8,972
Unfunded liabilities to be recovered from future revenues		
Accrued interest on municipal debt	(73,681)	(73,681)
Future employment benefits payable	(58,780)	(66,404)
Accrued landfill closure and post-closure costs	(713,804)	(704,892)
<b>Total operating deficits</b>	<b>(1,205,397)</b>	<b>(1,151,196)</b>
<b>Reserves</b>		
<b>Reserves set aside for specific purposes by Council:</b>		
Working capital	4,934,099	3,240,451
Future infrastructure	324,906	324,906
Elections	53,645	28,645
Administration	442,672	602,025
Fire	689,337	389,337
Roads	323,869	125,869
Water and waste water	7,310,439	7,060,181
Waste management	(431,827)	278,173
Recreation	122,871	202,871
Land inventory	243,331	320,331
Other	116,457	105,457
<b>Total reserves</b>	<b>14,129,799</b>	<b>12,678,246</b>
<b>Reserve funds set aside for specific purpose by legislation, regulation or agreement</b>		
Water and waste water	544,939	539,763
Library	3,302	4,302
<b>Total reserve funds</b>	<b>548,241</b>	<b>544,065</b>
<b>Total reserves and reserve funds</b>	<b>14,678,040</b>	<b>13,222,311</b>
<b>Equity in tangible capital assets</b>		
Invested in tangible capital assets	58,640,553	58,103,231
Less: related debt	7,331,378	7,873,469
<b>Total equity in tangible capital assets</b>	<b>51,309,175</b>	<b>50,229,762</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 64,781,818</b>	<b>\$ 62,300,877</b>

See Accompanying Notes

**CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT**

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**

For the year ended December 31, 2020

	Operating Deficits	Reserves & Reserve Funds	Equity in Tangible Capital Assets	2020	2019
<b>Balance, beginning of year</b>	<b>\$ (1,151,196)</b>	<b>\$ 13,222,311</b>	<b>\$ 50,229,762</b>	<b>\$ 62,300,877</b>	<b>\$ 59,863,577</b>
Surplus (deficit) for the year	5,368,352	5,176	(2,892,587)	2,480,941	2,437,300
Reserve funds used for operations	1,770,000	(1,770,000)	-	-	-
Operating funds transferred to reserves	(4,349,341)	4,349,341	-	-	-
Reserve funds used for tangible capital assets	1,128,788	(1,128,788)	-	-	-
Current year funds used for tangible capital assets	(3,429,909)	-	3,429,909	-	-
Municipal debt repaid	(542,091)	-	542,091	-	-
<b>Change in accumulated surplus (deficit)</b>	<b>(54,201)</b>	<b>1,455,729</b>	<b>1,079,413</b>	<b>2,480,941</b>	<b>2,437,300</b>
<b>Balance, end of year</b>	<b>\$ (1,205,397)</b>	<b>\$ 14,678,040</b>	<b>\$ 51,309,175</b>	<b>\$ 64,781,818</b>	<b>\$ 62,300,877</b>

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## SCHEDULE OF SEGMENTED DISCLOSURE

