

2024 Financial Statement Review



1. Accounting Changes
 - a) PS 3160 - Public Private Partnerships
 - b) PS 3400 – Revenue
 - c) PSG - 8 - Purchased Intangibles
2. Statement of Financial Position
3. Statement of Operations and Accumulated Surplus
4. Reserve & Reserve Funds
5. Next Steps

1. Accounting Standard Changes (PSAB) ³

a) Public Private Partnerships – PS 3160

- The standards on accounting for public private partnerships is the relationship between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.
- The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the public private partnership ends.
- After reviewing contracts and discussing with internal department representatives, it was determined that none of its present asset infrastructure arrangements require recognition within its financial statements; consequently, no significant measurement assumptions were necessary.

1. Accounting Standard Changes (PSAB) ⁴

b) Revenue – PS 3400

- The standard notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
- The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.
- The Town reviewed and determined that no significant changes were required to meet this criteria. As a result, there is no impact to the financial statements for 2024.

1. Accounting Standard Changes (PSAB) ⁵

c) Purchased Intangibles - PSG – 8

- The new guideline provides guidance on recognizing and accounting for purchased intangible assets. These are identifiable non-monetary economic resources without physical substance, acquired through an arm's length exchange transaction between knowledgeable, willing parties.
- The Town reviewed and determined there are no assets that meet this criteria. As a result, there is no impact to the financial statements for 2024.

2. Statement of Financial Position

6

\$ in millions	2024	2023	Increase/ (Decrease)
Cash & Cash Equivalents (F/S Pages 1, 16, FSDA Page 4-5)	\$98.4	\$95.8	\$2.6
Investments (F/S Pages 1, 16-17, FSDA Page 5)	\$103.3	\$98.3	\$5.0

- Cash & Cash Equivalents increased by \$2.6 million, mainly from repayment of \$2.4 million from a loan receivable.
- Investment increased by \$5.0 million, mainly due to One Investment's unrealized capital gains.

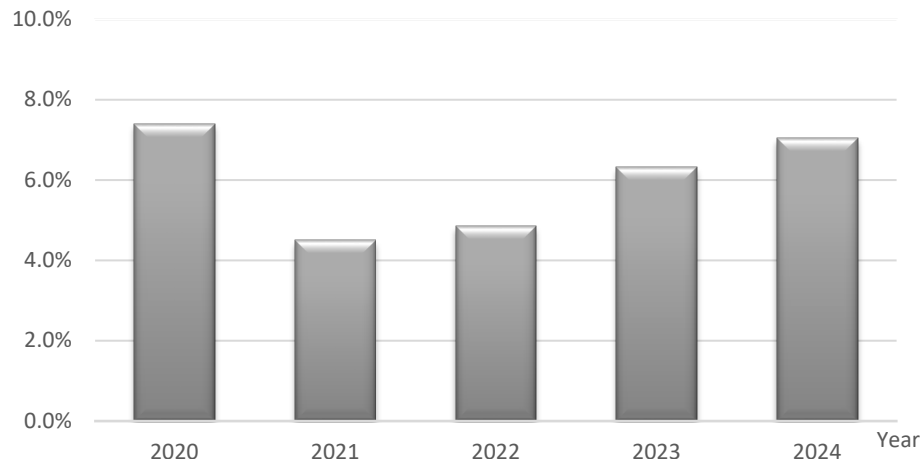
**ONE Investment's Mission is to empower Ontario municipalities to harness the power of investments as a financial planning tool.*

2. Statement of Financial Position

7

\$ in millions	2024	2023	Increase/ (Decrease)
Taxes Receivables (F/S Pages 1, 17)	\$14.7	\$12.7	\$2.0
Taxes Receivables as % of total taxes levied (FSDA Page 2)	7.0%	6.3%	0.7%

