

***DRAFT #8***  
***June 12, 2024***

Consolidated Financial Statements of

**THE CORPORATION OF THE  
TOWN OF GEORGINA**

And Independent Auditor's Report thereon

Year ended December 31, 2023

## INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Residents and Taxpayers of The Corporation of the Town of Georgina

### ***Opinion***

We have audited the consolidated financial statements of The Corporation of the Town of Georgina (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2023, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated 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 auditor's report.

We are independent of the Entity 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.

### ***Emphasis of Matter - Comparative Information***

We draw attention to Note 2 of the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated as a result of the modified retroactive adoption of the asset retirement obligation standard.

Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

***Other Matter - Comparative Information***

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

***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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether these 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 the 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 Entity'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 Entity'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 Entity 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

***DRAFT***

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

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# THE CORPORATION OF THE TOWN OF GEORGINA

## **DRAFT** Consolidated Statement of Financial Position

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
		(Restated - note 2)
<b>Financial Assets</b>		
Cash and cash equivalents (note 7)	\$ 53,016,514	\$ 49,793,998
Portfolio investments (note 8)	49,258,249	47,726,491
Taxes receivable (note 9)	10,469,361	8,866,415
Water and sewer charges receivable	3,646,616	4,182,237
Accounts receivable (note 10)	9,404,098	7,773,500
	<u>125,794,838</u>	<u>118,342,641</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (note 11)	27,182,650	18,628,055
Asset retirement obligation (note 2)	427,937	427,937
Short-term loan (note 12)	41,500,000	20,000,000
Deferred revenue - obligatory reserve funds (note 13)	34,211,855	32,816,518
Employee future benefits payable (note 14)	4,004,266	4,249,958
Long-term debt (note 16)	19,671,742	22,041,925
Deferred revenue	10,067,471	10,817,549
	<u>137,065,921</u>	<u>108,981,942</u>
Net financial assets (net debt)	(11,271,083)	9,360,699
Non-financial assets:		
Inventory held for own use	229,266	51,807
Prepaid expenses and deposits	531,498	532,647
Tangible capital assets (Schedule 1)	433,805,272	387,440,979
	<u>434,566,036</u>	<u>388,025,433</u>
Contractual obligations and contingencies (note 18)		
Accumulated surplus (note 19)	<u>\$ 423,294,953</u>	<u>\$ 397,386,132</u>

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE TOWN OF GEORGINA

## **DRAFT** Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	Budget 2023 (note 3)	2023	2022 (Restated - note 2)
<b>Revenue:</b>			
Property taxation	\$ 53,829,470	\$ 54,125,563	\$ 50,030,949
User fees and service charges	11,881,400	14,890,292	12,253,300
Government grants and contributions (note 17)	4,867,715	3,688,798	4,810,594
Fines, penalties and interest	1,417,900	1,617,780	1,394,600
Licenses and permits	1,717,000	2,754,800	2,013,169
Investment income	1,030,890	3,139,533	1,814,292
Revenue from other governments	788,240	805,635	966,638
Canada Community Building Fund (CCBF) earned	4,827,630	2,244,705	1,287,206
Developer contributions earned	2,729,770	8,777,515	1,174,349
Rents and concessions	363,800	435,381	429,211
Contributed tangible capital assets	39,300	12,924,459	8,544,581
Other	–	18,174	63,226
	83,493,115	105,422,635	84,782,115
<b>Expenses:</b>			
Recreation and cultural services	23,554,718	22,222,808	19,562,083
Protection to persons and property	14,722,155	15,304,316	15,035,735
Transportation services	16,610,603	15,398,120	14,836,003
General government	11,809,313	13,056,611	12,708,377
Environmental services	11,849,966	10,351,424	10,190,959
Planning and development services	3,224,585	3,208,347	2,965,165
Health services	192,906	161,542	104,280
Social and family services	325,540	344,791	307,613
	82,289,786	80,047,959	75,710,215
Annual surplus before the undernoted	1,203,329	25,374,676	9,071,900
Gain on disposal on tangible capital assets	–	534,145	33,197
Annual surplus	1,203,329	25,908,821	9,105,097
Accumulated surplus, beginning of year	397,386,132	397,386,132	388,666,346
Adjustment on adoption of the asset retirement obligation standard (note 2)	–	–	(385,311)
Accumulated surplus, beginning of year, as restated	–	–	388,281,035
Accumulated surplus, end of year	\$ 398,589,461	\$ 423,294,953	\$ 397,386,132

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE TOWN OF GEORGINA

## **DRAFT** Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	Budget (note 3)	2023	2022 (Restated - note 2)
Annual surplus	\$ 1,203,329	\$ 25,908,821	\$ 9,105,097
Acquisition of tangible capital assets	76,242,665	(61,948,765)	(36,419,045)
Gain on disposal of tangible capital assets	–	(534,145)	(33,197)
Amortization of tangible capital assets	–	15,478,126	13,644,120
Proceeds on sale of tangible capital assets	–	640,492	111,448
	77,445,994	(20,455,471)	(13,591,577)
Changes in inventory held for own use	–	(177,459)	278,054
Changes in prepaid expenses and deposits	–	1,148	(201,657)
	–	(176,311)	76,397
Change in net financial assets	77,445,994	(20,631,782)	(13,515,180)
Net financial assets, beginning of year	9,360,699	9,360,699	23,303,816
Adjustment on adoption of the asset retirement obligation standard (note 2)	–	–	(427,937)
<b>Net financial assets (net debt), end of year</b>	<b>\$ 86,806,693</b>	<b>\$ (11,271,083)</b>	<b>\$ 9,360,699</b>

