

DRAFT #3a
May 28, 2025

Consolidated Financial Statements of

**THE CORPORATION OF
THE TOWN OF
WHITCHURCH-STOUFFVILLE**

And Independent Auditor's Report thereon

Year ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councilors of The Corporation of the Town of Whitchurch-Stouffville

Opinion

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

- the consolidated statement of financial position as at December 31, 2024
- 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 remeasurement gains and losses 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 financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024, and its consolidated results of operations, its consolidated changes in net financial assets, its consolidated remeasurement gains and losses 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.

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 the 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets		
Cash (note 3)	\$ 19,545,457	\$ 11,638,386
Portfolio investments (note 4)	109,934,556	101,928,192
Taxes receivable	19,989,788	18,222,450
Accounts receivable	13,008,204	13,504,494
Asset held for sale (note 16)	1,045,627	—
	163,523,632	145,293,522
Financial liabilities		
Accounts payable and accrued liabilities	17,885,064	15,003,203
Asset retirement obligation (note 6)	559,150	536,767
Deferred revenue - obligatory reserve funds (note 5)	49,794,483	45,351,129
Other deferred revenue	1,696,465	637,828
Developer and other deposits	25,415,807	24,154,195
Employee benefits payable (note 7)	5,449,493	4,740,488
Long-term liabilities (note 9)	23,148,657	24,827,138
	123,949,119	115,250,748
Net financial assets	39,574,513	30,042,774
Non-financial assets		
Inventory	185,933	168,233
Prepaid expenses	726,147	543,008
Tangible capital assets (note 11)	338,953,888	332,750,222
	339,865,968	333,461,463
Accumulated surplus, other	377,453,501	363,357,937
Accumulated surplus, remeasurement gains	1,986,980	146,300
Accumulated surplus (note 10)	\$ 379,440,481	\$ 363,504,237

Commitments and contingencies (note 14)

See accompanying notes to consolidated financial statements.

On behalf of the Mayor and Council:

_____ Treasurer

_____ Deputy Treasurer

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 15)	2024 Actual	2023 Actual
Revenue:			
Property taxation (note 12)	\$ 45,077,780	\$ 45,858,799	\$ 42,712,684
Taxation from other governments (note 12)	329,820	357,569	351,296
User fees, licenses and fines	35,020,580	34,352,841	31,955,999
Government grants	3,061,370	2,878,374	7,608,172
Investment income	3,421,720	4,976,083	3,017,711
Penalties and interest on taxes	1,900,000	2,495,562	2,504,854
Developer contributions	1,918,970	6,736,093	4,432,662
Contributed tangible capital assets	—	8,536,714	3,981,859
Donations and other	1,418,790	1,570,799	792,706
	92,149,030	107,762,834	97,357,943
Expenses:			
General government	13,541,366	15,807,451	13,888,116
Protection to persons and property	11,130,083	11,158,473	10,047,676
Transportation services	14,934,237	14,847,251	15,037,760
Environmental services	18,867,521	20,701,716	17,902,579
Recreational and cultural services	23,810,722	25,495,889	22,797,070
Planning and development	5,864,786	5,656,490	5,374,211
	88,148,715	93,667,270	85,047,412
Annual surplus	4,000,315	14,095,564	12,310,531
Accumulated surplus, beginning of year	363,504,237	363,504,237	351,047,406
Remeasurement gains during the year	—	1,840,680	146,300
Accumulated surplus, end of year	\$ 367,504,552	\$ 379,440,481	\$ 363,504,237

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 15)	2024 Actual	2023 Actual
Annual surplus	\$ 4,000,315	\$ 14,095,564	\$ 12,310,531
Purchase of tangible capital assets	(12,806,189)	(12,806,189)	(21,610,836)
Contributed tangible capital assets	—	(8,536,714)	(3,981,859)
Amortization of tangible capital assets	14,048,425	14,048,425	13,704,449
Remeasurement gain on investments (principal protected notes)	—	1,840,680	146,300
Proceeds from sale of tangible capital assets	—	1,528,524	241,032
Gain on sale of tangible capital assets	—	(437,712)	(222,243)
	1,242,236	(4,362,986)	(11,723,157)
Increase in prepaid expenses	—	(183,139)	(181,577)
Purchase of inventories and supplies	—	(771,725)	(949,430)
Use of inventories and supplies	—	754,025	918,515
	—	(200,839)	(212,492)
Change in net financial assets	5,242,551	9,531,739	374,882
Net financial assets, beginning of year	30,042,774	30,042,774	29,667,892
Net financial assets, end of year	\$ 35,285,325	\$ 39,574,513	\$ 30,042,774

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Consolidated Statement of Remeasurement Gains and Losses

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Accumulated remeasurement gains, beginning of year	\$ 146,300	\$ –
Unrealized gains attributable to:		
Investments (principal protected notes)	1,840,680	146,300
Accumulated remeasurement gains, end of year	\$ 1,986,980	\$ 146,300