Taxes Receivables as % of Total Taxes Levied

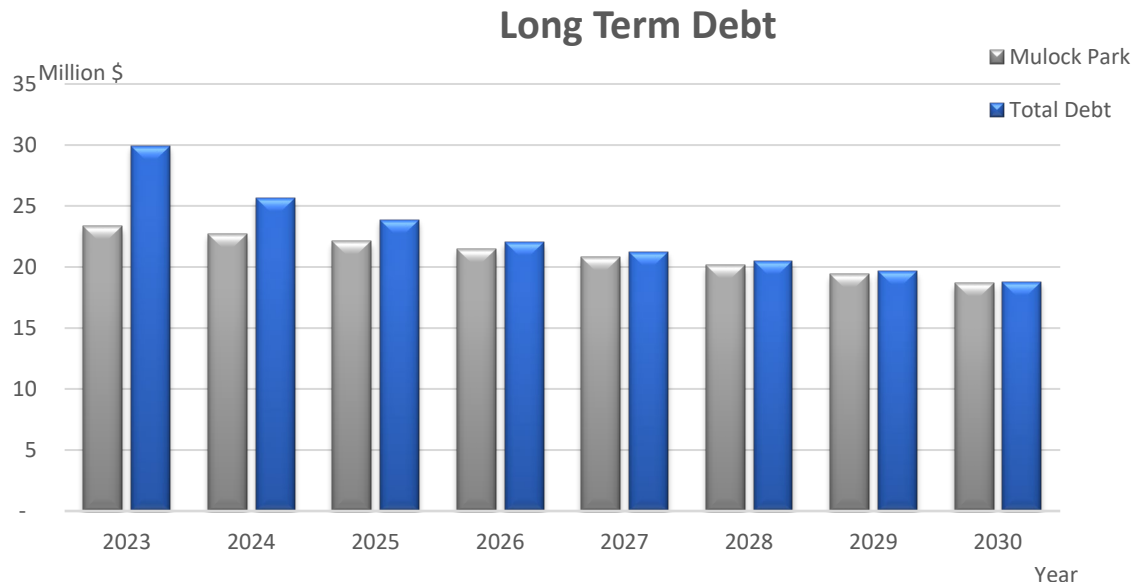


- The BMA Study identified in the Greater Toronto Hamilton Area (GTHA) that the average rate is 7.6%.
- The study also noted that credit rating agencies consider 8% or above to be a negative factor.

2. Statement of Financial Position

8

\$ in millions	2024	2023	Increase/ (Decrease)
Long term debt (F/S Pages 1, 27, FSDA Page 6)	\$25.6	\$29.9	-\$4.3

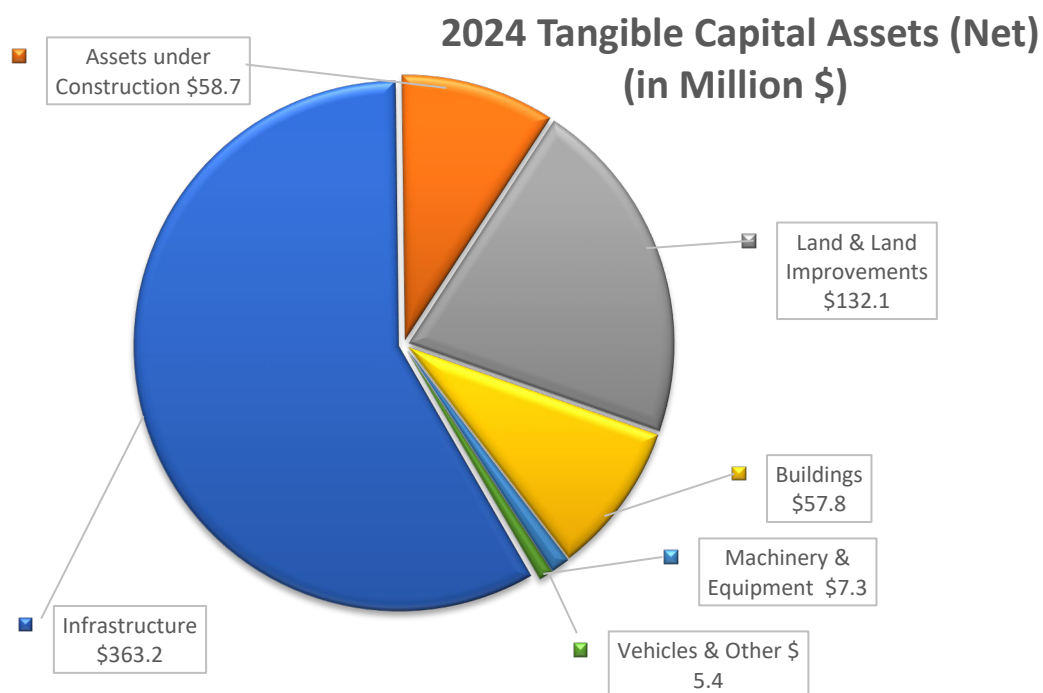


- In 2024, 88.6% of the long-term debt is from the Mulock estate; the only remaining debt starting in 2032

