

# TOWN OF GEORGINA

## 2017 CONSOLIDATED FINANCIAL STATEMENTS



GEORGINA

# 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**

# 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

|  | 2017              | 2016       |
|--|-------------------|------------|
|  | \$                | \$         |
| <b>Financial Assets</b>                | <b>63,272,245</b> | 58,084,798 |
| <b>Financial Liabilities</b>           | <b>51,619,139</b> | 46,921,298 |
| <b>Net Financial Assets/(net debt)</b> | <b>11,653,106</b> | 11,163,500 |
| <b>Change</b>                          | <b>+ 489,606</b>  |            |

# STATEMENT OF FINANCIAL POSITION

## Non-financial assets

- Assets normally used to provide services

|                                      | 2017               | 2016               |
|--------------------------------------|--------------------|--------------------|
|                                      | \$                 | \$                 |
| Inventory held for own use           | 330,580            | 246,374            |
| Prepaid Expenses                     | 926,834            | 1,079,467          |
| <u>Tangible Capital Assets (NBV)</u> | <u>347,522,586</u> | <u>345,682,850</u> |
| Non-financial Assets                 | 348,780,000        | 347,026,691        |
| Change                               | + 1,753,309        |                    |

# STATEMENT OF FINANCIAL POSITION

## Accumulated surplus

- Represents the Town's net assets

|                             | 2017               | 2016               |
|-----------------------------|--------------------|--------------------|
|                             | \$                 | \$                 |
| Net Financial Assets        | 11,653,106         | 11,163,500         |
| <u>Non-financial Assets</u> | <u>348,780,000</u> | <u>347,026,691</u> |
| Accumulated Surplus         | 360,433,106        | 358,190,191        |
| <b>Change</b>               | <b>+ 2,242,915</b> |                    |

# STATEMENT OF FINANCIAL POSITION

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

| <b>Accumulated Surplus is Comprised of:</b> | <b>\$</b>          |
|---|--------------------|
| Tangible capital assets                     | 347,522,586        |
| Reserve funds                               | 37,659,102         |
| <b>Operating deficit</b>                    | <b>(9,540,430)</b> |
| Employee future benefits                    | (4,053,520)        |
| Long term debt                              | (11,154,630)       |
| <b>Accumulated Surplus, end of year</b>     | <b>360,433,106</b> |

# 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.

| <b>Operating Deficit is Comprised of:</b> | <b>\$</b>          |
|---|--------------------|
| Annual operations – budget surplus        | <b>0</b>           |
| Capital works – deficit                   | (11,638,494)       |
| Accrued mortgage/debt payable             | 2,098,063          |
| <b>Operating Deficit</b>                  | <b>(9,540,431)</b> |



# 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 2017  | Actual 2017     |
|-----------------------------|--------------|-----------------|
|                             | \$           | \$              |
| Revenues                    | 68,755,330   | 58,729,592      |
| Expenses                    | (56,613,130) | (56,414,926)    |
| <u>Loss on TCA disposal</u> | <u>0</u>     | <u>(71,751)</u> |
| Annual surplus / (deficit)  | + 12,142,200 | + 2,242,915     |

# STATEMENT OF OPERATIONS

## Change in Fund and Debt Balances

|   |                     |
|---|---------------------|
| <b>2017 Annual Surplus/(Deficit)</b>      | <b>\$</b>           |
| Operating Budget Surplus                  | <b>(361,389)</b>    |
| Capital Projects                          | <b>(4,983,047)</b>  |
| Reduce Accrual for Mortgage Payable       | <b>(250,000)</b>    |
| Streetlight Payable                       | <b>(107,349)</b>    |
| Reserve Funds                             | <b>4,950,590</b>    |
| Net Investment in Tangible Capital Assets | <b>11,853,704</b>   |
| Amortization of Tangible Capital Assets   | <b>(10,013,968)</b> |
| Principal Paid on Long Term Debt          | <b>1,147,047</b>    |
| Employee Future Benefits (Note 10)        | <b>7,327</b>        |
| <b>Total Annual Surplus/(Deficit)</b>     | <b>+ 2,242,915</b>  |

# STATEMENT OF CASH FLOWS



- How the Town paid for its activities
- 2017 change in cash position + \$1,799,179

# 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)
- 2017 change in net financial assets + \$489,606

# ANNUAL OPERATING BUDGET

SURPLUS = \$1,115,103

## Supplementary Taxes, net of adjustments

- Annual Surplus was transferred to:
- Rate Stabilization Reserve    \$387,200
- Working Capital Reserve       \$387,200
- Road Construction Reserve    \$376,103



# SUMMARY – FINANCIAL RISK

- **Good financial health**
- **Healthy cash position (liquidity)**
- **Increase of \$4.9 million in reserves**
- **Overall financial challenge is ranked “low” based on Provincial indicators**

# SUMMARY – FINANCIAL RISK

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

# TOWN OF GEORGINA

## 2017 CONSOLIDATED FINANCIAL STATEMENTS

**QUESTIONS? COMMENTS?**



GEORGINA