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Consolidated Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 14,095,564	\$ 12,310,531
Items not involving cash:		
Amortization of tangible capital assets	14,048,425	13,704,449
Unrealized gain on portfolio investments	1,840,680	146,300
Accretion expense	22,383	21,487
Gain on sale of tangible capital assets	(437,712)	(222,243)
Contributed tangible capital assets	(8,536,714)	(3,981,859)
	21,032,626	21,978,665
Change in non-cash operating items:		
Taxes receivable	(1,767,338)	(1,950,579)
Accounts receivable	496,290	(3,795,332)
Property held for re-sale	(1,045,627)	—
Accounts payable and accrued liabilities	2,881,861	(460,712)
Deferred revenue - obligatory reserve funds	4,443,354	438,125
Other deferred revenue	1,058,637	(64,270)
Developer and other deposits	1,261,612	(1,433,752)
Employee benefits and other liabilities	709,005	649,107
Inventory	(17,700)	(30,915)
Prepaid expenses	(183,139)	(181,577)
	28,869,581	15,148,760
Capital activities:		
Purchase of tangible capital assets	(12,806,189)	(21,610,836)
Proceeds on sale of tangible capital assets	1,528,524	241,032
	(11,277,665)	(21,369,804)
Financing activities:		
Repayment of long-term debt	(1,678,481)	(1,905,492)
Investing activities:		
Purchase of portfolio investments	(8,006,364)	(17,840,717)
Increase (decrease) in cash	7,907,071	(25,967,253)
Cash, beginning of year	11,638,386	37,605,639
Cash, end of year	\$ 19,545,457	\$ 11,638,386

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements

Year ended December 31, 2024

The Corporation of the Town of Whitchurch-Stouffville (the "Town") is a lower-tier municipality located in the Regional Municipality of York, 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 responsibility of management. They are prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Reporting entity:

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. These Boards include:

- Whitchurch-Stouffville Public Library
- Latcham Art Centre

All inter-entity transactions and balances have been eliminated on consolidation.

(b) Non-consolidated entities:

(i) Accounting for Region and School Board transactions:

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the Region and the schools board are not reflected in these consolidated financial statements.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(ii) Trust funds:

Trust funds and their related operations administered by the Town are not included in these consolidated financial statements.

(c) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(d) Government transfers:

Government transfers are recognized in the consolidated financial statements when the transfer is authorized, and any eligibility criteria have been met, except to the extent that the 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. Transfer revenue is recognized in the consolidated statement of operations and accumulated surplus as the stipulation liabilities are settled.

(e) Deferred revenue - obligatory reserve funds:

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations and accumulated surplus in the year in which it is used for the specified purpose.

(f) Deferred revenue - general:

Funds received from residents and contractors in security for the completion of specified development projects are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations and accumulated surplus in the year it is used for the specified purpose.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(g) Investment income:

Investment income earned is reported as revenue in the year earned. Investment income earned on obligatory reserves, such as development charges and parkland allowances, is added to the associated funds and forms part of the respective deferred revenue.

(h) 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 amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

	Useful life - years
Land improvements	15 - 30
Facilities	10 - 40
Vehicles	7 - 17
Machinery and equipment	3 - 30
Transportation infrastructure	15 - 50
Environmental infrastructure	20 - 80

Tangible capital assets under construction are recorded at cost and are not amortized until the asset is available for productive use. No amortization is charged in the year of acquisition.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt with a corresponding amount recorded as revenue. Tangible capital assets conveyed from developers are recorded at the estimated engineering value at the time of registration.

(j) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting year. The principal estimates used in the preparation of these consolidated financial statements are employee benefits payable, estimated useful life of tangible capital assets, valuation of tangible capital assets, and property taxation. Actual results could differ from those estimates.

(k) Cash:

Cash is comprised of cash on hand and cash held in financial institutions.

(l) Property held for resale:

Property held for resale is valued at the lower of cost and net realizable value.

(m) Inventory of supplies:

Inventory of supplies are priced at average cost on a first-in, first-out basis.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(n) Portfolio investments:

Portfolio investments are comprised of amounts invested in high interest savings accounts, guaranteed investment certificates, corporate bonds, equity funds, principal protected notes ("PPN") and money market funds. Portfolio investments are valued at cost, with the exception of PPN which are valued at fair value as per the requirements of PS 3450, Financial Instruments. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

(o) Revenue recognition:

(i) User fees:

User fees and other revenue are recognized when performance has been met, and collectability is reasonably assured.

