

TOWN OF GEORGINA

2015 CONSOLIDATED FINANCIAL STATEMENTS



FINANCIAL RESPONSIBILITY

Town Council – Municipal Act S.224(e)

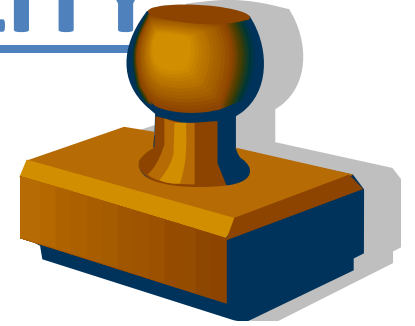
- **To maintain the financial integrity of the municipality**

Town Management

- **The preparation and fair presentation of the financial statements**
- **Prepare the financial statements in accordance with Canadian Public Sector Accounting Board standards**
- **Internal controls**



FINANCIAL RESPONSIBILITY



Appointed Independent Auditors

- **BDO Canada LLP**
- **To express an opinion on the financial statements based on their audit**
- **Conduct the audit based on Canadian generally accepted auditing standards**
- **Independent Auditor's Report, including their opinion, prefaces the Town's financial**

FINANCIAL STATEMENTS

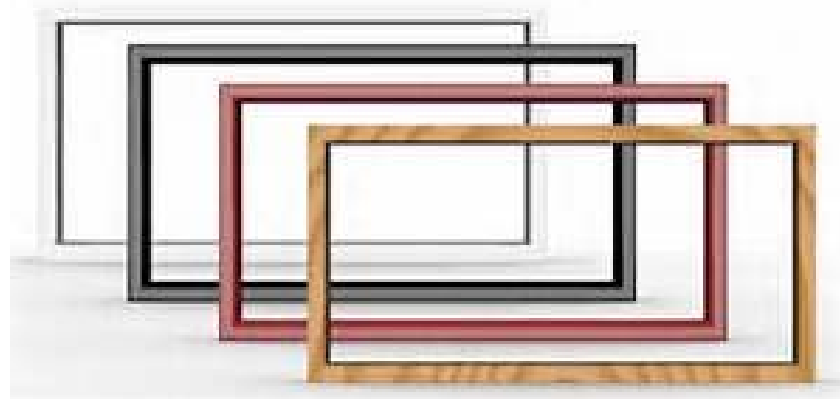
- **Full nature and extent of financial resources which the Town of Georgina controls, including agencies**
- **Financial statements are consolidated**
- **Financial position at end of period**
- **Changes in financial position**
- **Accountability for resources, obligations, and financial affairs**

GOVERNMENT AND PRIVATE SECTOR ARE DIFFERENT

- **Higher standard of accountability and transparency**
- **Town is not in business to make profit**
- **Budgets portray public policy**
- **Tangible capital assets are different in nature**
- **Taxation is primary revenue source**
- **Non-competitive environment**

STATEMENT OF FINANCIAL POSITION


- A “snapshot” at December 31 of the financial position of the Town and components of its Accumulated Surplus



STATEMENT OF FINANCIAL POSITION

Net financial assets / (net debt)

- excess of financial assets over financial liabilities

	2015	2014
	\$	\$
Financial Assets	50,206,768	44,876,868
Financial Liabilities	40,881,561	36,158,555
Net Financial Assets/(net debt)	9,325,207	8,718,313
Change	+ 606,894	

STATEMENT OF FINANCIAL POSITION

Non-financial assets

- Assets normally used to provide services

	2015	2014
	\$	\$
Inventory held for own use	346,292	256,466
Prepaid Expenses	1,030,294	490,652
<u>Tangible Capital Assets (NBV)</u>	<u>346,999,644</u>	<u>349,513,575</u>
Non-financial Assets	348,376,230	350,260,693
Change	(1,884,463)	

STATEMENT OF FINANCIAL POSITION

Accumulated surplus

- Represents the Town's net assets

	2015	2014
	\$	\$
Net Financial Assets	9,325,207	8,718,313
<u>Non-financial Assets</u>	<u>348,376,230</u>	<u>350,260,693</u>
Accumulated Surplus	357,701,437	358,979,006
Change	(1,277,569)	