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE TOWN OF GEORGINA

## **DRAFT** Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
		(Restated - note 2)
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 25,908,821	\$ 9,105,097
Amortization expense	15,478,126	13,644,120
Gain on disposal of tangible capital assets	(534,145)	(33,197)
Contributed capital assets	(12,866,215)	(8,516,439)
Changes in non-cash item balances:		
Taxes receivable	(1,602,946)	1,231,905
Water and sewer charges receivable	535,621	(1,551,119)
Accounts receivable	(1,630,598)	(2,679,979)
Inventory held for own use	(177,459)	278,054
Prepaid expenses and deposits	1,148	(201,657)
Accounts payable and accrued liabilities	8,554,595	5,599,195
Deferred revenue - obligatory reserve funds	1,395,337	4,274,702
Deferred revenue	(750,078)	1,231,172
Employee future benefits payable	(245,692)	346,537
	34,066,515	22,728,391
Capital activities:		
Acquisition of tangible capital assets	(49,082,550)	(27,902,606)
Proceeds from sale of tangible capital assets	640,492	111,448
	(48,442,058)	(27,791,158)
Investing activities:		
Acquisition of portfolio investments	(1,531,758)	(1,190,836)
Financing activities:		
Principal repayment on long-term debt	(2,370,183)	(2,085,343)
Issuance of long-term debt	-	2,080,000
Increase in short-term loan	21,500,000	15,000,000
	19,129,817	14,994,657
Increase in cash and cash equivalents	3,222,516	8,741,054
Cash and cash equivalents, beginning of year	49,793,998	41,052,944
Cash and cash equivalents, end of year	\$ 53,016,514	\$ 49,793,998

See accompanying notes to consolidated financial statements.



# THE CORPORATION OF THE TOWN OF GEORGINA

## **DRAFT** Notes to Consolidated Financial Statements

Year ended December 31, 2023

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The Town of Georgina (the "Town") is a lower-tier municipality in the Region of York (the "Region"), 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 legislations.

### **1. Significant accounting policies:**

The consolidated financial statements of the Town are the representation of management and have been prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB").

Significant accounting policies adopted by the Town are as follows:

#### (a) Reporting entity:

These consolidated financial statements reflect the financial assets, liabilities, revenues and expenses, changes in accumulated surplus and changes in net assets of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of their financial affairs and resources, to the Town, and which are owned or controlled by the Town. Accordingly, the following are consolidated in these financial statements:

- Belhaven Community Hall Board
- Egypt Community Hall Board
- Port Bolster Community Hall Board
- Udora Community Hall Board
- Georgina Public Library Board (the "Library")
- Cooke's Cemetery Board
- Keswick Cemetery Board
- Uptown Keswick Business Improvement Area Board
- Jackson's Point Village Association Business Improvement Area Board
- Downtown Sutton Merchants Business Improvement Area Board

All material inter-entity transactions and balances are eliminated on consolidation.

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

The operations of the school boards and the Region are not reflected in the Town's financial statements except to record any resulting receivable or payable balance with the Town at year-end.

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately in the Trust Fund Statement of Continuity and The Trust Fund Balance Sheet.

### (b) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash on hand and cash held in financial institutions and temporary investments with maturities of three months or less.

### (c) Portfolio investments:

Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

### (d) Accrual accounting:

Revenue is recorded on the accrual basis of accounting, whereby revenue is recognized as it is earned and measurable. Expenses are recognized in the year goods and services are acquired and a liability is incurred or transfers are due.

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (e) 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.

### (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 an asset. The cost, less residual value, is amortized on a straight-line basis over their estimated useful lives as follows:

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Land improvements	12-100 years
Buildings and building components	15-50 years
Transportation network (includes roads, sidewalks, bridges and structures, street lights, etc.)	10-50 years
Vehicles	5-20 years
Machinery and equipment	5-40 years
Information technology	3-7 years
Library collection	7 years
Pumping stations	20-100 years
Sanitary sewer	70-100 years
Storm sewer	50-100 years
Water linear	70-100 years

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Assets are amortized in the year of purchase or in-service date. Annual amortization is charged in the year of acquisition for pooled assets. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (ii) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for the removal of asbestos in several buildings owned by the Town has been recognized based on costs related to the removal and post-removal care of the asbestos in these buildings. The liability is determined based on the undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation, calculated on a cost per square foot basis, which was applied to the buildings built before 1990. Assumptions used in the calculations are revised on an annual basis.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in (e).

The estimate of the asset retirement costs include costs directly attributable to the asset retirement activities and are recorded as a liability and an increase to the related tangible capital assets. Where an asset is not recognized on the consolidated statement of financial position or is not in productive use, the estimated asset retirement costs are expensed.

The carrying value of the liability is reconsidered at each financial reporting date with changes to the timing or amount of original estimate of cash flows recorded as an adjustment to the asset retirement obligation and tangible capital assets. Actual costs incurred are charged against the asset retirement obligation to the extent of the liability recorded. Differences between the actual costs incurred and the liability are recognized in the consolidated statement of operations when remediation is complete. The asset retirement obligation information is provided in note 2.

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (iii) Contribution 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.

### (iv) Interest capitalization:

Interest is capitalized during the period of construction whenever external debt is issued to finance the construction of tangible capital assets.

### (v) 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.

### (f) Employee future benefits payable:

Vacation entitlements are accrued for as entitlements are earned.

The Town accrues for its obligations under other future employee programs and the related costs. The Town has adopted the following accounting policies:

- The cost of the benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.
- The present value of the cost of providing employees with other future benefit programs is expensed when employees earn these entitlements through service.
- Net actuarial gains and losses related to the employee benefits are amortized over the estimated average remaining useful life of the employees.