(ii) Developer contributions:

Developer contributions and fees for services are recognized over the period of service or when required expenses occur if applicable.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(iii) Taxation and related revenue:

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established by the Town Council, incorporating amounts to be raised for local services and amounts the Town is required to collect on behalf of the Province of Ontario and the Region of York in respect of education taxes and regional services respectively. The legislation limits increase in property tax bills to a maximum of 10% annually for commercial, industrial and multi-residential classes of property until the affected properties are taxed at a level equivalent to the tax otherwise calculated based on their current assessed value. A normal part of the assessment process is the issue of supplementary rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Town determines the taxes applicable and renders supplementary tax billings. In accordance with PS 3510, Tax Revenue, taxation revenue is estimated and recorded when the taxable event has occurred. For property taxes, the taxable event is the year for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts. The Town is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the year the interest and penalties are earned.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(p) Employee future benefits:

(i) Non-pension post retirement benefits:

The Town provides certain employee benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board Act, and life insurance, extended health and dental benefits for early retirees. The Town accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits. The Town has adopted the following valuation methods and assumptions:

(a) Actuarial cost method:

The costs of sick leave, benefits under the Workplace Safety and Insurance Board Act and life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities, compensated absences and health, dental and life insurance benefits for retirees, the accrued benefit obligations are actuarially determined using the projected benefits method prorated on service, as defined in PS 3250 and PS 3255. The objective under this method is to expense each member's benefit under the plan taking into consideration projections of benefit costs to and during retirement. Under this method, the benefit costs are recognized over the expected average service life of the employee group and an equal portion of total estimated future benefit is attributed to each year of service.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

Any actuarial gains and losses related to the past service of employees are amortized on a linear basis over the expected average remaining service life of the employee group, with amortization commencing in the period following the determination of the gain or loss. Obligations are attributed to the period beginning on the member's date of hire and ending on the expected date of termination, death or retirement, depending on the benefit value. The Town's fiscal year-end is December 31 and the measurement date of the Town's obligation is as such.

(b) Workplace Safety and Insurance Board ("WSIB") obligations:

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the obligations are actuarially determined, and the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the year they arise.

(c) Funding policy:

The non-pension post-retirement benefits are funded on a pay-as-you-go basis. The Town funds on a cash basis as the benefits are paid. No assets have been formally segregated and restricted to provide the non-pension retirement benefits.

(ii) Pension plans:

The Town is an employer member of the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, are responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Town has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. As such, no pension liability is included in the Town's consolidated financial statements and contributions are recognized as an expense in the year to which they relate.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(q) Asset retirement obligation:

The Town recognizes the fair value of an asset retirement obligation ("ARO") when all of the following criteria have been met:

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

The liability is measured at the Town's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include postretirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

Upon initial recognition of the liability for an ARO, the carrying amount of the corresponding tangible capital asset (or component thereof) is increased by the same amount. The capitalized asset retirement cost is expensed in a rational and systematic manner over the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital asset recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately. Subsequently, the liability is reviewed at each consolidated financial statement reporting date and adjusted for (1) changes as a result of the passage of time with corresponding accretion expense and (2) adjusted for any revisions to the timing, amount of the original estimate of undiscounted cash flows, or the discount rate. Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized in accordance with the amortization accounting policies described in note 1(i).

(r) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Unrealized changes in fair value are recognized in the consolidated statement of remeasurement gains and losses until they are realized, when they are transferred to the consolidated statement of operations and accumulated surplus.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations and accumulated surplus and any unrealized gain or loss is adjusted through the consolidated statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the consolidated statement of remeasurement gains and losses are reversed and recognized in the consolidated statement of operations and accumulated surplus.

(s) Budget figures:

The Town budgets for the following items on the consolidated statement of operations and accumulated surplus: interest earned on reserves and amortization expense.

The Town completes separate budget reviews for its operating and capital project budgets each year. Both budgets are reflected in the consolidated statement of operations and accumulated surplus.

The operating budget is based on projected operating expenses to be incurred during the current year. Budgets established for capital projects are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years.

(t) Related parties disclosure:

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control or have shared control over. Related party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has material effect on the consolidated financial statements. As at December 31, 2024, there are no such related party transactions to disclose.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(u) Future accounting pronouncements:

The standards noted below were not in effect for the year ended December 31, 2024, therefore, have not been applied in preparing these consolidated financial statements. Management is assessing the impact of these standards on future statements.

- (i) Concepts Underlying Financial Performance. The revised conceptual framework will replace the existing conceptual framework, which consists of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework is to be adopted prospectively. This revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 (the Town's December 31, 2027 year end).
- (ii) PS 1202, Financial Statement Presentation, will replace the current section PS 1201. The Town is currently assessing the impact of this standard on the future financial statements. 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).
- (iii) PS 3251, Employee Benefits, will replace the current sections PS 3250 and PS 3255. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

2. Change in accounting policies:

The Town adopted the following standards concurrently beginning January 1, 2024 prospectively; PS 3400, Revenue, PS 3160, Public Private Partnerships ("P3s"), and Public Sector Guideline 8, Purchased Intangibles.

PS 3400, Revenue, establishes standards on how to account for and report on revenue. PS 3400, Revenue, establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. Specifically, it differentiates between revenue arising from transactions that include performance obligations and those that do not. The Town adopted the standard prospectively. The implementation of this new standard did not have a material impact on the amounts presented in the financial statements.