STATEMENT OF FINANCIAL POSITION

Accumulated surplus/(deficit) (refer to Note 18 of FS)

Accumulated Surplus is Comprised of:	\$
Tangible capital assets	346,999,644
Reserve funds	29,534,682
Operating deficit	(4,380,364)
Employee future benefits	(3,106,614)
Long term debt	(11,345,911)
Accumulated Surplus, end of year 2015	357,701,437

STATEMENT OF FINANCIAL POSITION

Operating Deficit (refer to Note 18 of FS)

Operating Deficit is Comprised of:	\$
Current annual operations – surplus	401,641
Capital works – deficit	(5,528,212)
Accrued mortgage payable	700,000
Tile Drainage loan – accounts receivable	46,207
Operating Deficit	(4,380,364)

STATEMENT OF OPERATIONS

- It measures, in monetary terms, the extent to which a government has maintained its net assets
- PSAB requires budget to actual comparison

	Budget 2015	Actual 2014
	\$	\$
Revenues	52,589,034	51,600,604
Expenses	(53,715,764)	(50,386,706)
<u>Loss on TCA disposal</u>	<u>(150,829)</u>	<u>(9,483)</u>
Annual surplus / (deficit)	(1,277,569)	(1,204,415)

STATEMENT OF OPERATIONS

Change in Fund and Debt Balances	
2015 Annual Surplus/(Deficit)	\$
Operating Fund	174,937
Capital Fund	(2,497,245)
Reduce Accrual for Mortgage Payable	(250,000)
Decrease Accts Rec'l for Tile Drainage Loan	(3,793)
Reserve Funds	3,038,553
Long Term Debt Principal	972,638
Net Investment in Tangible Capital Assets	7,193,886
Amortization of Tangible Capital Assets	(9,707,817)
Employee Future Benefits Payable	(158,721)
Total Annual Surplus/(Deficit)	(1,277,569)

STATEMENT OF CASH FLOWS



- How the Town paid for its activities
- 2015 change in cash position + \$6,057,883

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

- Extent to which expenditures are offset by revenues
- Difference between surplus/(deficit) and change in net financial assets (net debt)
- 2015 change in net financial assets + \$606,894

VARIANCE ANALYSIS - REVENUE

Supplementary Taxes

- Budget = \$300,000
- Actual = \$455,300 *favourable*



Tax Adjustments and Write-Offs

- Budget = \$100,000
- Actual = \$28,800 *favourable*

VARIANCE ANALYSIS - REVENUE

Government Grants and Contributions

- **Budget = \$763,800**
- **Actual = \$827,200**
- **\$50k MTO Community Transportation Pilot Program funding**
- **\$15k from MOE for the Source Water Protection Grant**

VARIANCE ANALYSIS - REVENUE

Penalties and Interest

- **Budget = \$1,065,500**
- **Actual = \$919,500**
- **Penalties and interest charges have decreased due to continued tax sale and collection efforts**

VARIANCE ANALYSIS - REVENUE

Licences and Permits

- **Budget = \$1,001,100**
- **Actual = \$1,461,200**
- **Construction permit revenue was \$325k higher than anticipated**

VARIANCE ANALYSIS - REVENUE

Investment Income

- **Budget = \$460,240**
- **Actual = \$404,000**
- **Low interest rates**



VARIANCE ANALYSIS - REVENUE

Revenue from Other Municipalities

- **Budget = \$799,730**
- **Actual = \$115,710**
- **Reflects timing difference related to monies received from the Region of York in 2014 for their share of the Woodbine construction and streetscaping projects**

VARIANCE ANALYSIS - REVENUE

Other Revenue

- **\$129k received in commuted charges for Willow Beach water and sewer project**
- **\$369k HST refund – offset by HST expense adjustments of \$449k**
- **Conveyance of land/property from developer \$449k**