For the year ended December 31, 2020

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Recreation	Planning and Development	2020	2019
<b>REVENUE</b>								
Taxation	\$ 1,501,769	\$ 1,503,502	\$ 2,772,869	\$ 560,711	\$ 326,203	\$ 1,045,729	\$ 7,710,783	\$ 7,722,637
Fees and service charges	93,830	350,556	23,798	5,306,647	265,871	139,142	6,179,844	5,086,979
Grants	1,510,839	37,450	159,064	106,929	95,666	-	1,909,948	1,834,855
Rents	73,149	2,425	-	-	371,397	-	446,971	522,369
Investment income	162,799	-	-	6,456	-	-	169,255	592,294
Sale of land	-	-	-	-	-	1,160,199	1,160,199	119,338
Donations and other	999	-	-	-	-	-	999	35,558
	<b>3,343,385</b>	<b>1,893,933</b>	<b>2,955,731</b>	<b>5,980,743</b>	<b>1,059,137</b>	<b>2,345,070</b>	<b>17,577,999</b>	<b>15,914,030</b>
<b>EXPENSES</b>								
Wages and benefits	941,064	779,612	971,156	403,674	583,187	218,982	3,897,675	3,840,514
Interest on municipal debt	88,821	-	8,691	113,376	12,645	5,283	228,816	231,610
Materials and services	1,098,657	311,413	1,191,156	3,118,457	658,117	103,398	6,481,198	5,618,984
Contracted services	54,396	75,438	207,096	1,285,609	30,785	37,280	1,690,604	1,490,329
Insurance and financial costs	44,588	29,877	62,026	532,724	48,620	-	717,835	524,482
Third party transfers	-	98,034	-	-	-	3,512	101,546	137,238
Amortization	172,521	215,186	1,285,809	1,027,371	186,577	5,124	2,892,588	3,047,192
	<b>2,400,047</b>	<b>1,509,560</b>	<b>3,725,934</b>	<b>6,481,211</b>	<b>1,519,931</b>	<b>373,579</b>	<b>16,010,262</b>	<b>14,890,349</b>
<b>SURPLUS (DEFICIT)</b>								
<b>BEFORE OTHER ITEMS</b>	943,338	384,373	(770,203)	(500,468)	(460,794)	1,971,491	1,567,737	1,023,681
<b>OTHER REVENUE RELATED TO CAPITAL</b>								
Deferred revenue earned	-	-	435,000	-	-	12,500	447,500	437,708
Grants	314,843	-	-	146,527	-	-	461,370	970,177
Gain on disposal of tangible capital assets	4,334	-	-	-	-	-	4,334	5,734
	<b>319,177</b>	<b>-</b>	<b>435,000</b>	<b>146,527</b>	<b>-</b>	<b>12,500</b>	<b>913,204</b>	<b>1,413,619</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$ 1,262,515</b>	<b>\$ 384,373</b>	<b>\$ (335,203)</b>	<b>\$ (353,941)</b>	<b>\$ (460,794)</b>	<b>\$ 1,983,991</b>	<b>\$ 2,480,941</b>	<b>\$ 2,437,300</b>

See Accompanying Notes

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

### DESCRIPTION OF ORGANIZATION

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Basis of consolidation

##### (i) Consolidated entities

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

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

These financial statements reflect the investment in any government business enterprises and are consolidated using the modified equity method. Under the modified equity basis, the enterprises' accounting principles are not adjusted to conform with those of the Township and intergovernmental transactions and balances are not eliminated.

There are no government business enterprises.

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

There are no non-consolidated entities.

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

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

#### (b) Accrual basis of accounting

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

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

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

#### (c) Taxation and related revenue

Property tax billings are issued by the Township based on assessment rolls prepared by the Municipal Property Assessment Corporation ("MPAC"). The Township collects property tax revenue for municipal purposes, county taxes on behalf of the United Counties of Stormont, Dundas and Glengarry, provincial education taxes on behalf of the Province of Ontario, payments in lieu of taxation, local improvements and other charges. The authority to levy and collect property taxes is established under the *Municipal Act 2001*, the *Assessment Act*, the *Education Act* and other legislation.

Taxation revenue consists of non-exchange transactions and is recognized in the period to which the assessment relates and when a reasonable estimate of the amounts can be made. Annual taxation revenue also includes adjustments related to reassessments and appeals to prior years' assessments. The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

#### (d) Government grants and transfers

Government grants and transfers are the transfer of assets from other levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. The Township recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Township recognizes revenue as the liability is settled.

#### (e) Fees and service charges, sale of land and rents

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

#### (f) Investment income

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

#### (g) Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand, cash on deposit and short term investments, which includes guaranteed investment certificates with maturities of three months or less. The Township did not have any cash equivalents at December 31, 2020 and December 31, 2019.

#### (h) Deferred revenue, obligatory reserve funds

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



# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

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

#### (i) Future employee benefits

Employee benefits include vacation entitlements. Vacation benefits are accrued in accordance with the Township's policy. The Township accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS") as a defined contribution plan.

#### (j) Landfill closure costs

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.