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (g) Pension Plan:

The Town makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer pension plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by eligible employees based on the length of credited service and the average earnings. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Town uses defined contribution plan accounting principles for the Plan because insufficient information is available to apply defined benefit plan accounting principles. As such, the Town's contributions due during the year are expensed as incurred.

### (h) Deferred revenue:

#### (i) Unearned user charges and fees:

Deferred revenue includes user charges and fees which have been collected but for which the related services have not yet been performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

#### (ii) Obligatory reserve funds:

Deferred revenue includes funds received for specific purposes such as development charge contribution, parkland and federal Canada Community Building Fund revenue which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes. These funds, by their nature, are restricted in their use and, until applied to applicable capital works, are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal year they are expended.

### (i) Reserves and reserve funds:

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

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (j) Revenue recognition:

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Charges for sewer and water usage are recorded as user fees. Connection fee revenue is recognized when the connection has been established.

Sales of service and other revenue including user fees and service charges, revenue from other municipalities, and rents and concessions is recognized on an accrual basis.

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

### (k) Investment income:

Investment income earned is reported as revenue in the year earned. Investment income earned on development charges (obligatory reserve funds) is added to the fund balance and forms part of the deferred revenue balance.

### (l) Government transfers:

Government transfers include entitlements, transfers under shared cost agreements, and grants. Government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfers are recognized in the consolidated statement of operations as the stipulation liabilities are settled.

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (m) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting year. The principal estimates used in the preparation of these consolidated financial statements include the useful life and valuation of tangible capital assets, and valuation of employee future benefits.

In addition, the Town's implementation of public sector accounting standard ("PS") 3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from these estimates.

### (n) Budget figures:

Budget figures have been reclassified for the purposes of these consolidated financial statements to comply with PSAB reporting requirements. The approved operating and capital budgets are reflected on the consolidated statement of operations. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expense amounts.

### (o) Adoption of new accounting standards:

The Town adopted the following new PS for the fiscal year beginning January 1, 2023:

(i) PS 3280 Asset Retirement Obligations

(ii) PS 1201 Financial Statement Presentation, PS 3450 Financial Instruments, PS 2601 Foreign Currency Translation and PS 3041 Portfolio Investments



# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (p) Future accounting pronouncements:

These following standards and amendments were not yet effective for the year ended December 31, 2023, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of these accounting standards updates on future financial statements.

- (i) PS 3160, Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. This standard is effective for fiscal years beginning on or after April 1, 2023 (the Town's December 31, 2024 year-end).
- (ii) PS 3400, Revenue, establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. This standard is effective for fiscal years beginning on or after April 1, 2023 (the Town's December 31, 2024 year-end).
- (iii) Public Sector Guideline 8 Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction. This guideline is effective for fiscal years beginning on or after April 1, 2023 (the Town's December 31, 2024 year-end).
- (iv) PS 1202, Financial Statement Presentation was approved in March 2023. This standard supersedes PS 1201, Financial Statement Presentation and covers a new conceptual framework and reporting model. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026 (the Town's December 31, 2027 year-end).

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 2. Change in accounting policies:

### (a) PS 3280 Asset Retirement Obligation:

On January 1, 2023, the Town adopted PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of existing Section PS 3270. Solid Waste Landfill Closure and Post-Closure Liability. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the assumptions used on initial recognition are those as of the date of adoption of the standard.

On January 1, 2023, the Town recognized an additional asset retirement obligation relating to several buildings owned by the Town that contain asbestos, resulting in the following adjustments.

- (i) An increase of \$401,308 to the building capital asset account, representing the estimate of the obligation, and an accompanying increase of \$358,682 to accumulated amortization, representing the increased amortization had the liability originally been recognized.
- (ii) An asset retirement obligation in the amount of \$427,937, representing the undiscounted current value of the liability
- (iii) A decrease to opening accumulated surplus of \$385,311, as a result of the recognition of the liability and accompanying increase in amortization expense.

### (b) PS 3450 Financial Instruments, PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Preparation and PS 3041 Portfolio Investments:

On January 1, 2023, the Town adopted PS 3450 Financial Instruments, PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Preparation and PS 3041 Portfolio Investments. These standards are effective for the year ended December 31, 2023 and are required to be implemented concurrently. These standards were adopted prospectively from the date of adoption with no significant impact. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 2. Change in accounting policies (continued):

The new accounting standard establishes standards on how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments (such as receivables, payables, and equity instruments) and derivative financial instruments (such as financial options, futures and forwards, interest rate swaps and currency swaps). Any unrealized gains and losses are reported through a new statement called statement of remeasurement gains and losses. Unrealized gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity. The Town does not currently hold any derivative financial instruments.

In accordance with the provision of this new standard, all items held on January 1, 2023 have been recorded at cost, therefore, no adjustments were recorded upon adoption.

## 3. Budget reconciliation:

The authority of Council is required before monies can be spent by the Town. Approvals are given in the form of an annually approved budget. The budget approved by Council differs from the budget in the consolidated statement of operations and accumulated surplus as the Council approved budget has been adjusted to account for material changes due to PSAB reporting requirements. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Revenue	Expenses
Council approved budget	\$ 167,798,270	\$ 167,798,270
Add: Amortization expense	–	15,478,126
Less: Consolidation adjustments	(59,842,215)	(11,179,480)
Less: PSAB adjustments	(24,462,940)	(20,935,605)
Less: Tangible capital assets capitalized	–	(68,871,525)
Adjusted budget per consolidated statement of operations and accumulated surplus	\$ 83,493,115	\$ 82,289,786

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 4. Financial instruments:

The Town is exposed to a variety of financial risks including credit risk, liquidity risk and market risk:

### (a) Credit risk:

Credit risk is the risk of a financial loss to the Town if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Town consisting of cash, accounts receivables, and investments.

