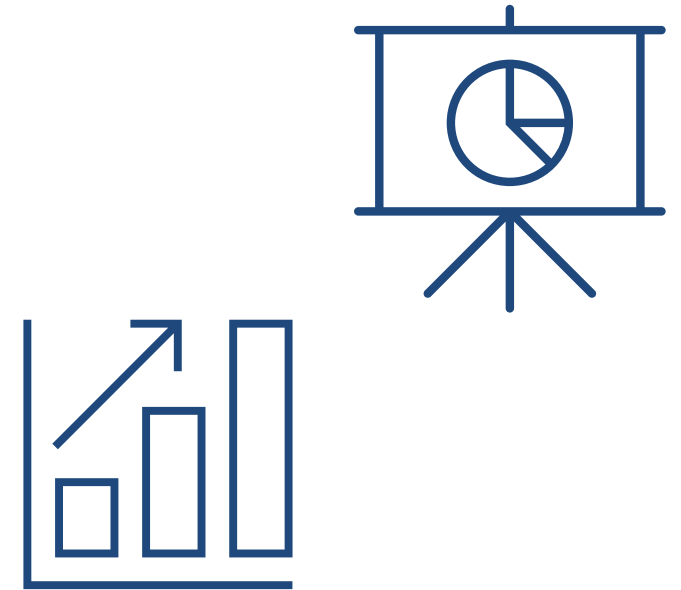


2023 Audited Financial Statements

PRESENTED BY: JEREMY HARNESS
COMMISSIONER OF FINANCE AND
TREASURER

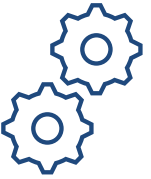


Objectives



- **Audited Financial Statements**
Overview and connections
- **Change in Accounting Policies**
2023 New PSAS Standards
- **Key Drivers**
Net Financial Assets, Annual Surplus. Cash Flows
- **Financial Health**
Results, Capital Assets, Reserves
- **Reserve Outlook**
Connecting Historical Results with Future Planning
- **Questions**

Audited Financial Statements & Connections



Statement of Financial Position (millions)		2023	2022
Financial Assets	Cash and cash equivalents	\$ 11.638	\$ 37.606
	All other financial assets	133.656	110.068
		145.294	147.674
Liabilities		115.251	118.006
Net Financial Assets		30.043	29.668
Non-financial Assets	Inventory and prepaid	0.711	0.499
	Tangible capital assets	332.750	320.881
		333.461	321.380
Accumulated surplus		\$363.504	\$351.048

Statement of Cash Flow (millions)	2023	2022
Operating transactions	\$ 15.002	\$ 25.761
Capital transactions	(21.370)	(10.332)
Investing transactions	(17.694)	(10.268)
Financing transactions	(1.905)	(1.840)
Increase in cash & cash equivalents	(25.967)	3.321
Cash and cash equivalents, beginning of year	37.606	34.285
Cash and cash equivalents, end of year	\$ 11.638	\$ 37.606

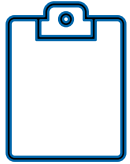
Statement of Net Financial Assets (millions)	2023	2022
Annual surplus	\$ 12.311	\$ 7.873
Change in TCA	(11.848)	0.931
Change in other non-financial assets	(0.213)	(0.135)
Increase in net financial assets	0.250	8.669
Net assets, beginning of year	29.668	21.514
Remeasurement gain on investments (PPN)	0.146	-
PSAS Adjustment - ARO Liability	(0.022)	(0.515)
Net financial assets, end of year	\$ 30.043	\$ 29.668

Statement of Operations (millions)	2023	2022
Revenues	\$ 97.358	\$ 90.409
Expenses	85.047	82.536
Annual surplus	12.311	7.873
Accumulated surplus, beginning of year	351.048	343.631
Remeasurement gain on investments (PPN)	0.146	-
Accumulated surplus PSAS adjustments	-	(0.457)
Accumulated surplus, end of year	\$ 363.504	\$351.048

Statement of Remeasurement Gains and Losses (millions)	2023	2022
Accumulated remeasurement gains, beg of year	\$ -	\$ -
Unrealized gains (losses) attributable to investments	0.146	-
Accumulated remeasurement gains, beg of year	\$ 0.146	\$ -