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 P3s 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. The Town adopted the standard prospectively. The implementation of this new standard did not result in identification of transactions that would meet the definition of P3s.

Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction. The Town adopted the standard prospectively. The implementation of this new standard did not result in identification of assets that would meet the definition of purchased intangibles.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

3. Cash:

Cash is comprised of:

	2024	2023
Cash on hand	\$ 14,256	\$ 14,725
Cash held in banks	19,531,201	11,623,661
	<u>\$ 19,545,457</u>	<u>\$ 11,638,386</u>

The Town's bank accounts are held at one chartered bank. The bank accounts earn interest at a variable rate calculated on the daily balance.

4. Portfolio investments:

Portfolio investments are comprised of:

	2024	2023
High interest savings	\$ 13,205,033	\$ 12,737,361
Guaranteed interest certificates	39,928,820	38,656,313
PPN	18,949,980	11,396,300
Bond fund	31,117,083	33,708,862
Equity fund	6,733,640	5,429,356
	<u>\$ 109,934,556</u>	<u>\$ 101,928,192</u>

Balances held in guaranteed investment certificates have maturity dates from 2025 to 2029 (2023 - 2024 to 2028) and interest rates from 1.99% to 5.25% (2023 - 1.85% to 5.25%). The market value of the portfolio investments at December 31, 2024 was \$113,961,737 (2023 - \$105,625,183).

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

5. Deferred revenue - obligatory reserve funds:

The balances in the obligatory reserve funds of the Town are summarized below:

	2024	2023
Obligatory Reserve Funds:		
Development Charges Act	\$ 27,569,333	\$ 26,108,563
Canada Community Building Fund	10,889,434	11,258,557
Planning Act	8,082,215	7,984,009
Community Benefit Charge	4,104	—
Build Faster Fund	1,368,281	—
Ontario Community Infrastructure Fund	1,881,116	—
	\$ 49,794,483	\$ 45,351,129

	2024 Opening	Contributions and interest	Revenue recognized	2024 Closing
Development Charges	\$ 26,108,563	\$ 6,073,542	\$ 4,612,772	\$ 27,569,333
Planning Act	7,984,009	1,764,236	1,666,030	8,082,215
Developer contributions	34,092,572	7,837,778	6,278,802	35,651,548
Canada Community Building Fund	11,258,557	2,300,786	2,669,909	10,889,434
Community Benefit Charge	—	4,104	—	4,104
Build Faster Fund	—	1,827,678	459,397	1,368,281
Ontario Community Infrastructure Fund	—	2,826,598	945,482	1,881,116
	\$ 45,351,129	\$ 14,796,944	\$ 10,353,590	\$ 49,794,483

There is provincial and municipal legislation which restricts how these funds may be used. Cash needed to fund these obligatory reserve funds is \$49,794,483 (2023 - \$45,351,129). Actual cash and portfolio investments on hand was \$129,480,013 (2023 - \$113,566,578).

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

6. Asset retirement obligations:

The Town has recorded asset retirement obligations ("ARO") as of December 31, 2024. The Town determined that its cost of borrowing is the most appropriate discount rate, which has been calculated as 4.17%. The buildings and sewer pipes with an associated asset retirement obligation due to asbestos materials were discounted using this rate.

A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

Balance, December 31, 2022	\$ 515,280
Accretion expense	21,487
Balance, December 31, 2023	536,767
Accretion expense	22,383
Balance, December 31, 2024	\$ 559,150

7. Employee benefits payable:

The Town provides certain employee benefits which will require funding in future periods.

Employee benefits payable:

	2024	2023
Retirement health care benefits	\$ 855,992	\$ 747,712
WSIB benefits	1,283,619	1,214,384
Accrued salary, benefits and severance payable	2,714,486	2,192,628
Accrued vacation and overtime payable	595,396	585,764
	\$ 5,449,493	\$ 4,740,488

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

7. Employee benefits payable (continued):

	2024	2023
Retirement health care benefits:		
Accrued benefit obligation - opening balance	\$ 840,823	\$ 765,974
Add current period benefit expense	65,467	61,127
	906,290	827,101
Interest accrued	43,010	39,190
Benefit payments	(26,711)	(25,468)
Accrued benefit obligation - closing balance	922,589	840,823
Unamortized actuarial loss	(66,597)	(93,111)
Post-retirement benefits - liability	\$ 855,992	\$ 747,712
	2024	2023
Current year benefit cost	\$ 65,467	\$ 61,127
Interest accrued on benefit obligation	43,010	39,190
Benefit expense	\$ 108,477	\$ 100,317

The amortization of actuarial gains and losses for the year was \$26,514 (2023 - \$26,514).