The Town's credit risk is primarily attributable to its receivables. The amounts disclosed in the consolidated statement of financial position are net of an allowance for doubtful accounts, estimated by management of the Town. The Town does not have any significant past due accounts receivable that are not provided for. The Town actively monitors accounts receivable and has the right to enforce payment as per the contract.

The credit risk on cash and investments is limited because the counterparties are chartered banks and financial institutions with high credit ratings assigned by national credit rating agencies. Investments are held in a diversified portfolio of cash and short-term investments, fixed income instruments, global equity and alternative assets through ONE Investment. Through its investments in fixed income, global equity and alternative assets, the Town is indirectly exposed to the credit risk of the underlying investments of those funds. The Town's investments are managed by an investment manager to mitigate risk.

### (b) Liquidity risk:

Liquidity risk is the risk that the Town will not be able to meet its financial obligations as they become due. The Town's objective is to have sufficient liquidity to ensure current and future obligations will be met when due. The Town monitors its cash balance and cash flows generated from operations to meet its liquidity requirements.

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 4. Financial instruments (continued):

### (c) Market risk:

Market risk is comprised of three types of risk: interest rate risk, currency risk and price risk.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Town is exposed to interest rate risk on its portfolio investments, short-term loans and long-term debt, all of which are regularly monitored. The Town has only issued serial debt with fixed interest rate terms to help mitigate risk.

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The Town is not exposed to any significant currency risk due to limited foreign currency transactions.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Town mitigates price risk by maintaining low-risk bearing investment portfolio holdings that are assigned high credit ratings by national credit rating agencies.

## 5. Trust fund:

The Trust fund administered by the Town amounting to \$152,543 (2022 - \$134,670) is presented in a separate financial statement of trust balances and operations. As such balances are held in trust by the Town for the benefit of others, they are not included in the Town's consolidated statements of financial position or operations.

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 6. Operations of school boards and the Region of York:

During 2023, requisitions were made by the district school boards and the Region, requiring the Town to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized as follows:

	2023	2022
School boards	\$ 17,368,124	\$ 17,099,933
Region of York	31,783,465	30,274,499
	<u>\$ 49,151,589</u>	<u>\$ 47,374,432</u>

## 7. Cash and cash equivalents:

Cash and cash equivalents are segregated as follows:

	2023	2022
Restricted - obligatory reserve funds (note 13)	\$ 34,211,855	\$ 32,816,518
Unrestricted and undesignated	18,804,659	16,977,480
	<u>\$ 53,016,514</u>	<u>\$ 49,793,998</u>

Included in cash and cash equivalents is a high interest saving account with interest rate of 5.134% (2022 - 2.068%) and a balance of \$31,594,937 (2022 - \$20,254,070).

# THE CORPORATION OF THE TOWN OF GEORGINA

## **DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

### 8. Portfolio investments:

Portfolio investments are held with the ONE Investment Program and are comprised of the following:

	2023	2022
Bond Fund with the effective yield rate of 4.6% for the 2023 fiscal year	\$ 16,501,332	\$ 16,145,169
Universe Corporate Bond return on investment of 6.3% for the 2023 fiscal year	20,379,573	19,887,364
Equity Fund return on investment of 17.2% in 2023	12,377,344	11,693,958
	<u>\$ 49,258,249</u>	<u>\$ 47,726,491</u>

The market value of the portfolio investments as of December 31, 2023 is \$50,372,141 (2022 - \$46,238,530).

### 9. Taxes receivable:

	2023	2022
Current year	\$ 6,699,066	\$ 5,297,940
Arrears previous years	3,996,131	3,792,211
	<u>10,695,197</u>	<u>9,090,151</u>
Less valuation allowance	(225,836)	(223,736)
	<u>\$ 10,469,361</u>	<u>\$ 8,866,415</u>

### 10. Accounts receivable:

	2023	2022
Government entities	\$ 2,597,899	\$ 4,108,830
Trade and other receivables	6,816,328	3,674,799
	<u>9,414,227</u>	<u>7,783,629</u>
Less valuation allowance	(10,129)	(10,129)
	<u>\$ 9,404,098</u>	<u>\$ 7,773,500</u>

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 11. Accounts payable and accrued liabilities:

	2023	2022
Trade payables and accruals	\$ 24,125,263	\$ 17,090,469
School boards	324,658	13,416
Region of York	528,707	206,646
Interest on long-term debt	125,335	105,288
Payroll	2,078,687	1,212,236
	<u>\$ 27,182,650</u>	<u>\$ 18,628,055</u>

## 12. Short-term loan:

In 2021 the Town of Georgina entered into a short term financing agreement with Ontario Infrastructure and Lands Corporation ("OILC") through the Regional Municipality of York to be used for capital construction costs relating to the Multi-Use Recreation Complex ("MURC"). Each advance shall bear interest at a floating rate per annum as determined by OILC based on OILC's cost of funds plus OILC's prevailing spread assigned to the borrower sector for program delivery costs and risks. The amount of short-term borrowing at December 31, 2023 is \$41,500,000 (2022 - \$20,000,000). The loan is repayable at maturity, on December 3, 2026.