2. Statement of Financial Position

9

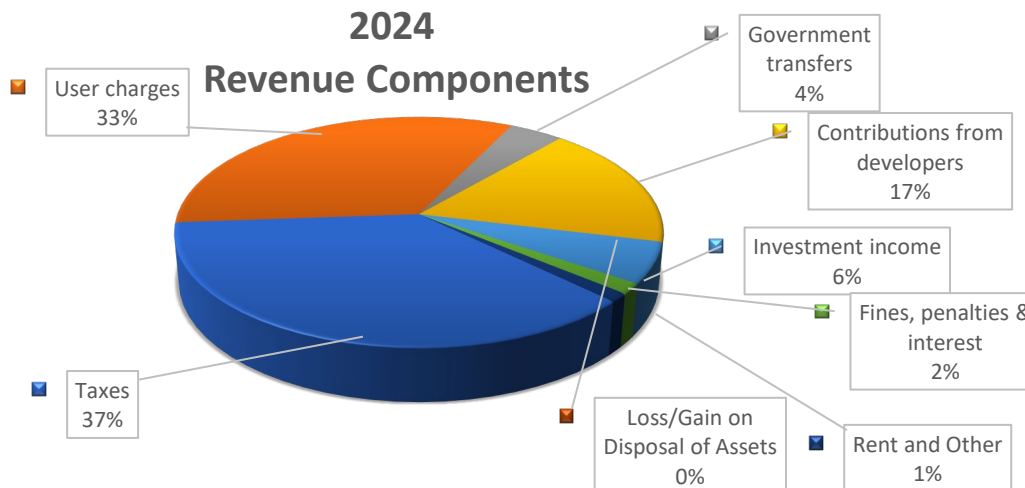
\$ in millions	2024	2023	Increase/ (Decrease)
Tangible capital assets (F/S Pages 1, 32, FSDA Pages 7)	\$624.6	\$590.5	\$34.1



- Includes work-in-progress costs for Mulock Park, roads and underground replacements, trail lighting, and facility replacements
- Amortization expenses totaled \$20.2 million (2023 - \$19.9 million)

3. Statement of Operations and Accumulated Surplus - Revenues 10

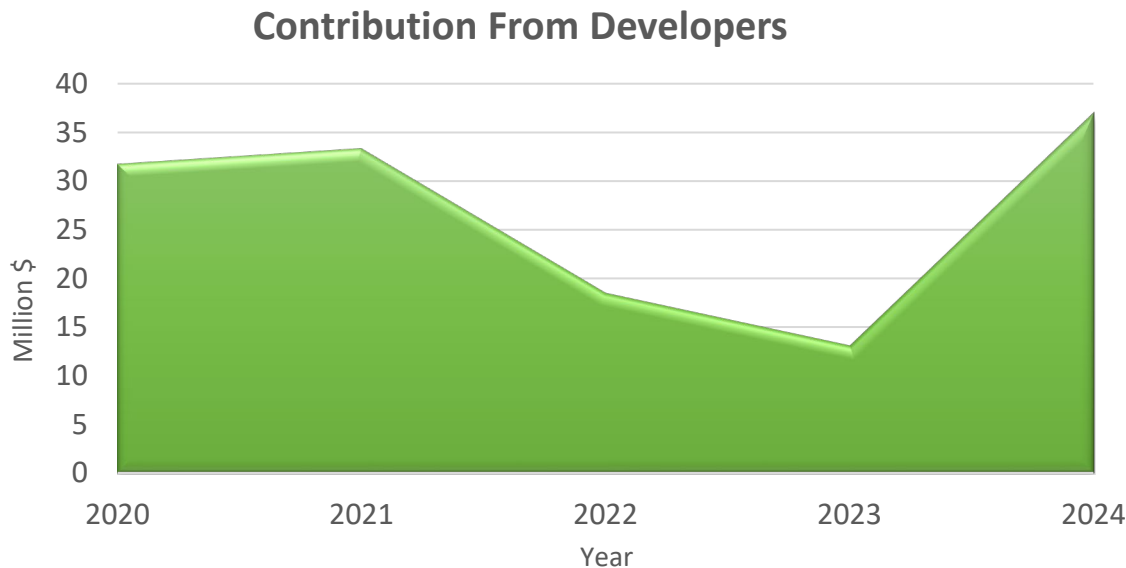
\$ in millions	2024	2023	Increase/ (Decrease)
Taxation and user charges (F/S Page 2, FSDA Pages 11-12)	\$148.8	\$135.3	\$13.5
Investment Income (F/S Pages 2 and 16-17, FSDA Page 13)	\$12.3	\$8.4	\$3.9



- Taxes continued to remain around 37% of total revenues
- Fees and charges increased on average by 3.4% in 2024
- Investment Income increased due to higher interest rates, and unrealized capital gains

3. Statement of Operations and Accumulated Surplus - Revenue¹¹

\$ in millions	2024	2023	Increase/ (Decrease)
Contribution from developers (F/S Page 2, FSDA Pages 12-13)	\$37.1	\$13.1	\$24.0