#### (k) Reserves and reserve funds

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

#### (l) Non-financial assets

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

##### (i) Tangible capital assets

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

Land improvements	5 to 40 years
Buildings	10 to 40 years
Machinery and equipment	5 to 30 years
Vehicles	6 to 24 years
Computer hardware and software	5 to 10 years
Water and waste plants and networks	
underground networks	50 to 100 years
sewage treatment plants	40 years
water pumping stations and reservoirs	40 years
other infrastructure	50 to 75 years
Transportation	
roads	7 to 40 years
bridges and structures	5 to 75 years

Amortization is not charged in the year of acquisition or in the year of disposal. Assets under construction are not amortized until the assets are available for productive use, at which time they are capitalized.

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

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

#### (l) Non-financial assets (Continued)

The Township has a capitalization threshold of \$10,000 to \$25,000 so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pooled assets are desktop computer systems, utility poles and defibrillators.

#### (ii) Contributions of tangible capital assets

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

#### (iii) Leases

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

#### (iv) Inventory

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

#### (m) Liability for contaminated sites

A liability for contaminated sites arises when contamination is being introduced into the air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The Township is directly responsible, or accepts responsibility to remediate the site;
- (iv) The Township expects that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites. The liability estimate includes costs that are directly attributable to the remediation activities and includes integral post-remediation operation, maintenance and monitoring costs that are a part of the remediation strategy for the contaminated site. The costs that would be included in a liability include:

- Costs directly attributable to remediation activities (for example, payroll and benefits, equipment and facilities, materials, and legal and other professional services); and
- Costs of tangible capital assets acquired as part of remediation activities to the extent they have no other alternative use.

The measurement of a liability is based on estimates and professional judgment. The liability is recorded net of any expected recoveries. The carrying amount of a liability is reviewed at each financial reporting date with any revisions to the amount previously recognized accounted for in the period in which revisions are made.

A contingency is disclosed if all of the above criteria are not met.

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

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

#### (n) Measurement uncertainty (use of estimates)

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

#### (o) Future accounting pronouncements

Standards effective beginning on or after April 1, 2022

##### *Financial instruments*

PS 3450 established recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard required fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of remeasurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

This standard is effective for fiscal years beginning on or after April 1, 2022. Early adoption is permitted.

##### *Asset Retirement Obligations*

PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations ("ARO"). As asset retirement obligations associated with landfills are included in the scope of PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn. The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.

This standard is effective for fiscal years beginning on or after April 1, 2022. Early adoption is permitted.

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 2. CASH

	2020	2019
Unrestricted	\$ 10,148,111	\$ 9,225,130
Restricted reserve funds	1,412,199	1,826,702
	\$ 11,560,310	\$ 11,051,832

### 3. ALLOWANCES FOR DOUBTFUL TAXES AND ACCOUNTS RECEIVABLE

The taxes receivable on the statement of financial position are net of an allowance for doubtful accounts of \$116,000 (2019 - \$116,000) and the accounts receivable are net of an allowance for doubtful accounts of \$1,150,130 (2019 - \$706,130).

### 4. DEFERRED REVENUE, OBLIGATORY RESERVE FUNDS

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

	Federal Gas		2020	2019
	Tax	Parkland		
Balance, beginning of year	\$ 942,622	\$ 31,384	\$ 974,006	\$ 580,523
Grants received	397,708	-	397,708	807,056
Interest and other	11,757	-	11,757	24,135
Deferred revenue earned	(435,000)	(12,500)	(447,500)	(437,708)
Balance, end of year	\$ 917,087	\$ 18,884	\$ 935,971	\$ 974,006

### 5. FUTURE EMPLOYMENT BENEFITS PAYABLE

The Township provides employee benefits that will require funding in future periods. With respect to responsibilities under the Workplace Safety and Insurance Board ("WSIB") Act the Township had elected to be a Schedule 2 employer for the period between 1998 and 2010. Subsequent to 2010, the Township has elected to be a Schedule 1 employer and remits payments to the WSIB as required to fund disability payments. The estimated liability recorded in these financial statements with respects to any WSIB liability while as a Schedule 2 employer is \$58,780 (2019 - \$66,404).

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 6. ACCRUED LANDFILL CLOSURE AND POST-CLOSURE COSTS

The Township operates two solid waste landfill sites of which one is closed. The estimated remaining useful life of its open site is approximately three to six years. The estimates associated with closure and post-closure include costs such as clay, topsoil, hydro seed, site preparation, equipment, ditching, drainage, fencing and post closure monitoring for twenty four years from the date of site closure for the operating site and nine years for the closed one.