Statements describing the change in financial position

New statement for the Town in 2023 due to new accounting standard



Change in Accounting Policies

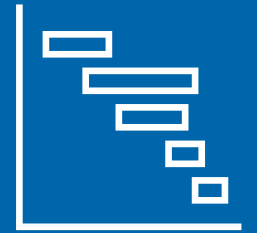
PS 3450 *Financial Instruments*

- Statement of Remeasurement
- Tracks unrealized gains/losses for principal protected notes (PPNs)

PS 3280 *Asset retirement obligations*

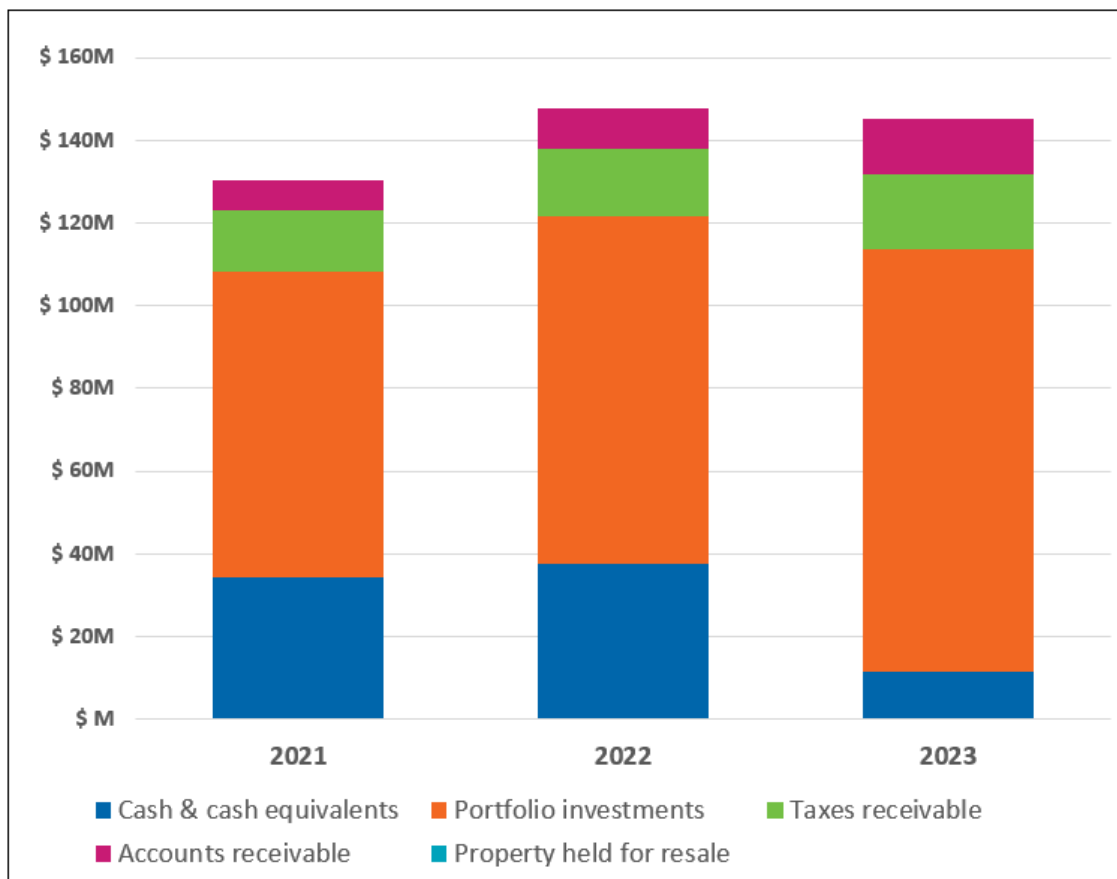
- Liability for TCAs with legal obligations at end of life
- Prior year restatement to reflect opening balances