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

7. Employee benefits payable (continued):

Workplace Safety and Insurance Board:

	2024	2023
WSIB obligation - opening balance	\$ 853,649	\$ 1,459,546
Current period benefit expense	130,897	209,989
Interest accrued	38,893	40,846
Expected benefit payments	(109,638)	(158,482)
WSIB obligation, closing balance	913,801	1,551,899
Unamortized actuarial gain (loss)	369,818	(337,515)
WSIB benefits, accrued obligation	\$ 1,283,619	\$ 1,214,384
Current year benefit cost	\$ 130,897	\$ 209,989
Amortization of gains	9,083	67,271
Interest	38,893	40,846
Benefit expense	\$ 178,873	\$ 318,106

Post retirement benefits:

(a) Retirement health care benefits:

The Town provides health care benefits to certain employee groups after retirement until the members reach 65 years of age. This was amended in 2022 to include additional benefits for certain employee groups. The benefit costs and liabilities related to this plan are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as of December 31, 2022.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

7. Employee benefits payable (continued):

(b) Accrued salary, benefits and severance payable:

In 2021, Council approved By-law 2021-081-EM regarding Councils' retirement allowance, repealing By-law 2002-91-EM and 2003-42-EM. According to the By-law, the amount of retirement allowance payable to all Members of Council is one-month salary per year of continuous service to a maximum payment of 12 months should they not be re-elected. Management estimates future severance, based on service and salary, and reserves are set aside for this purpose.

(c) WSIB benefits:

The Town is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for financing its workplace safety insurance costs. The accrued obligation represents the actuarial valuation for claims to be insured based on the history of claims with Town employees. The benefit costs and liabilities recorded are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was December 31, 2023.

The accrued benefit obligations for the Town's employee future benefit plans as at December 31, 2024 are based on actuarial valuations for account purposes as at December 31, 2023. The actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the actuary's best estimate of expected rates of:

	2024	2023
Inflation	1.75%	1.75%
Wage and salary increase	2.75%	2.75%
Discount on accrued benefit obligations	3.75%	3.75%
Health care costs escalation	3.75% to 6.42%	3.75% to 6.42%
Dental costs escalation	3.75%	3.75%

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

8. Pension agreement:

OMERS provides pension services to more than 600,000 active, deferred, 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 as at December 31, 2024. The results of this valuation disclosed total actuarial liabilities of \$142,489 million in respect of benefits accrued for service with actuarial assets at that date of \$139,576 million indicating an actuarial deficit of \$2,913 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 municipality does not recognize any share of the OMERS pension surplus or deficit. Contributions made and expensed by the Town for OMERS for 2024 were \$3,183,522 (2023 - \$2,765,744).

9. Long-term liabilities:

The balance of the long-term liabilities reported on the consolidated statement of financial position consists of the following:

Debenture held by	Interest rate	Maturity date	2024	2023
Regional Municipality of York	4.89%	March 1, 2035	\$ 6,582,431	\$ 7,052,270
Regional Municipality of York	3.90%	December 1, 2051	4,050,000	4,200,000
Regional Municipality of York	4.45%	July 4, 2036	3,874,086	4,113,829
Regional Municipality of York	3.34%	May 1, 2038	3,347,595	3,541,019
Regional Municipality of York	3.31%	July 16, 2038	2,158,550	2,278,033
Regional Municipality of York	4.45%	July 4, 2036	1,783,310	1,893,667
Regional Municipality of York	4.89%	March 1, 2035	1,021,412	1,094,318
Regional Municipality of York	2.63%	December 1, 2025	331,273	654,002
			\$ 23,148,657	\$ 24,827,138

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

9. Long-term liabilities (continued):

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

2025	\$ 1,740,144
2026	1,464,382
2027	1,522,393
2028	1,583,019
2029	1,387,406
2030 and thereafter	15,451,313
	<hr/>
	\$ 23,148,657

The gross interest expense relating to the above long-term debt was \$1,024,260 (2023 - \$1,095,725). Repayment for all liabilities is semi-annual and consists of principal and interest.

The long-term liabilities reported above, issued in the name of the Town, have been approved by Municipal by-law. The annual principal and interest repayments required to serve these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

The Town has available an operating line of credit of \$4,000,000 to fund its cash flow operations. The interest rate on the loan is at the bank's prime interest rate minus 0.75%. At December 31, 2024, nil (2023 - nil) was drawn on this operating line of credit.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

10. Accumulated surplus:

Accumulated surplus is comprised of the following:

	2024	2023
Surplus:		
Reserves and reserve funds (see below)	\$ 61,841,710	\$ 56,460,410
Invested in tangible capital assets	338,953,888	332,750,222
General - fund	2,240,353	1,253,308
Library & Latcham Art Gallery - fund	11,586	11,587
Business improvement area	2,696	2,696
Less:		
Amount financed by long-term debt	(23,148,657)	(24,827,138)
Remeasurement gain on investments (PPN)	1,986,980	146,300
Interest on long-term debt	(308,464)	(331,052)
Post employment/severance and WSIB obligation	(2,139,611)	(1,962,096)
Accumulated surplus	\$ 379,440,481	\$ 363,504,237
Reserves and reserve funds set aside for specific purposes:		
Financial stability and flexibility reserves	\$ 18,462,729	\$ 19,484,658
Capital reserves	41,822,028	35,434,784
Specific purpose reserves	1,556,953	1,540,968
Total reserves and reserve funds	\$ 61,841,710	\$ 56,460,410