The estimated closure and post-closure costs for both sites of \$713,804 (2019 - \$704,892) have been adjusted by applying a discount rate of 2.71%, based the Township's borrowing rate. These costs are to be recovered from future taxation revenue and reserves.

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

### 7. MUNICIPAL DEBT

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

	2020	2019
Term loan, 2.71%, repayable in blended semi-annual payments of \$145,247, due July 2036	\$ 3,751,102	\$ 3,936,171
Term loan, 2.69%, repayable in blended semi-annual payments of \$31,548, due September 2024	237,767	293,343
Bank term loan, 3.52%, was repaid in the year	-	17,993
Bank term loan, 3.15%, repayable in blended monthly payments of \$8,179, due June 2035	1,141,277	1,202,428
Bank term loan, 2.28%, repayable in blended monthly payments of \$3,033, due November 2041	599,461	621,916
Bank term loan, 3.52%, repayable in blended semi-annual payments of \$122,357, due November 2026	1,313,249	1,506,618
Bank term loan, 2.71%, repayable in blended semi-annual payments of \$7,215, due December 2049	288,522	295,000
Tile drain loans, 6%, repayable over a ten year period in blended payments ranging between \$1,223 and \$4,402, maturity dates ranging from 2021 to 2030	132,639	148,010
<b>Municipal debt, end of the year</b>	<b>\$ 7,464,017</b>	<b>\$ 8,021,479</b>

**CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2020

**7. MUNICIPAL DEBT (Continued)**

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

2021	\$	565,156
2022		579,395
2023		592,517
2024		603,978
2025		559,383
Thereafter		4,563,588
		<b>\$ 7,464,017</b>

Of the municipal debt reported above, principal payments are payable from the following sources:

	2021 - 2025	2026 - 2041
General municipal revenues	\$ 1,769,241	\$ 1,522,513
Benefiting landowners	1,131,188	3,041,075
	<b>\$ 2,900,429</b>	<b>\$ 4,563,588</b>

**8. UNFUNDED LIABILITIES TO BE RECOVERED FROM FUTURE REVENUES**

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

	2020	2019
Municipal debt	\$ 7,464,017	\$ 8,021,479
Accrued interest on municipal debt	73,681	73,681
Future employment benefits payable	58,780	66,404
Accrued landfill closure and post-closure costs	713,804	704,892
	<b>\$ 8,310,282</b>	<b>\$ 8,866,456</b>

Unfunded liabilities are to be recovered from the following sources:

General municipal revenues	\$	4,138,019	\$	4,469,282
Benefiting landowners		4,172,263		4,397,174
		<b>\$ 8,310,282</b>		<b>\$ 8,866,456</b>

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 9. OPERATING EXPENDITURES BY OBJECT

	(Note 11) BUDGET 2020	ACTUAL 2020	ACTUAL 2019
Wages and benefits	\$ 4,004,119	\$ 3,897,675	\$ 3,840,514
Interest on municipal debt	236,682	228,816	231,610
Materials and services	6,860,868	6,481,198	5,618,984
Contracted services	1,845,235	1,690,604	1,490,329
Insurance and other financial costs	295,947	717,835	524,482
Third party transfers	157,000	101,546	137,238
Amortization	3,014,746	2,892,588	3,047,192
	\$ 16,414,597	\$ 16,010,262	\$ 14,890,349

### 10. PENSION AGREEMENTS

The Township is a member of the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer retirement plan. The plan is a contributory defined benefit plan that specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are the joint responsibility of all Ontario municipalities and their employees, the Township does not recognize any share of the OMERS pension deficit of \$3.2 billion (2019 - \$3.4 billion) in these financial statements.

The employer amount contributed to OMERS for 2020 was \$246,332 (2019 - \$241,235) for current service and is included as an expenditure on the Statement of Financial Activities.

### 11. BUDGET FIGURES

The 2020 budget which includes operating, capital, reserves and reserve funds transactions was approved by Council on February 12, 2020. The budgets established for capital, reserves and reserve funds are based on a project-oriented basis, the costs of which may be carried out over one or more years.