2022	As previously reported	Adjustments	As restated
Consolidated Statement of Financial Position			
Asset retirement obligations	-	515,280	515,280
Tangible capital assets	30,845,425	35,340	30,880,765
Accumulated surplus	351,527,346	(479,940)	351,047,406
Consolidated Statement of Operations and Accumulated Surplus			
Amortization of TCA - ARO and accretion expense (included in Environmental services)	17,250,947	8,681	17,259,628
Amortization of TCA - ARO and accretion expense (included in Recreational and cultural services)	21,339,968	14,529	21,354,497
Annual surplus	7,896,247	(23,210)	7,873,037
Consolidated Statement of Changes in Net Assets			
Annual surplus	7,896,247	(23,210)	7,873,037
Amortization of TCA - ARO	13,692,843	2,583	13,695,426
Accretion expense	-	20,627	20,627
Consolidated Statement of Cash Flows			
Annual surplus	7,896,247	(23,210)	7,873,037
Amortization of TCA - ARO	13,692,843	2,583	13,695,426
Accretion expense	-	20,627	20,627



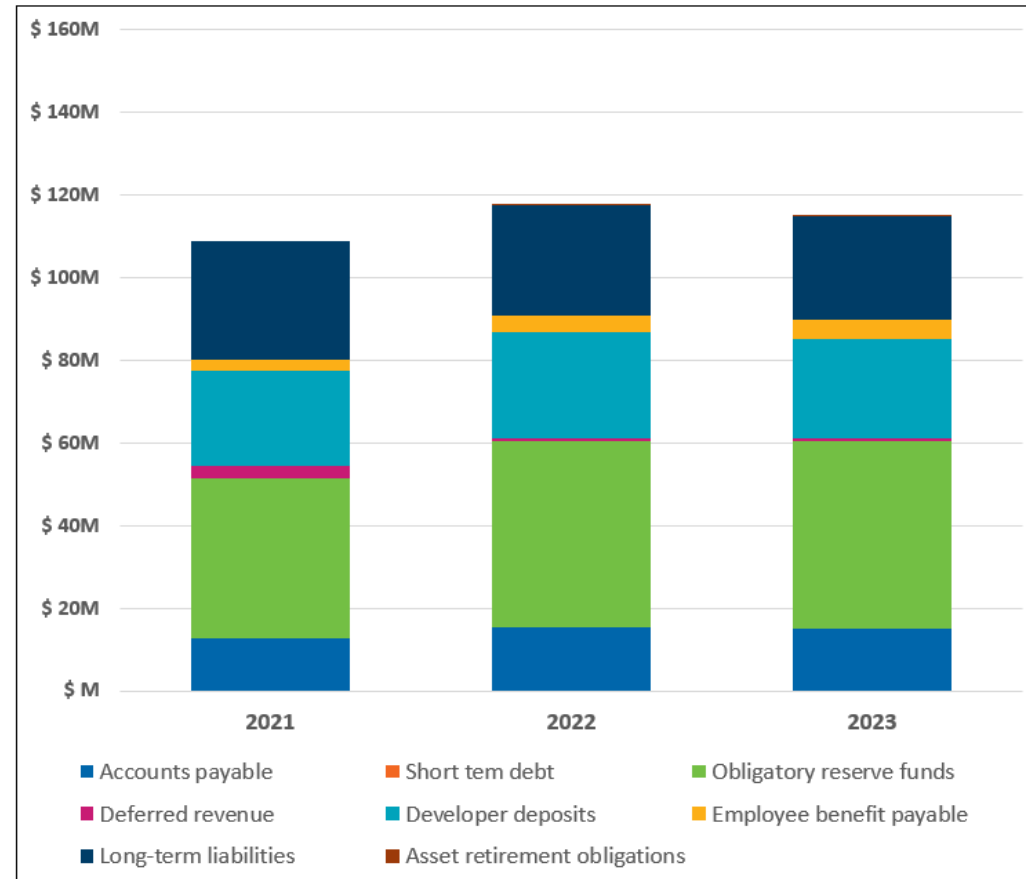
Key Drivers: Net Financial Assets

Financial Assets



Investment of cash into portfolio investments
Increase in A/R for skating trail grant