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

11. Tangible capital assets:

	Balance, December 31, 2023	Additions	Disposals/ transfers	Balance, December 31, 2024
Cost				
Land	\$ 56,510,041	\$ –	\$ (1,745,374)	\$ 54,764,667
Land improvements	27,262,151	1,747,292	–	29,009,443
Facilities	104,137,165	7,785,175	(1,291,242)	110,631,098
Vehicles	12,925,751	1,375,403	(119,246)	14,181,908
Machinery and equipment	15,123,573	2,501,328	(703,104)	16,921,797
Transportation infrastructure	147,601,557	6,640,322	(52,695)	154,189,184
Environmental infrastructure	131,388,179	8,380,792	(132,981)	139,635,990
	494,948,417	28,430,312	(4,044,642)	519,334,087
Assets under construction	18,888,614	6,656,203	(12,698,039)	12,846,778
	\$ 513,837,031	\$ 35,086,515	\$ (16,742,681)	\$ 532,180,865
Accumulated amortization				
Land improvements	\$ 13,477,816	\$ 1,075,520	\$ –	\$ 14,553,336
Facilities	52,877,338	3,724,410	(935,998)	55,665,750
Vehicles	6,242,914	897,697	(111,410)	7,029,201
Machinery and equipment	8,158,966	1,305,356	(694,255)	8,770,067
Transportation infrastructure	71,088,806	4,748,124	(52,695)	75,784,235
Environmental infrastructure	29,240,969	2,297,318	(113,899)	31,424,388
	\$ 181,086,809	\$ 14,048,425	\$ (1,908,257)	\$ 193,226,977
				Balance, December 31, 2024
Net book value				
Land				\$ 54,764,667
Land improvements				14,456,107
Facilities				54,965,348
Vehicles				7,152,707
Machinery and equipment				8,151,730
Transportation infrastructure				78,404,949
Environmental infrastructure				108,211,602
				326,107,110
Assets under construction				12,846,778
				\$ 338,953,888

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

11. Tangible capital assets (continued):

	Balance, December 31, 2022	Additions	Disposals/ transfers	Balance, December 31, 2023
Cost				
Land	\$ 50,928,639	\$ 5,581,402	\$ —	\$ 56,510,041
Land improvements	26,800,727	461,424	—	27,262,151
Facilities	103,844,745	313,645	(21,225)	104,137,165
Vehicles	11,755,218	2,118,236	(947,703)	12,925,751
Machinery and equipment	14,245,904	1,904,533	(1,026,864)	15,123,573
Transportation infrastructure	145,896,748	1,749,807	(44,998)	147,601,557
Environmental infrastructure	128,537,244	2,873,555	(22,620)	131,388,179
	482,009,225	15,002,602	(2,063,410)	494,948,417
Assets under construction	8,298,521	11,978,206	(1,388,113)	18,888,614
	\$ 490,307,746	\$ 26,980,808	\$ (3,451,523)	\$ 513,837,031
Accumulated amortization				
Land improvements	\$ 12,423,704	\$ 1,054,112	\$ —	\$ 13,477,816
Facilities	49,170,207	3,714,432	(7,301)	52,877,338
Vehicles	6,436,024	752,123	(945,233)	6,242,914
Machinery and equipment	7,844,189	1,341,641	(1,026,864)	8,158,966
Transportation infrastructure	66,538,657	4,595,147	(44,998)	71,088,806
Environmental infrastructure	27,014,201	2,246,994	(20,226)	29,240,969
	\$ 169,426,982	\$ 13,704,449	\$ (2,044,622)	\$ 181,086,809
Net book value				
Land				\$ 56,510,041
Land improvements				13,784,335
Facilities				51,259,827
Vehicles				6,682,837
Machinery and equipment				6,964,607
Transportation infrastructure				76,512,751
Environmental infrastructure				102,147,210
				313,861,608
Assets under construction				18,888,614
				\$ 332,750,222

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

11. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction and other capital work in progress having a value of \$12,846,778 (2023 - \$18,888,614) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$8,536,714 (2023 - \$3,981,859).