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 12. OPERATING AND WATER AND WASTE WATER OPERATIONS SURPLUSES AND DEFICITS

	(Note 11) BUDGET 2020	ACTUAL 2020	ACTUAL 2019
Surplus for the year	\$ 541,819	\$ 2,480,941	\$ 2,437,300
Operating funds transferred to reserves and reserve funds	(845,316)	(999,936)	(1,046,188)
Reserves and reserve funds used for operations	1,766,000	1,770,000	394,379
Reserve fund interest	-	(5,176)	(11,673)
Reserves and reserve funds used for capital purposes	1,128,788	1,128,788	736,080
Acquisition of tangible capital assets	(7,071,263)	(3,429,909)	(3,107,138)
Amortization of tangible capital assets	3,014,746	2,892,587	3,047,191
Principal payments on municipal debt	(779,870)	(542,091)	(519,585)
Proceeds on issuance of municipal debt	2,595,925	-	295,000
Unfinanced capital outlay utilized for current year capital	-	-	6,819
Proceeds on disposal of tangible capital assets	-	4,334	10,272
Loss on disposal of tangible capital assets	-	(4,334)	(5,734)
Change in future employment benefits payable	-	(7,624)	-
Change in accrued landfill closure and post-closure costs	-	8,912	163,592
<b>Operating surplus for the year</b>	<b>350,829</b>	<b>3,296,492</b>	<b>2,400,315</b>
Current year water/waste water deficit transferred to equity	124,230	52,913	106,024
Current year water/waste water surplus transferred to reserves	(475,059)	(1,536,755)	(591,120)
<b>Current year operating surplus transfer to reserves</b>	<b>-</b>	<b>(1,812,650)</b>	<b>(1,915,219)</b>
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The operating surplus for the fiscal year ended December 31, 2020 was \$1,812,650 (2019 - \$1,915,219) of which \$1,812,650 was transferred to the working capital reserve.

The water and waste water operations are made up of six local areas. The respective surpluses for the fiscal year ended December 31, 2020 are transferred to or funded by the respective local area surplus/deficit operating fund or its respective reserve. The total operating surpluses of the six local areas for the year ended December 31, 2020 was \$1,483,842 (2019 - \$485,096).

### 13. SEGMENTED INFORMATION

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

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

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

A brief description of each segment follows:



# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 13. SEGMENTED INFORMATION (Continued)

(a) General government

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

(b) Protection services

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

(c) Transportation services

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

(d) Environmental services

Environmental services include waste collection, disposal and recycling services, the operation of landfill sites and water and waste water facilities and the related infrastructure for the collection and distribution of both water and waste water services within the Township.

(e) Health and recreation

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

(f) Planning and development

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

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

### 14. CONTINGENCIES

#### Legal action

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

#### Contaminated sites

The Township identified two parcels of land that are non-productive or partially productive for PS 3260 purposes, liability for contaminated sites, that could be environmentally impacted. The estimated cost of undertaking various types of Environmental Site Assessments is unknown. A liability has not been recorded in these financial statements because the Township's expectation of future economic benefits being given up to remediate these sites is unlikely and the liability cost of remediation cannot be determined.

#### WSIB

As a result of recent changes to the Workplace Safety and Insurance Act, the Township would be responsible to reimburse WSIB for disability payments under the revised regulations for work related disabilities for firefighters. The potential future benefit and administrative costs if claims are made are estimated at \$15,000. As at December 31, 2020 no claims have been filed.

### 15. SIGNIFICANT EVENT

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Township received a provincial grant of \$406,500 to cover additional operating costs resulting from the pandemic as well as \$125,000 from the Corporation of the City of Cornwall. The full amount was used and recognized in revenues for the year. Furthermore, there were significant decreases in revenues and expenses in the health and recreation segment as a result of the outbreak.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Township as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Township's financial condition.

### 16. SUBSEQUENT EVENT

Subsequent to year end, the Township obtained a loan from Infrastructure Ontario in the amount of \$559,350; the loan bears interest at 2.53% per annum and is repayable in blended monthly installments of \$2,972 over 20 years.

