

TOWN OF GEORGINA

2016 CONSOLIDATED FINANCIAL STATEMENTS



GEORGINA

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

	2016	2015
	\$	\$
Financial Assets	58,084,798	50,206,768
Financial Liabilities	46,921,298	40,881,561
Net Financial Assets/(net debt)	11,163,500	9,325,207
Change	+ 1,838,293	

STATEMENT OF FINANCIAL POSITION

Non-financial assets

- Assets normally used to provide services

	2016	2015
	\$	\$
Inventory held for own use	246,374	346,292
Prepaid Expenses	1,079,467	1,030,294
<u>Tangible Capital Assets (NBV)</u>	<u>345,682,850</u>	<u>346,999,644</u>
Non-financial Assets	347,026,691	348,376,230
Change	(1,325,539)	

STATEMENT OF FINANCIAL POSITION

Accumulated surplus

- Represents the Town's net assets

	2016	2015
	\$	\$
Net Financial Assets	11,163,500	9,325,207
<u>Non-financial Assets</u>	<u>347,026,691</u>	<u>348,376,230</u>
Accumulated Surplus	358,190,191	357,701,437
Change	+ 488,754	

STATEMENT OF FINANCIAL POSITION

Accumulated surplus/(deficit) (refer to Note 16 of FS)

Accumulated Surplus is Comprised of:	\$
Tangible capital assets	345,682,850
Reserve funds	32,708,511
Operating deficit	(3,838,644)
Employee future benefits	(4,060,847)
Long term debt	(12,301,679)
Accumulated Surplus, end of year	358,190,191

STATEMENT OF FINANCIAL POSITION

Operating Surplus/(Deficit) (refer to Note 16 of FS)

- Is calculated by looking at cash flows before the capitalization of tangible capital assets and the deduction of depreciation/amortization.

Operating Deficit is Comprised of:	\$
Annual operations – budget surplus	361,389
Capital works – deficit	(4,650,033)
Accrued mortgage payable	450,000
Operating Deficit	(3,838,644)

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
- Council approved budget is adjusted to account for PSAB reporting requirements (see Note 2)

	Budget 2016	Actual 2016
	\$	\$
Revenues	62,055,160	57,904,610
Expenses	(55,313,365)	(57,263,636)
<u>Loss on TCA disposal</u>	<u>0</u>	<u>(152,052)</u>
Annual surplus / (deficit)	+ 6,741,795	+ 488,754

STATEMENT OF OPERATIONS

Change in Fund and Debt Balances

2016 Annual Surplus/(Deficit)	\$
Operating Budget Surplus	(40,252)
Capital Projects	878,179
Reduce Accrual for Mortgage Payable	(250,000)
Decrease Accts Rec'l for Tile Drainage Loan	(46,207)
Reserve Funds	3,173,829
Net Investment in Tangible Capital Assets	9,035,687
Amortization of Tangible Capital Assets	(10,352,481)
Principal Paid on Long Term Debt	(955,768)
Employee Future Benefits (Note 10)	(951,222)
Total Annual Surplus/(Deficit)	+ 488,754

STATEMENT OF CASH FLOWS



- How the Town paid for its activities
- 2016 change in cash position + \$7,773,067

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)
- 2016 change in net financial assets + \$1,838,293

ANNUAL OPERATIONS BUDGET

SURPLUS = \$361,389

Supplementary Taxes, net of adjustments

- Budget = \$406,000
- Actual = \$765,606
- *Favourable Variance = \$359,606*



FINANCIAL INDICATOR REVIEW

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

FINANCIAL CHALLENGE FACTOR 1

Reserves as % of Operating Expenses

**Town of Georgina = 57.0% (2016)
55.1% (2015)**

Provincial Comparator Average = 55.2%

Risk Assessment: > 20% = Low Challenge 

FINANCIAL CHALLENGE FACTOR 2

Debt Servicing Cost as % of Total Operating Revenue

**Town of Georgina = 3.0% (2016)
2.8% (2015)**

Provincial Comparator Average = 3.4%

Risk Assessment: < 5% = Low Challenge



FINANCIAL CHALLENGE FACTOR 3

Taxes Receivable as % of Total Taxes Levied

**Town of Georgina = 6.4% (2016)
6.5% (2015)**

Provincial Comparator Average = 6.0%

Risk Assessment: < 10% = Low Challenge 

FINANCIAL CHALLENGE FACTOR 4

Total Cash as % of Operating Expenditures

**Town of Georgina = 84.5% (2016)
75.8% (2015)**

Provincial Comparator Average = 49.2%

Risk Assessment: > 10% = Low Challenge 

FINANCIAL CHALLENGE FACTOR 5

Net Working Capital as % of Operating Expenditures

**Town of Georgina = 68.0% (2016)
64.9% (2015)**

Provincial Comparator Average = 53.4%

Risk Assessment: > 10% = Low Challenge 

FINANCIAL CHALLENGE FACTOR 6

Asset Consumption Ratio

Town of Georgina = 30.0% (2016)
28.6% (2015)

Provincial Comparator Average = 34.7%

Risk Assessment: < 25% = Low Challenge
Between 25% to 75% = Moderate Challenge

SUMMARY – FINANCIAL RISK

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



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**



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QUESTIONS? COMMENTS?



GEORGINA