Financial Liabilities



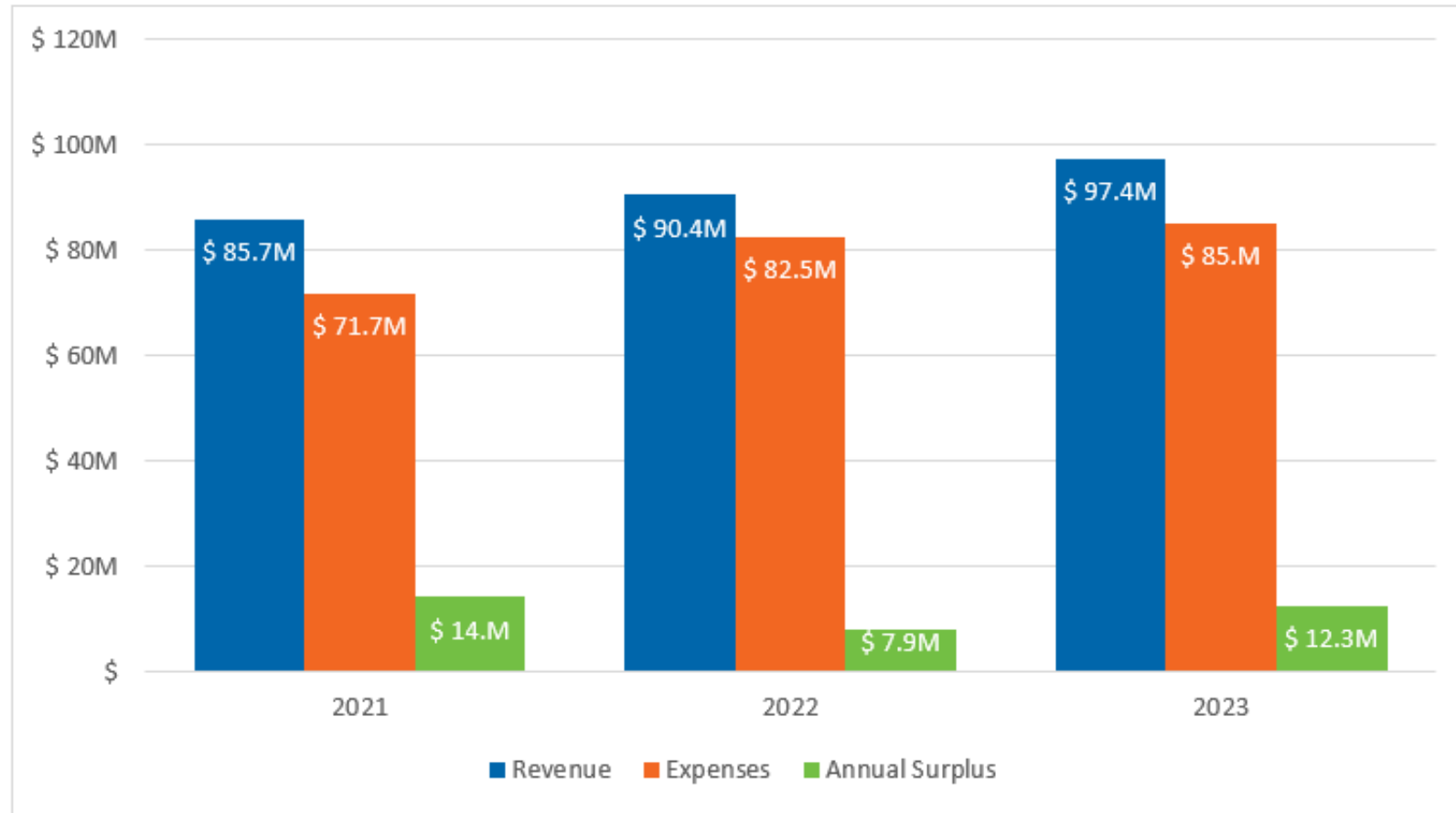
Repayment of debentures
Developer deposits decrease as inspections completed and securities released

