

TOWNSHIP OF HURON-KINLOSS
REPORT TO COUNCIL
For the year ended December 31, 2023

The financial statements are presented on a consolidated basis and, therefore, include the proportional share of the assets, liabilities, operating revenues and expenditures of the various joint boards which the Township of Huron-Kinloss belongs to.

Financial Indicators

	2023	2022	2021	2020	2019
		(not restated)			
Cash	9,125,713	13,198,196	12,411,025	9,444,677	8,581,572
Taxes receivable (note 1)	1,364,774	1,048,835	1,004,275	1,190,431	1,072,122
Accounts receivable	3,472,173	2,008,114	940,945	1,182,280	1,093,934
Municipal drains in process	2,581,669	2,699,378	1,623,920	979,211	700,679
Prepaid expenses and inventory	396,213	188,636	158,068	142,224	125,311
Long-term receivables	373,522	336,150	438,494	522,987	675,727
Long-term investments	770,285	770,285	770,285	770,285	770,285
	<u>18,084,349</u>	<u>20,249,594</u>	<u>17,347,012</u>	<u>14,232,095</u>	<u>13,019,630</u>
Accounts payable	3,037,838	3,850,343	1,676,873	1,697,492	1,545,812
Deferred revenue (gas tax and development charges reserves)	927,877	1,653,906	1,661,210	1,184,928	1,184,928
Long-term debt attributed to long-term receivables	134,488	118,170	157,712	179,424	265,511
Long-term debt to be financed from general revenue	-	-	-	-	-
Asset retirement obligations	1,625,461				
Landfill closure and post closure liability		1,117,849	1,096,136	1,089,364	1,070,582
Post-employment benefits liability	221,117	208,780	242,061	229,854	208,555
	<u>5,946,781</u>	<u>6,949,048</u>	<u>4,833,992</u>	<u>4,381,062</u>	<u>4,275,388</u>
Net financial assets (note 2)	<u>12,137,568</u>	<u>13,300,546</u>	<u>12,513,020</u>	<u>9,851,033</u>	<u>8,744,242</u>
Tangible capital assets					
Net book value beginning of year	68,120,720	64,837,903	64,261,505	62,155,533	59,127,001
Restate opening balance re asset retirement obligations	335,468				
Purchases	16,312,038	6,373,226	3,460,458	4,882,498	5,755,832
Disposals and adjustments	(283,882)	(191,813)	(80,836)	(109,764)	(286,298)
Amortization	(3,077,242)	(2,898,596)	(2,803,224)	(2,666,762)	(2,441,002)
Net book value end of year	<u>81,407,102</u>	<u>68,120,720</u>	<u>64,837,903</u>	<u>64,261,505</u>	<u>62,155,533</u>
Accumulated surplus (note 3)					
Investment in capital assets	81,407,102	68,120,720	64,837,903	64,261,505	62,155,533
Unfunded capital assets - construction in process	(2,159,356)	(2,200,521)	(1,438,807)	(1,319,393)	(420,456)
Net investment in capital assets	79,247,746	65,920,199	63,399,096	62,942,112	61,735,077
Unfunded post-employment and asset retirement obligations	(1,846,578)	(1,326,629)	(1,338,197)	(1,319,218)	(1,279,137)
Reserves	15,718,089	16,441,309	14,774,839	12,061,286	10,020,775
Other surplus	425,413	386,387	424,185	423,060	423,060
	<u>93,544,670</u>	<u>81,421,266</u>	<u>77,259,923</u>	<u>74,107,240</u>	<u>70,899,775</u>

Note 1: Taxes receivable

Taxes receivable as percentage of total collected	5.90%	5.00%	5.20%	5.40%	5.70%
The municipality has maintained a low rate of arrears throughout the comparison period.					

Note 2: Net financial assets

Net financial assets represent the net amount of cash and items that will eventually be turned into cash and indicates the extent of resources available to finance future operations.

The municipality has continued to increase net financial assets.

Note 3: Accumulated surplus

Total accumulated surplus indicates the resources available to provide future services.

Adequate reserves are an indicator of flexibility and ability to deal with contingencies.

The municipality has been able to increase investment in capital assets without incurring debt.