12. Property taxation:

	2024	2023
Municipal, regional and school property taxes	\$ 137,482,386	\$ 123,557,056
Payments in lieu of property taxes and business taxes	747,190	724,099
Balance, end of year	138,229,576	124,281,155
Payments to Province of Ontario - school tax	(33,257,043)	(29,729,594)
Payments to Region of York - regional tax	(58,756,165)	(51,487,581)
Net property taxes and payments in lieu available for municipal purposes	\$ 46,216,368	\$ 43,063,980

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

13. Public liability insurance:

The Town has undertaken a portion of the risk for public liability, as a means of achieving cost effective risk management. As a result, the Town is self-insured for public liability claims up to \$10,000 for any individual claim or for any number of claims arising out of a single occurrence. Outside insurance coverage is in place for claims in excess of \$10,000 to a maximum of \$5,000,000 per claim occurrence.

Claim expenses for the year in the amount of \$11,958 (2023 - \$19,839) are reported as expenses in the consolidated statement of operations and accumulated surplus.

14. Commitments and contingencies:

In the ordinary course of business, various claims and lawsuits are brought against the Town. After reviewing the merits of these actions and claims with counsel and insurers, it is management's opinion that any uninsured liability arising from these claims cannot be reasonably estimated. Accordingly, no provision has been made in the accounts for these claims. Any liability as a result of these claims will be recognized at the time the amount is known or can be reasonably estimated.

The Town has commitments based on agreements that are renewed on an annual basis and as such the remaining amounts committed as at year-end are not significant.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

15. Budget:

The budget adopted on November 29, 2023 by the Town for 2024 was not prepared on a basis consistent with that used to report actual results (Canadian Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Canadian public sector accounting standards now require a full accrual basis. The budget figures anticipated the use of surpluses accumulated in previous years to offset current year expenditures in excess of current year revenue such that the net budget was nil. In addition, there were no transactions related to tangible capital assets expensed within the budget, including amortization, with the exception of operating contributions to reserves required to fund the capital budget. As a result, the budget figures presented in the consolidated statements of operations and accumulated surplus and changes in net financial assets represent the budget adopted by the Town for 2024 with adjustments as follows:

	2024	2023
Budgeted surplus for the year, as approved	\$ —	\$ —
Add:		
Principal repayments	1,678,480	1,905,490
Budgeted transfers to reserves	18,656,480	17,388,700
Less:		
Budgeted transfers from reserves	(2,286,220)	(2,557,278)
Amortization	(14,048,425)	(13,704,449)
Budgeted surplus for the year, per consolidated statement of operations and accumulated surplus	\$ 4,000,315	\$ 3,032,463

16. Asset held for sale:

In the course of the fiscal year, the Council declared specific municipal assets as surplus and authorized their sale. As of year-end, these assets are recognized as held for sale and are reported as financial assets on the consolidated statement of financial position.

17. Trust funds:

The trust funds administered by the Town amounting to \$1,295,757 (2023 - \$1,249,996) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated surplus.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

18. Segmented information:

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

Town services are provided by departments and their activities are reported. The following departments have been separately disclosed in the segmented information. The nature of the segment and the activities they encompass are as follows:

(a) General government:

General government encompasses the administrative departments and activities, including Council, office of the Chief Administrative Officer, Clerk's office, By-law and Treasury. The cemetery is included in this segment as well.

(b) Protection to persons and property:

Protection is comprised of 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 services.

(c) Transportation services:

The Public Works department is responsible for maintaining the Town's infrastructure. This includes the safety and maintenance of the Town's paved roads, sidewalks, streetlights, trees, traffic control devices, waste/recycling collection and the school crossing guard program.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

18. Segmented information (continued):

(d) Environment services:

This segment consists of water and wastewater services. Its responsibilities include the provision of drinking water and the collection and treatment of wastewater. Credit balances represent reclassifications from expenses to tangible capital assets.

(e) Recreation services:

The Recreation department is responsible for the planning, administration, operation and maintenance of municipal parks and facilities. Recreation and leisure services are provided through fitness and aquatic programs as well as parks, playgrounds, open spaces and trail systems.

(f) Planning and development:

The Planning and Building Services department administers and oversees key aspects of the land use and development approval process in the Town.

(g) Cultural services:

This segment supports arts and culture and promotes and preserves the community's heritage through museum services.

(h) Library:

The Library serves the members of the public in their leisure, informational, cultural and visual arts quests.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

18. Segmented information (continued):

(i) Latcham:

The Latcham Art Centre advances education by offering a broad range of art education classes and courses and operating a public art gallery for the general public.

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. Taxation revenue is allocated to the general government as there is no appropriate basis of allocation to other segments.

Other funds column represents elimination of inter company taxation transaction.

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.