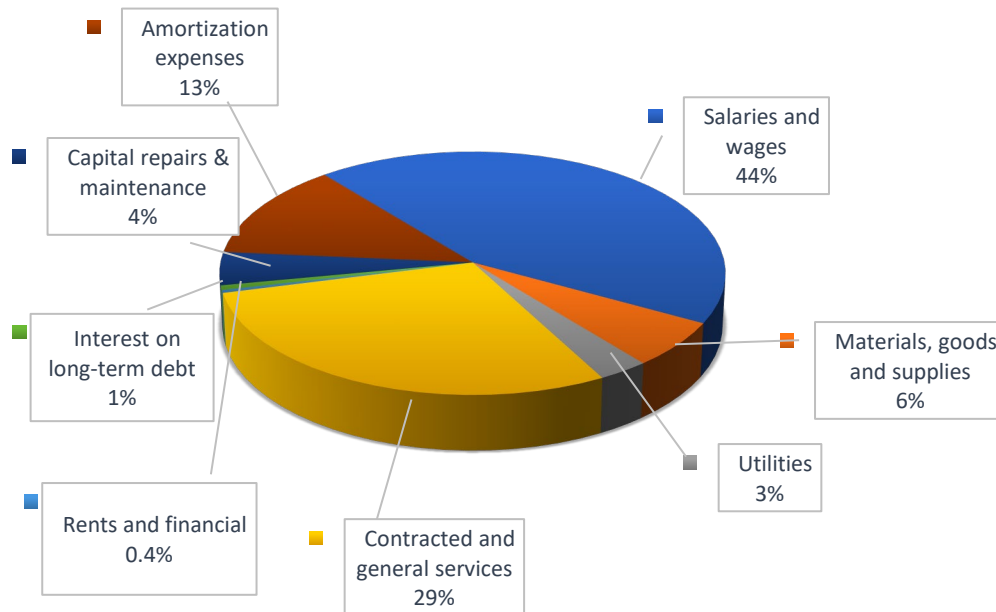


- Developer contribution revenues are mainly development charges (DCs) driven by financing requirements for growth-related capital projects. Mullock Park was the most significant project in 2024.
- Other developer contributions are tied to agreements

3. Statement of Operations and Accumulated Surplus - Expenses 12

\$ in millions	2024	2023	Increase/ (Decrease)
Total Expenses (F/S Page 2, FSDA Pages 13-16)	\$158.1	\$148.2	\$9.9

2024 Expenses by Object



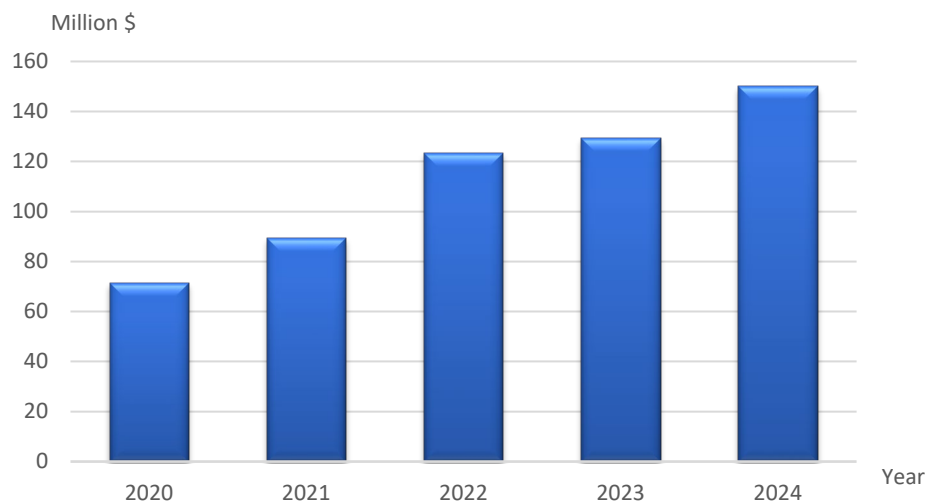
- Salaries and benefits represented 44% of total expenses.
- Materials, goods, and supplies include playground equipment replacement, park spot improvements, facility repairs and maintenance, and various equipment repairs.
- Long-term contract renewals were impacted by inflation.

4. Reserve & Reserve Funds

13

\$ in millions	2024	2023	Increase/ (Decrease)
Total Reserves & Reserve Funds (FS Page 30, FSDA Pages 9-10)	\$149.9	\$129.5	\$20.4

Reserve & Reserve Funds



- Asset management reserve fund increased by \$30 million, which was offset by operating and capital expenditures that were drawn from respective reserves.

5. Next Steps

14

- Committee of the Whole – Monday June 16, 2025
- Council Meeting – Monday, June 23, 2025