OVERALL: Stable, little change year over year

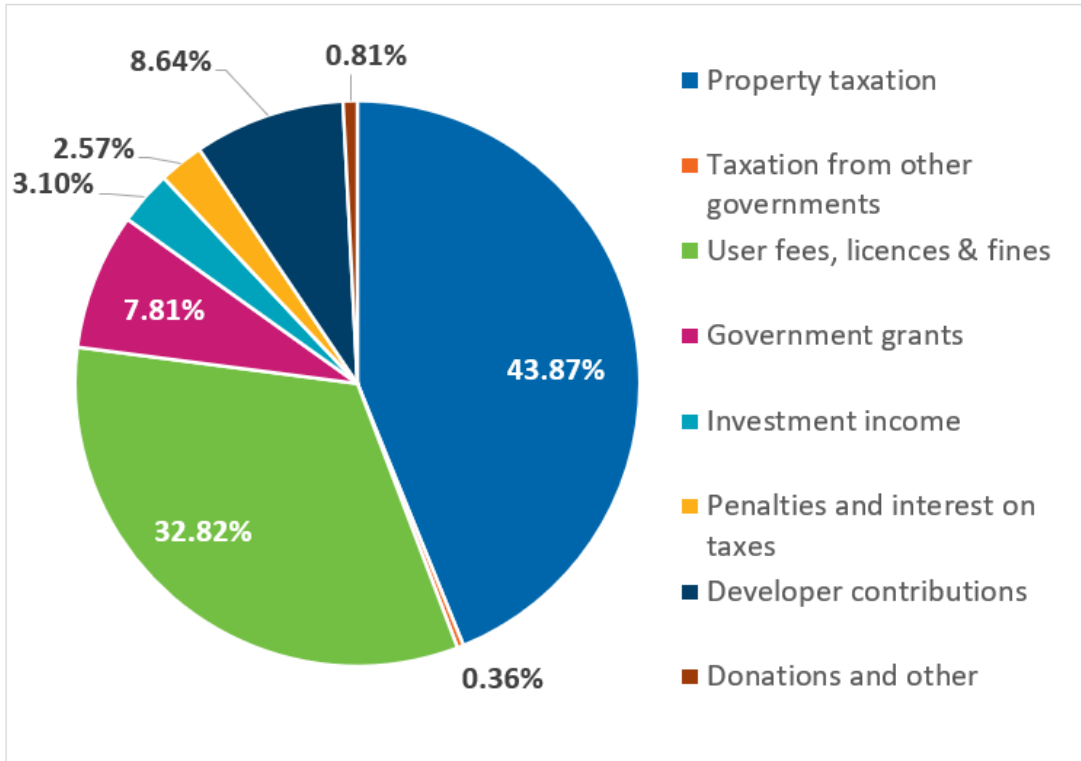


Key Drivers: Annual Surplus

Annual Surplus



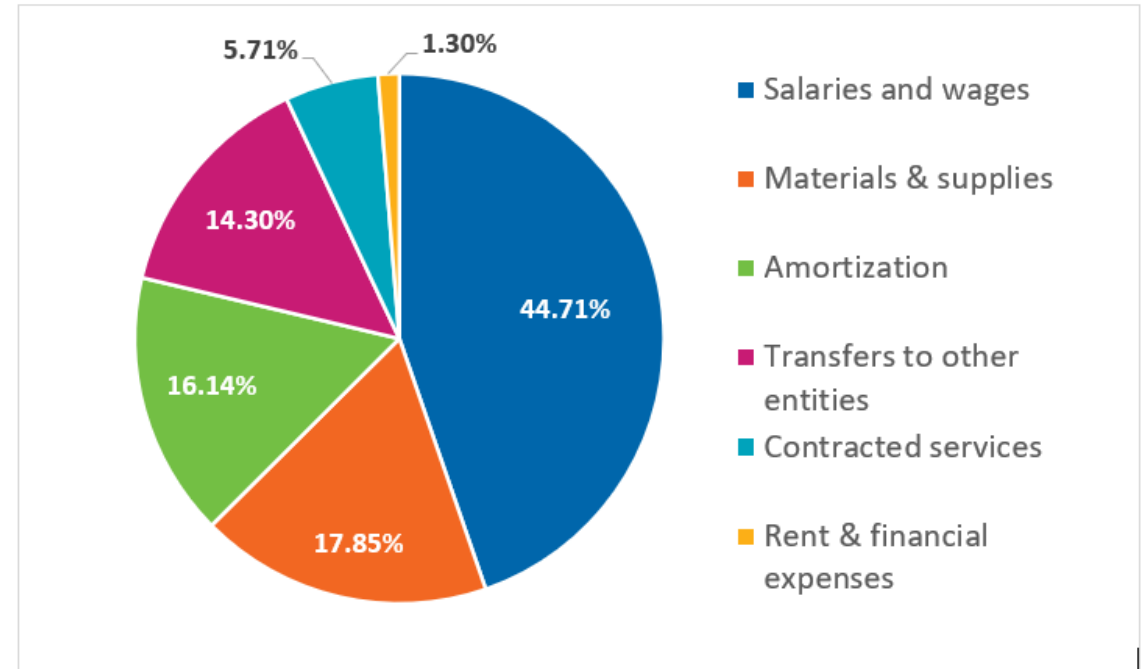
Revenues



Property taxation – increase due to tax levy increase

Government grants – increase due to Memorial Park Skating Trail grant

Expenses



Salaries and benefits – increase due to annualization, step increases, approved FTE positions, COLA, vacation/lieu accruals