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

18. Segmented information (continued):

	All segments		General government		Protection		Transportation		Environment	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue:										
Taxation	\$ 45,858,799	\$ 42,712,684	\$ 45,858,799	\$ 42,712,684	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Taxation from other governments	357,569	351,296	282,023	277,931	—	—	—	—	—	—
User fees, licences and fines	34,352,841	31,955,999	3,008,310	2,038,286	861,969	760,466	682,424	686,270	20,520,914	19,374,688
Government grants	2,878,374	7,608,172	(287,052)	2,681,144	—	—	2,697,594	771,549	—	23,565
Investment income	4,976,083	3,017,711	4,899,843	2,948,361	—	—	—	—	—	—
Penalties and interest on taxes	2,495,562	2,504,854	2,495,562	2,504,854	—	—	—	—	—	—
Developer contributions	6,736,093	4,432,662	4,838,950	2,313,791	74,501	74,582	356,561	576,899	—	—
Contributed tangible capital assets	8,536,714	3,981,859	—	—	—	—	5,482,285	1,441,644	2,912,718	2,535,823
Donations and other	1,570,799	792,706	731,848	62,545	1,640	19,803	3,492	18,831	125,636	126,557
	107,762,834	97,357,943	61,828,283	55,539,596	938,110	854,851	9,222,356	3,495,193	23,559,268	22,060,633
Expenses:										
Salaries and wages	42,104,847	38,024,253	10,447,185	9,650,437	9,328,640	8,199,710	2,876,778	3,045,816	2,058,662	1,817,103
Materials, supplies and services	16,692,713	15,179,984	3,166,138	2,462,563	793,848	890,878	2,904,437	3,095,124	2,192,890	1,727,720
Contracted services	5,057,254	4,855,454	599,552	518,047	266,786	322,176	3,480,255	3,507,271	233,646	127,572
Rent and financial expenses	1,904,773	1,101,685	711,650	255,676	56,926	(32,574)	153,404	155,864	(49,479)	(297,331)
Transfers to (from) other entities	13,836,875	12,160,100	(6,120)	(6,120)	(1,400)	(1,400)	(4,000)	(4,000)	13,881,925	12,205,150
Amortization	14,070,808	13,725,936	889,046	1,007,513	713,673	668,886	5,436,377	5,237,685	2,384,072	2,322,365
	93,667,270	85,047,412	15,807,451	13,888,116	11,158,473	10,047,676	14,847,251	15,037,760	20,701,716	17,902,579
Net surplus (deficit)	\$ 14,095,564	\$ 12,310,531	\$ 46,020,832	\$ 41,651,480	\$ (10,220,363)	\$ (9,192,825)	\$ (5,624,895)	\$ (11,542,567)	\$ 2,857,552	\$ 4,158,054

THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

18. Segmented information (continued):

	Recreation		Planning		Culture		Library		Latham		Other funds	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue:												
Taxation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,595,780	\$ 2,393,730	\$ 485,280	\$ 401,490	\$ (3,081,060)	\$ (2,795,220)
Taxation from other governments	—	—	75,546	73,365	—	—	—	—	—	—	—	—
User fees, licences and fines	5,472,130	4,780,617	3,275,938	3,853,034	343,117	275,387	94,594	94,814	93,445	92,437	—	—
Government grants	259,456	3,902,658	4,002	26,661	103,022	81,540	95,726	100,392	5,626	20,663	—	—
Investment income	—	—	—	—	8,261	8,171	67,979	61,179	—	—	—	—
Penalties and interest on taxes	—	—	—	—	—	—	—	—	—	—	—	—
Developer contributions	1,248,772	1,259,686	—	—	—	—	217,309	207,704	—	—	—	—
Contributed tangible capital assets	141,711	4,392	—	—	—	—	—	—	—	—	—	—
Donations and other	71,185	29,014	198,030	214,800	371,612	257,361	31,168	39,483	36,188	24,312	—	—
	7,193,254	9,976,367	3,553,516	4,167,860	826,012	622,459	3,102,556	2,897,302	620,539	538,902	(3,081,060)	(2,795,220)
Expenses:												
Salaries and wages	8,934,159	7,737,282	4,576,105	4,107,025	1,471,701	1,292,555	1,929,916	1,785,429	481,701	388,896	—	—
Materials, supplies and services	5,263,838	4,536,344	1,051,290	1,245,243	689,419	705,621	540,619	441,798	90,234	74,693	—	—
Contracted services	14,225	30,165	19,819	8,577	113,004	124,424	270,611	202,822	59,356	14,400	—	—
Rent and financial expenses	1,017,108	1,004,998	—	—	1,834	1,819	8,964	9,158	4,366	4,075	—	—
Transfers to (from) other entities	3,047,530	2,761,690	—	—	—	—	—	—	—	—	(3,081,060)	(2,795,220)
Amortization	4,307,358	4,151,557	9,276	13,366	—	—	328,101	321,989	2,905	2,575	—	—
	22,584,218	20,222,036	5,656,490	5,374,211	2,275,958	2,124,419	3,078,211	2,761,196	638,562	484,639	(3,081,060)	(2,795,220)
Net surplus (deficit)	\$ (15,390,964)	\$ (10,245,669)	\$ (2,102,974)	\$ (1,206,351)	\$ (1,449,946)	\$ (1,501,960)	\$ 24,345	\$ 136,106	\$ (18,023)	\$ 54,263	\$ —	\$ —