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For the year ended December 31, 2023

Five Year Comparison of Operating Revenue Expenses

	2023 budget	2023 actual	2022 actual	2021 actual	2020 actual	2019 actual
Revenue						
Taxation	10,218,223	10,327,707	9,576,787	9,126,621	8,844,497	8,289,834
Grants						
OMPF grant	1,197,100	1,197,100	1,121,700	1,051,700	1,055,600	1,050,000
CCBF (Gas tax) grant (becomes revenue when spent)	-	969,089	307,936	-	474,873	262,900
Municipal drains	13,300	208,452	21,243	16,931	1,560	46,573
OCIF	710,948	710,948	618,216	275,793	275,793	273,590
ICIP	3,500,000	2,803,442	802,375			
Other capital grants	261,700	303,594	318,568			428,882
Safe Restart funding		-	-	128,215	256,600	-
Skills Development funding	-	307,885	245,497	101,185	-	-
Digital Marketing grant	-	7,225	120,278	92,500	12,484	-
Modernization grant	47,318	3,356	162,169	49,330	45,027	610,865
Other government grants	188,814	233,952	313,601	256,514	269,398	388,887
User fees						
Water and sewer	3,108,690	3,209,716	3,321,230	3,023,231	2,918,233	2,529,878
Garbage collection and disposal	779,821	698,967	784,472	763,885	641,988	565,603
Recreation (excl committees of council below)	496,788	670,714	483,326	334,086	263,868	589,102
Municipal drains	-	337,414	1,110,348	689,933	555,062	484,834
Protective services permits and fees	461,110	544,143	485,059	567,220	413,446	375,380
Development charges earned	25,000	84,903	97,833	595,838	233,609	22,925
Other fees and charges	284,429	327,915	401,864	227,855	297,662	525,879
Other income						
OPG and Nuclear Waste Management	2,294,788	1,615,405	518,025	756,373	961,159	1,101,152
Bank interest and penalties on taxes	355,025	703,737	436,829	301,665	324,655	308,385
Gain (loss) on disposal of tangible capital assets	5,000	81,317	341,868	21,010	(101,406)	(222,522)
Tangible capital assets contributed by developer	-	4,569,533			-	-
Total revenue	<u>23,948,054</u>	<u>29,916,514</u>	<u>21,589,224</u>	<u>18,379,885</u>	<u>17,744,108</u>	<u>17,632,147</u>
Expenditures						
(line items exclude depreciation and capital)						
Council	215,700	260,295	185,851	175,029	179,729	187,438
Other general government	1,906,985	1,711,979	1,614,244	1,276,548	1,402,302	1,229,389
Fire	520,500	553,358	522,113	538,934	619,553	472,207
Policing	1,312,450	1,306,940	1,316,455	1,338,076	1,204,747	1,356,052
Conservation authority	253,585	286,152	212,924	199,085	196,469	191,872
Building, water quality, and other protective services	721,060	728,257	1,002,013	779,970	720,586	569,626
Roads and streetlights	3,176,417	3,089,988	2,836,543	2,496,477	2,588,499	2,516,673
Water and sewer	1,926,557	1,808,406	1,813,423	1,791,762	1,439,649	1,331,587
Waste collection and disposal	1,137,449	1,316,941	1,154,103	960,346	977,886	874,158
Cemeteries and other health and social services	72,698	57,896	60,070	48,011	61,866	46,404
Recreation (excl committees of council below)	1,637,366	1,814,127	1,619,020	1,233,371	1,126,344	1,520,829
Recreation - Ripley Reunion	-	-	-	-	-	16,881
Municipal drains	43,200	567,260	1,147,756	727,817	581,333	549,408
Planning and development	1,884,206	1,029,789	1,056,340	839,573	730,837	850,044
Capital expenditures	16,068,000	16,312,038	6,373,226	3,460,458	4,882,498	5,755,832
Net transfers to (from) reserves	(5,898,119)	(684,886)	1,666,470	2,713,553	2,040,511	888,295
Total expenditures (budget basis)	<u>24,978,054</u>	<u>30,158,540</u>	<u>22,580,551</u>	<u>18,579,010</u>	<u>18,752,809</u>	<u>18,356,695</u>
Less: capital expenditures	(16,068,000)	(16,312,038)	(6,373,226)	(3,460,458)	(4,882,498)	(5,755,832)
net transfers to (from) reserves	5,898,119	684,886	(1,666,470)	(2,713,553)	(2,040,511)	(888,295)
Add: Amortization and writedown of capital assets		3,077,242	2,898,596	2,803,224	2,666,762	2,441,002
Add: increase (decrease) in asset retirement obligations		18,394				
Add: increase (decrease) in landfill post-closure liability			21,713	6,772	18,782	79,080
Add: increase (decrease) in sick leave liability		12,337	(33,281)	12,207	21,299	6,876
Total expenditures per financial statements	<u>14,808,173</u>	<u>17,639,361</u>	<u>17,427,883</u>	<u>15,227,202</u>	<u>14,536,643</u>	<u>14,239,526</u>
Net surplus (deficit) per financial statements	<u>9,139,881</u>	<u>12,277,153</u>	<u>4,161,341</u>	<u>3,152,683</u>	<u>3,207,465</u>	<u>3,392,621</u>