OVERALL: Annual Surplus of \$12.3M, increase \$4.4M from 2022



Key Drivers: Cash Flows

Net Increase (Decrease) in Cash

	2023 Actual	2022 Actual	Difference
Balance, beginning of year	\$ 37,605,639	\$ 34,285,346	\$ 3,320,293
Net Increase (Decrease)	(25,967,253)	3,320,293	(29,287,546)
Balance, end of year	\$ 11,638,386	\$ 37,605,639	\$ (25,967,253)

Significant contributing factors to the decrease:

Capital activities:

Purchase of tangible capital assets	(21,610,836)
Proceeds on sale of tangible capital assets	241,032
	<hr/>
	(21,369,804)

Investing activities:

Purchase of portfolio investments	(17,840,717)
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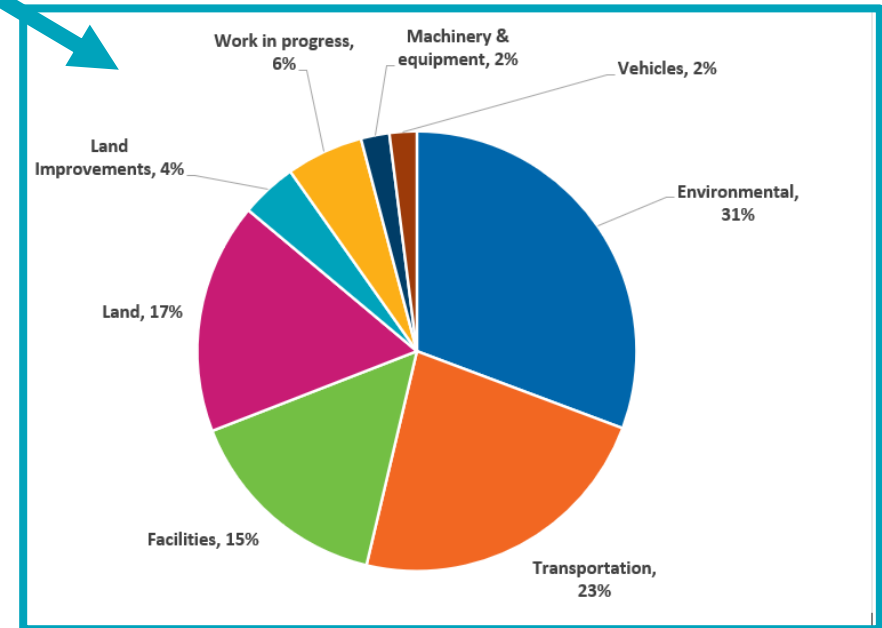
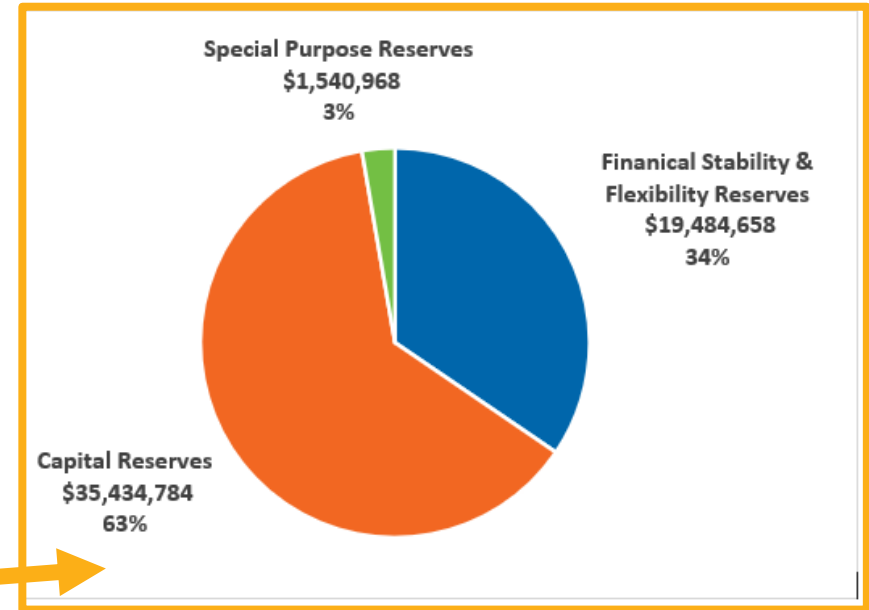