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2020

### FINANCIAL ACTIVITIES (000's)

	2020	2019	2018	2017	2016
<b>Revenues</b>					
Taxation	\$ 7,711	\$ 7,723	\$ 7,077	\$ 6,789	\$ 6,533
Fees and service charges	6,180	5,087	5,065	4,640	4,414
Grants	1,910	1,835	1,073	1,057	1,107
Rents	447	522	489	460	521
Investment income	169	592	513	455	437
Sale of land	1,160	119	132	124	22
Donations and other	1	36	65	3	11
	17,578	15,914	14,414	13,528	13,045
<b>Expenses</b>					
General government	2,400	1,791	1,944	1,646	1,399
Protection to persons and property	1,510	1,629	1,683	1,314	1,362
Transportation services	3,726	3,728	3,273	3,332	3,189
Environmental	6,481	5,947	5,140	4,953	4,901
Health and recreation	1,520	1,360	1,399	1,245	1,167
Planning and development	374	436	556	384	313
	16,011	14,891	13,995	12,874	12,331
<b>Surplus before other revenues</b>	1,567	1,023	419	654	714
<b>Other revenue related to capital</b>					
Deferred revenue earned	448	438	402	291	352
Grants	461	970	1,174	243	77
Gain on disposal of tangible capital assets	4	6	(18)	-	(4)
	913	1,414	1,558	534	425
<b>Surplus (deficit) for the year</b>	\$ 2,480	\$ 2,437	\$ 1,977	\$ 1,188	\$ 1,139

### PROPERTY TAXES BILLED (000's)

	2020	2019	2018	2017	2016
Own Purposes	\$ 7,711	\$ 7,723	\$ 7,077	\$ 6,789	\$ 6,533
Upper-Tier Municipality	9,243	9,007	8,838	8,509	8,193
School Boards	3,638	3,710	3,741	3,713	3,720
	\$ 20,592	\$ 20,440	\$ 19,656	\$ 19,011	\$ 18,446

# CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

## FIVE YEAR FINANCIAL REVIEW

For the year ended December 31, 2020

### TAXABLE ASSESSMENT (000's)

	2020	2019	2018	2017	2016
Residential and farm	\$ 1,455,985	\$ 1,390,532	\$ 1,324,091	\$ 1,255,810	\$ 1,213,924
Commercial and industrial	153,796	146,613	139,741	132,951	127,812
	1,609,781	1,537,145	1,463,832	1,388,761	1,341,736
Exempt	42,416	39,319	37,398	35,612	36,190
	\$ 1,652,197	\$ 1,576,464	\$ 1,501,230	\$ 1,424,373	\$ 1,377,926
Commercial and industrial	9.55%	9.54%	9.55%	9.57%	9.53%

### FINANCIAL INDICATORS

	2020	2019	2018	2017	2016
<b>Tax arrears</b>					
Percentage of own levy	28 %	23 %	24 %	25 %	24 %
Percentage of total levy	11 %	9 %	9 %	9 %	10 %
<b>Municipal debt</b>	\$ 7,464,018	\$ 7,873,470	\$ 8,098,054	\$ 8,634,922	\$ 9,326,846
<b>Municipal debt charges</b>	\$ 806,178	\$ 807,828	\$ 715,597	\$ 884,824	\$ 956,910
<b>Sustainability</b>					
Financial assets to liabilities	1.46	1.29	1.13	1.05	1.03
Financial assets to liabilities excluding municipal debt	3.73	3.50	3.59	3.38	3.45
Municipal debt to tangible capital assets	12.73 %	13.55 %	13.95 %	15.12 %	16.67 %
<b>Flexibility</b>					
Debt charges to total operating revenue	4.59 %	5.08 %	4.96 %	6.56 %	6.72 %
Total operating revenue to taxable assessment	1.06 %	1.01 %	0.96 %	0.94 %	0.95 %
<b>Vulnerability</b>					
Operating grants to operating revenue	10.87 %	11.53 %	7.44 %	7.81 %	8.49 %
Total grants to total revenues	15.25 %	18.72 %	16.57 %	11.31 %	11.40 %
<b>Reserve coverage</b>					
Reserves	\$14,129,799	\$ 12,678,246	\$ 9,610,420	\$ 8,630,119	\$ 8,124,018
Reserves to operating expenses	88.25 %	85.14 %	68.67 %	67.04 %	65.88 %
Reserves to working capital	1.05	1.05	0.98	0.91	0.79