## 13. Deferred revenue - obligatory reserve funds:

	2023	2022
Development charge reserve funds	\$ 21,006,424	\$ 20,576,593
Subdivider contributions	–	123,235
Recreational land dedicated under the Planning Act	5,453,759	4,030,417
Canada Community Building Fund grant	7,751,672	8,086,273
	<u>\$ 34,211,855</u>	<u>\$ 32,816,518</u>

Continuity of obligatory reserve funds:

Balance at the beginning of the year	\$ 32,816,518	\$ 28,541,816
Development charge collections	8,952,392	4,541,144
Canada Community Building Fund grant	1,910,105	1,620,134
Investment income	1,555,060	574,979
Tangible capital assets acquisitions and construction	(11,022,220)	(2,461,555)
Balance at the end of the year	<u>\$ 34,211,855</u>	<u>\$ 32,816,518</u>



# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 14. Employee future benefits payable:

Under the provisions of certain employee benefit plans, an employee who has achieved the appropriate factor as determined by OMERS, is eligible for a retirement pension from OMERS, and is under the age of 65 years will be provided with extended health coverage (drug, vision and dental plan) for a maximum of ten years (firefighters twelve years amended in 2016 as shown in the prior period cost plan amendment). The Town contributes 100% of the insurance premium obligated under this plan.

Actuarial valuations for accounting purposes are performed every three years using the projected benefit method prorated on services. The most recent actuarial valuation report was prepared as at December 31, 2023.

	2023	2022
Employee other future benefits	\$ 2,713,486	\$ 2,629,619
Vacation pay	1,290,780	1,620,339
	<u>\$ 4,004,266</u>	<u>\$ 4,249,958</u>

Total other benefit payments to retirees during the year were \$116,111 (2022 - \$120,836). The plan is unfunded and requires no contributions from employees. The employee other future benefits liability at December 31 is as follows:

	2023	2022
Accrued benefits obligation	\$ 2,108,711	\$ 2,382,938
Unamortized actuarial gain	604,775	246,681
	<u>\$ 2,713,486</u>	<u>\$ 2,629,619</u>

The continuity of the employee other future benefits liability is as follows:

	2023	2022
Balance, beginning of the year	\$ 2,629,619	\$ 2,515,854
Annual amortization of actuarial gains	(8,791)	3,146
Current year service cost	117,866	141,681
Interest cost	90,903	89,774
Benefits paid for the year	(116,111)	(120,836)
	<u>\$ 2,713,486</u>	<u>\$ 2,629,619</u>

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 14. Employee future benefits payable (continued):

Significant assumptions used are as follows:

	2023	2022
Expected average remaining service life in years	17.1	17.0
Employees future benefits payable as at January 1: Interest (discount) rate	4.33%	3.60%
Benefits cost for the year ended December 31: Interest (discount) rate	4.65%	4.33%
Dental costs	4.50%	4.50%
Health costs - initial rate	6.00%	4.50%

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## 15. Insurance coverage:

The Town is self insured for insurance claims up to \$50,000 for property, liability and automobile, Councillor's accident, and volunteers for any individual claim and for any number of claims arising out of a single occurrence. Claim costs during the year amounted to \$62,206 (2022 - \$178,205).

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 16. Long-term debt:

The long-term debt issued in the name of the Town, has been approved by by-law. The annual principal and interest payments required to service these debts are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing. The balance of long-term debt reported on the consolidated statement of financial position is made up of the following:

Purpose	Interest rate	Maturity date	2023	2022
Pefferlaw Fire Hall, principal and interest is repayable in semi-annual installments of \$149,945	3.14%	June, 2051	\$ 5,496,184	\$ 5,620,557
Willow Beach water and sewers, principal and interest is repayable in semi-annual installments of \$624,354	4.76%	Sept, 2026	3,453,095	4,500,080
Dalton Road Watermain, sinking fund payments are payable in April in the amount of \$560,605. Interest is payable semi-annually	2.65%	April, 2029	3,633,467	4,255,506
Link Phase 2 and 3, principal and interest is repayable in semi-annual installments of \$63,339	3.14%	June, 2051	2,321,664	2,374,201
Connell Booster Station, principal and interest is repayable in semi-annual installments of \$76,488	2.84%	June, 2041	2,098,150	2,189,588
Julia Munro Park, principal and interest is repayable in semi-annual instalments of \$128,869	4.27%	July, 2032	1,909,274	2,080,000
Streetlight Retrofit, principal and interest is repayable in monthly installments of \$24,292, which are adjusted for inflation	8.07%	April, 2026	759,908	1,021,993
			<b>\$ 19,671,742</b>	<b>\$ 22,041,925</b>

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 16. Long-term debt (continued):

Principal repayments for each of the next five years and thereafter are due as follows:

2024	\$	2,411,376
2025		2,520,995
2026		2,375,463
2027		1,065,512
2028		1,083,506
Thereafter		9,945,055
Interest to be earned on sinking funds		269,835
		<u>\$ 19,671,742</u>

Interest expense on long-term debt amounted to \$2,427,397 (2022 - \$1,064,304). Interest paid during the year is \$848,074 (2022 - \$1,073,367).

Of the long-term debt, \$19,671,742 (2022 - \$22,041,925) certain principal payments are expected to be recovered from future revenue as follows:

	2023	2022
Water/Wastewater user charges	\$ 9,184,711	\$ 10,945,173

In 2016, the Town entered into an agreement with Realterm Energy for the purposes of a streetlight retrofit for a term of 10 years.

## 17. Government grants and contributions:

	2023	2022
Federal	\$ 428,009	\$ 288,069
Provincial	3,260,789	4,522,525
	<u>\$ 3,688,798</u>	<u>\$ 4,810,594</u>

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 18. Contractual obligations and contingencies:

### (a) Contractual obligations:

The Town has the following contractual obligations at December 31, 2023:

- (i) The Town has entered into a multi-year contract for the construction of a MURC. The total purchase commitment amounts to \$42,545,811. As at December 31, 2023 \$1,495,814 (2022 - \$18,420,334) relating to this contract has not been expended.
- (ii) The Town entered into a contract for the provision of roadway snow and ice treatment services to assist the Town's forces in winter maintenance operations for seven seasons at a cost of \$606,520 per season. The total purchase commitment of this contract amounts to \$4,245,640 of which \$2,426,080 (2022 - \$3,032,600) relating to this contract has not been expended.
- (iii) The Town entered into a multi-year contract for the provision of water and wastewater repairs. The total purchase commitment of this contract amounts to \$5,636,020 of which \$3,723,272 (2022 - \$4,809,617) relating to this contract has not been expended.
- (iv) The Town entered into a multi-year contract for the provision of road repairs. The total purchase commitment of this contract amounts to \$3,159,448 of which \$24,864 (2022 - nil) relating to this contract has not been expended.