VARIANCE ANALYSIS - REVENUE

Proceeds from Insurance

- **\$53k received from insurer for the Pefferlaw foot bridge repairs**

VARIANCE ANALYSIS - REVENUE

Donations

- **Budget = \$43,050**
- **Actual = \$950,600**
- **Includes roads assumed by the Town from developers \$920k**

VARIANCE ANALYSIS - EXPENSES

Total Expenses Reported = \$53,715,764

Less Amortization of TCA = \$11,174,323

**Total Expenses Net of Amortization =
\$42,541,441**

VARIANCE ANALYSIS - EXPENSES

Recreation and Cultural Services

- **Ash tree removal and replanting**
- **Other capital expenses that are not capitalized as Tangible Capital Assets (ie. studies)**

VARIANCE ANALYSIS - EXPENSES

Protection to Persons and Property

- **Animal Shelter – staffing costs**
- **Accrual for firefighter wage and benefit negotiations**

VARIANCE ANALYSIS - EXPENSES

Transportation Services

- Snow plowing and removal; sand and salting; culvert thawing - \$364k under budget
- Non-TCA capital projects (Engineering water model / Keswick storm water management study)

local roads
matter!

to revitalization.
to families.
to schools.
to seniors.
to business.
to healthcare.
in times of crisis.
to trade.
to the economy.

VARIANCE ANALYSIS - EXPENSES

General Government

- **WSIB NEER Review \$189k**
- **HST adjustment \$449k – offset by HST refund \$369k**
- **Includes accrual for wage and benefit obligations**

VARIANCE ANALYSIS - EXPENSES

Environmental Services

- **Waterworks emergency repairs \$410k**



VARIANCE ANALYSIS - EXPENSES

Development Services

- **\$114k salary gapping due to vacant positions**
- **Economic Development and Community Betterment grants - \$82k not dispersed in 2015**

FINANCIAL INDICATOR REVIEW 2015

- **Ministry staff prepare certain financial indicators for each municipality (2014 FIR's)**
- **For comparative purposes, Georgina is grouped with other South Central Ontario, non-rural, lower tier municipalities within a regional government.**

FINANCIAL RISK FACTOR 1

Reserves as % of Operating Expenses

Town of Georgina = 53.9%

Provincial Comparator Average = 51.4%

Risk Assessment: > 20% = Low Risk



FINANCIAL RISK FACTOR 2

Debt Servicing Cost as % of Total Operating Revenue

Town of Georgina = 3.4%

Provincial Comparator Average = 3.7%

Risk Assessment: < 5% = Low Risk



FINANCIAL RISK FACTOR 3

Taxes Receivable as % of Total Taxes Levied

Town of Georgina = 8.0%

Provincial Comparator Average = 6.0%

Risk Assessment: < 10% = Low Risk



FINANCIAL RISK FACTOR 4

Total Cash as % of Operating Expenditures

Town of Georgina = 70.1%

Provincial Comparator Average = 43.5%

Risk Assessment: > 10% = Low Risk



FINANCIAL RISK FACTOR 5

Net Working Capital as % of Operating Expenditures

Town of Georgina = 63.4%

Provincial Comparator Average = 48.4%

Risk Assessment: > 10% = Low Risk



FINANCIAL RISK FACTOR 6

Capital Assets – NBV as a % of Cost

Town of Georgina = 70.0%

Provincial Comparator Average = 63.9%

Risk Assessment: > 50% = Low Risk



2015 SUMMARY – FINANCIAL RISK

- **Relatively good financial health**
- **Healthy cash position (liquidity)**
- **Overall financial risk is ranked “low” based on Provincial indicators**



2015 SUMMARY – FINANCIAL RISK

- **Challenges:**
 - **Cost of household and population growth**
 - **Cost of asset rehabilitation/ replacement at end of life-cycle**
 - **Service level demands**
 - **New facilities/ventures**
 - **Weak economic growth**



TOWN OF GEORGINA

2015 CONSOLIDATED FINANCIAL STATEMENTS QUESTIONS? COMMENTS?



GEORGINA