### (b) Contingencies:

The Town is subject to a number of legal proceedings. Although, the amount of its exposure with respect to these matters cannot be determined, the Town's management believes that the ultimate disposition of these matters will not have a material impact on its consolidated financial position. No amount has been recorded in these consolidated financial statements related to any liability which may arise relative to these legal proceedings.

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 19. Accumulated surplus:

The accumulated surplus is comprised of the following:

	2023	2022
		(Restated - note 2)
Reserves set aside for specific purposes by Council:		
Equipment replacement	\$ 7,610,912	\$ 7,775,941
Recreation and cultural programs and facilities	102,418	109,529
Working capital	5,687,633	6,301,433
Health services	30,364	28,718
Roadways	9,392,429	8,516,651
Protective inspections	1,844,640	893,517
General government	510,642	403,030
Contingencies	8,706,442	7,806,722
Libraries	390,407	25,190
Acquisition of capital assets	12,916,487	15,374,004
Cemeteries	14,250	84,691
Waste disposal - landfill site	39,360	63,000
Land sale proceeds	2,528,053	1,843,110
Water and sewer system capital expenses	5,697,532	7,910,259
Workplace Safety Insurance Board	4,352,452	5,124,865
Infrastructure	(30,460)	100,000
Other	233,472	309,195
	60,027,033	62,669,855
Surplus (deficit):		
Invested in tangible capital assets (Schedule 1)	433,805,272	387,440,979
Less amount financed by long-term debt (note 16)	(19,671,742)	(22,041,925)
Operating deficit	(46,433,407)	(26,004,882)
Asset retirement obligation	(427,937)	(427,937)
Employee future benefits (note 14)	(4,004,266)	(4,249,958)
	363,267,920	334,716,277
Accumulated surplus	\$ 423,294,953	\$ 397,386,132

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 20. Pension agreements:

OMERS provides pension services to more than 600,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2023. The results of this valuation disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets at that date of \$131,983 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit.

Contributions in 2023 ranged from 9% to 14.6% (2022 - 9% to 14.6%) depending on the proposed retirement age and level of earnings. As a result \$2,999,915 (2022 - \$2,774,147) was contributed to OMERS for current year services.

## 21. Segmented information:

The Town provides a range of services to its citizens. For management reporting and stewardship purposes, all operations are organized and reported by the service they supply.

Town services are provided by departments and their activities are reported (Schedule 2). For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and the amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

### (a) Fire and emergency services:

This department is responsible for maintaining and enhancing public safety through emergency management planning, prevention and public education programs, enforcement and emergency response.

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 21. Segmented information (continued):

(b) Protective inspection and control:

Services include Building Inspection, Municipal Law Enforcement, Animal Control, Weed Control and Fence Viewers and Livestock.

(c) Roads, sidewalks, bridges and public works:

Public Works is responsible for the Town's infrastructure. This includes the safety and maintenance of the Town's roads, sidewalks, bridges, street lights, traffic control devices, and the school crossing guard program.

(d) Water, wastewater and solid waste:

This segment consists of water, wastewater and solid waste. Responsibilities include the distribution of drinking water and the collection of waste water. It also includes the collection of household waste and recycling.

(e) Leisure programs, events and facilities:

This segment includes all leisure programs, activities, events and cultural services to its residents. It also includes all leisure facilities (including arenas, pool, youth centres and community halls), parks and open spaces. Cemetery management is also included as it is not considered material enough to warrant a separate segment.

(f) Library services:

The Library serves the members of the public in their leisure, informational and cultural quests. Library Services reports to the Library Board and is therefore a separate segment.

(g) Planning and development:

This department manages urban development for business interests, environmental concerns, heritage matters and local neighborhoods.



# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 21. Segmented information (continued):

### (h) Corporate governance and management:

All support staff and services are included here such as Town Council, Office of the Chief Administrative Officer, Municipal Treasurer, Finance, Treasury, Information Technology, Purchasing, Clerks and Human Resources.

### (i) Taxation revenue:

The Town's primary source of funding for its operations is achieved through property taxes levied against property owners.

## 22. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

# THE CORPORATION OF THE TOWN OF GEORGINA

## *DRAFT* Consolidated Schedule 1 - Tangible Capital Assets - Summary by Asset Category

Year ended December 31, 2023

	Cost				Accumulated amortization				Net book value
	Opening balance	Additions betterments	Disposals	Closing balance	Opening balance	Amortization expense	Disposals	Closing balance	
General:									
Land	\$ 46,574,356	\$ 832,600	\$ (76,250)	\$ 47,330,706	\$ -	\$ -	\$ -	\$ -	\$ 47,330,706
Building	60,910,292	45,133,721	(61,462)	105,982,551	23,693,106	2,935,930	(51,864)	26,577,172	79,405,379
Machinery and equipment	18,724,484	2,609,376	(755,677)	20,578,183	11,191,354	1,203,894	(735,179)	11,660,069	8,918,114
Vehicles	10,613,290	1,392,959	(480,675)	11,525,574	4,622,469	841,258	(480,675)	4,983,052	6,542,522
Information technology	4,240,463	646,958	(192,939)	4,694,482	2,420,885	482,091	(192,939)	2,710,037	1,984,445
Library collections	819,631	103,842	(120,156)	803,317	415,883	115,925	(120,156)	411,652	391,665
	141,882,516	50,719,456	(1,687,159)	190,914,813	42,343,697	5,579,098	(1,580,813)	46,341,982	144,572,831
Infrastructure:									
Land	14,842,660	-	-	14,842,660	-	-	-	-	14,842,660
Land improvements	29,380,718	4,232,426	-	33,613,144	18,451,906	1,001,963	-	19,453,869	14,159,275
Transportation networks	170,140,759	8,313,095	-	178,453,854	96,295,570	5,736,690	-	102,032,260	76,421,594
Pumping stations	15,187,058	2,729,900	-	17,916,958	5,604,396	591,859	-	6,196,255	11,720,703
Sanitary sewer assets	86,537,144	3,924,850	-	90,461,994	24,006,312	988,206	-	24,994,518	65,467,476
Storm sewer assets	33,658,990	9,486,784	-	43,145,774	7,831,902	553,280	-	8,385,182	34,760,592
Water linear assets	81,898,533	5,712,419	-	87,610,952	21,584,466	1,027,030	-	22,611,496	64,999,456
	431,645,862	34,399,474	-	466,045,336	173,774,552	9,899,028	-	183,673,580	282,371,756
Assets under construction	30,030,850	(23,170,165)	-	6,860,685	-	-	-	-	6,860,685
<b>Total capital assets</b>	<b>\$ 603,559,228</b>	<b>\$ 61,948,765</b>	<b>\$ (1,687,159)</b>	<b>\$ 663,820,834</b>	<b>\$ 216,118,249</b>	<b>\$ 15,478,126</b>	<b>\$ (1,580,813)</b>	<b>\$ 230,015,562</b>	<b>\$ 433,805,272</b>

# THE CORPORATION OF THE TOWN OF GEORGINA

## **DRAFT** Consolidated Schedule 1 - Tangible Capital Assets - Summary by Asset Category (continued)

Year ended December 31, 2022

As restated (note 2)	Cost				Accumulated amortization				Net book value
	Opening balance	Additions betterments	Disposals	Closing balance	Opening balance	Amortization expense	Disposals	Closing balance	
General:									
Land	\$ 44,329,371	\$ 2,244,985	\$ -	\$ 46,574,356	\$ -	\$ -	\$ -	\$ -	\$ 46,574,356
Building	54,205,966	6,704,326	-	60,910,292	21,463,516	2,229,590	-	23,693,106	37,217,186
Machinery and equipment	17,919,242	1,002,426	(197,184)	18,724,484	10,279,291	1,096,186	(184,123)	11,191,354	7,533,130
Vehicles	9,074,909	2,091,477	(553,096)	10,613,290	4,383,124	736,968	(497,623)	4,622,469	5,990,821
Information technology	4,058,380	372,020	(189,937)	4,240,463	2,103,737	507,085	(189,937)	2,420,885	1,819,578
Library collections	850,171	116,921	(147,461)	819,631	443,356	119,988	(147,461)	415,883	403,748
	130,438,039	12,532,155	(1,087,678)	141,882,516	38,673,024	4,689,817	(1,019,144)	42,343,697	99,538,819
Infrastructure:									
Land	14,842,660	-	-	14,842,660	-	-	-	-	14,842,660
Land improvements	27,487,215	1,949,031	(55,528)	29,380,718	17,655,044	842,673	(45,811)	18,451,906	10,928,812
Transportation network	166,732,752	3,408,007	-	170,140,759	90,621,509	5,674,061	-	96,295,570	73,845,189
Pumping stations	15,187,058	-	-	15,187,058	5,277,444	326,952	-	5,604,396	9,582,662
Sanitary sewer assets	86,190,709	346,435	-	86,537,144	23,041,836	964,476	-	24,006,312	62,530,832
Storm sewer assets	32,304,396	1,354,594	-	33,658,990	7,367,561	464,341	-	7,831,902	25,827,088
Water linear assets	81,357,230	541,303	-	81,898,533	20,543,984	1,040,482	-	21,584,466	60,314,067
	424,102,020	7,599,370	(55,528)	431,645,862	164,507,378	9,312,985	(45,811)	173,774,552	257,871,310
Assets under construction	13,342,022	16,688,828	-	30,030,850	-	-	-	-	30,030,850
<b>Total capital assets</b>	<b>\$ 567,882,081</b>	<b>\$ 36,820,353</b>	<b>\$ (1,143,206)</b>	<b>\$ 603,559,228</b>	<b>\$ 203,180,402</b>	<b>\$ 14,002,802</b>	<b>\$ (1,064,955)</b>	<b>\$ 216,118,249</b>	<b>\$ 387,440,979</b>

### Assets under construction:

Assets under construction and other capital work in progress having a value of \$6,860,685 (2022 - \$30,030,850) have not been amortized. Amortization of these assets will commence when the assets are put into service.

### Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$ 12,866,215 (2022 - \$8,516,439), which includes contributions from developers in the amount of \$12,866,215 (2022 - \$5,779,228).

### Asset retirement obligations:

As a result of adoption of PS 3280 Asset Retirement Obligation, the tangible capital assets include \$401,308 within building additions and \$358,682 within building amortization expense as at December 31, 2022.

# THE CORPORATION OF THE TOWN OF GEORGINA

## **DRAFT** Consolidated Schedule 2 - Segment Disclosures

Year ended December 31, 2023

	Consolidated		Fire and Emergency		Protective Inspection and Control		Roads, Sidewalks, Bridges and Public Works	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenue:</b>								
Taxation	\$ 54,125,563	\$ 50,030,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	3,688,799	4,866,505	185,933	281,427	500	100	2,362,349	3,282,422
User fees and service charges	14,890,292	12,197,389	164,999	136,725	233,936	199,621	1,137,677	1,561,738
Licenses, permits and rent	3,190,181	2,442,380	-	-	2,695,443	1,962,111	-	-
Fines, penalties and interest	4,757,313	3,208,892	-	-	279,593	153,745	164,065	49,060
Other	24,770,487	-	-	-	598,844	593,880	4,309,255	3,133,841
	105,422,635	84,782,115	350,932	418,152	3,808,316	2,909,457	7,973,346	8,027,061
<b>Expenses:</b>								
Salaries and wages	42,187,325	39,810,816	8,130,452	8,275,430	3,236,575	3,333,510	5,307,134	4,521,383
Interest on long-term debt	867,527	828,990	175,304	179,166	-	-	89,143	113,166
Materials, good and supplies	6,018,702	5,061,454	478,152	411,225	459,998	231,394	2,357,796	2,027,426
Contracted and general services	15,195,671	15,935,890	686,583	603,073	1,220,021	1,250,613	1,361,498	1,991,617
Rents and financial	300,608	428,945	-	-	19,906	12,860	-	-
External transfers	-	-	-	-	-	-	-	-
Amortization	15,478,126	13,644,120	832,881	756,317	45,213	41,743	6,298,903	6,153,861
	80,047,959	75,710,215	10,303,372	10,225,211	4,981,713	4,870,120	15,414,474	14,807,453
<b>Annual surplus (deficit)</b>	<b>\$ 25,374,676</b>	<b>\$ 9,071,900</b>	<b>\$ (9,952,440)</b>	<b>\$ (9,807,059)</b>	<b>\$ (1,173,397)</b>	<b>\$ (1,960,663)</b>	<b>\$ (7,441,128)</b>	<b>\$ (6,780,392)</b>

# THE CORPORATION OF THE TOWN OF GEORGINA

## **DRAFT** Consolidated Schedule 2 - Segment Disclosures (continued)

Year ended December 31, 2023

	Water, Wastewater and Solid Waste		Leisure Programs, Events and Facilities		Library Services		Planning and Development	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenue:</b>								
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	-	-	639,260	486,346	2,734,633	2,602,283	212,515	394,563
User fees and service charges	5,042,017	4,979,434	7,020,816	3,116,451	76,451	66,020	638,376	1,286,738
Licenses, permits and rent	-	-	420,881	416,044	-	-	-	-
Fines, penalties and interest	-	-	33,198	32,764	2,670	1,637	-	-
Other	10,056,287	2,471,373	8,613,012	3,304,443	6,487	3,027	12,917	25,906
	15,098,304	7,450,807	16,727,167	7,356,048	2,820,241	2,672,967	863,808	1,707,207
<b>Expenses:</b>								
Salaries and wages	2,210,321	2,231,132	8,971,068	8,287,673	2,092,407	1,776,289	2,435,053	1,991,629
Interest on long-term debt	408,197	457,356	194,883	79,302	-	-	-	-
Materials, good and supplies	441,730	300,851	2,090,064	1,859,619	172,602	173,217	55,775	64,360
Contracted and general services	3,923,584	4,068,144	4,298,080	4,299,122	308,491	201,902	671,805	875,898
Rents and financial	27,195	29,670	176,259	140,310	2,791	2,810	-	-
External transfers	-	-	2,636,690	2,530,040	-	-	-	-
Amortization	3,359,296	3,076,581	4,212,274	2,930,022	215,555	219,889	41,380	33,278
	10,370,323	10,163,734	22,579,318	20,126,088	2,791,846	2,374,107	3,204,013	2,965,165
<b>Annual surplus (deficit)</b>	<b>\$ 4,727,981</b>	<b>\$ (2,712,927)</b>	<b>\$ (5,852,151)</b>	<b>\$ (12,770,040)</b>	<b>\$ 28,395</b>	<b>\$ 298,860</b>	<b>\$ (2,340,205)</b>	<b>\$ (1,257,958)</b>

# THE CORPORATION OF THE TOWN OF GEORGINA

**DRAFT** Consolidated Schedule 2 - Segment Disclosures (continued)

Year ended December 31, 2023

	Corporate Governance and Management		Taxation Revenue		Elimination	
	2023	2022	2023	2022	2023	2022
Revenue:						
Taxation	\$ -	\$ -	\$ 54,125,563	\$ 50,030,949	\$ -	\$ -
Grants	190,299	349,404	-	-	(2,636,690)	(2,530,040)
User fees and service charges	576,020	850,662	-	-	-	-
Licenses, permits and rent	73,857	64,225	-	-	-	-
Fines, penalties and interest	4,277,787	2,971,686	-	-	-	-
Other	1,173,684	2,503,530	-	-	-	-
	6,291,647	6,739,507	54,125,563	50,030,949	(2,636,690)	(2,530,040)
Expenses (recoveries):						
Salaries and wages	9,804,315	9,393,770	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Materials, good and supplies	(37,415)	(6,638)	-	-	-	-
Contracted and general services	2,725,609	2,645,521	-	-	-	-
Rents and financial	74,456	243,295	-	-	-	-
External transfers	-	-	-	-	(2,636,690)	(2,530,040)
Amortization	472,623	432,429	-	-	-	-
	13,039,588	12,708,377	-	-	(2,636,690)	(2,530,040)
Annual surplus (deficit)	\$ (6,747,941)	\$ (5,968,870)	\$ 54,125,563	\$ 50,030,949	\$ -	\$ -