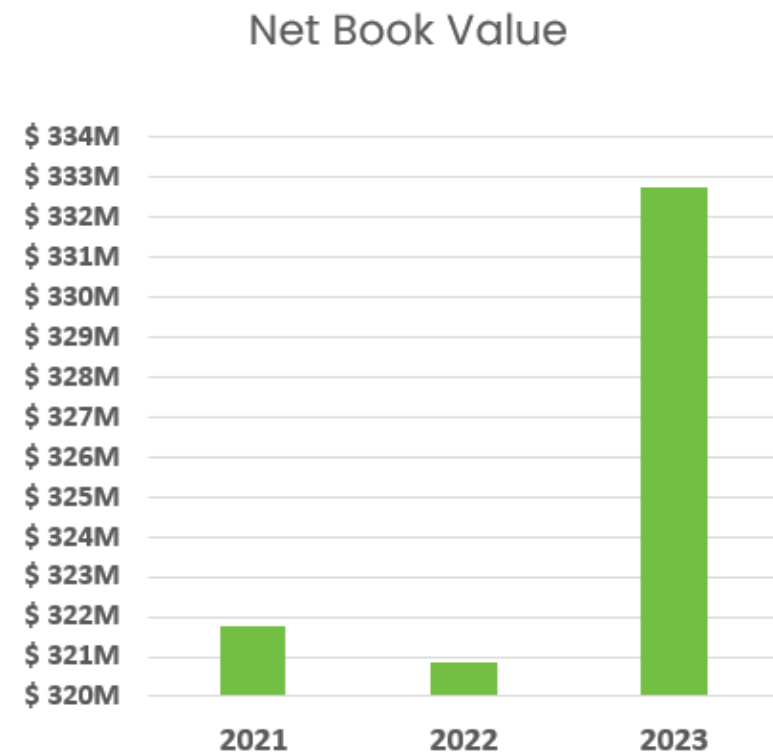
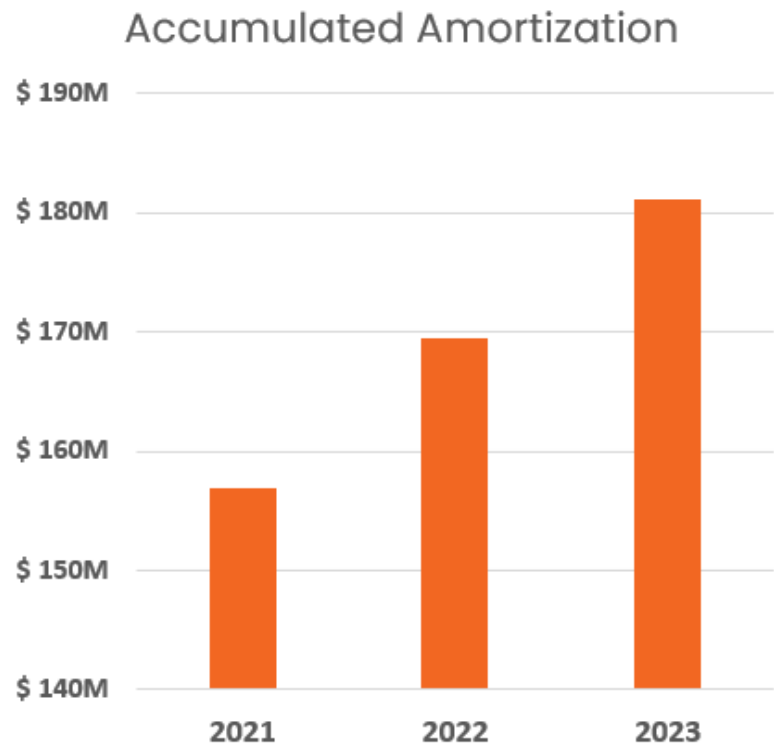
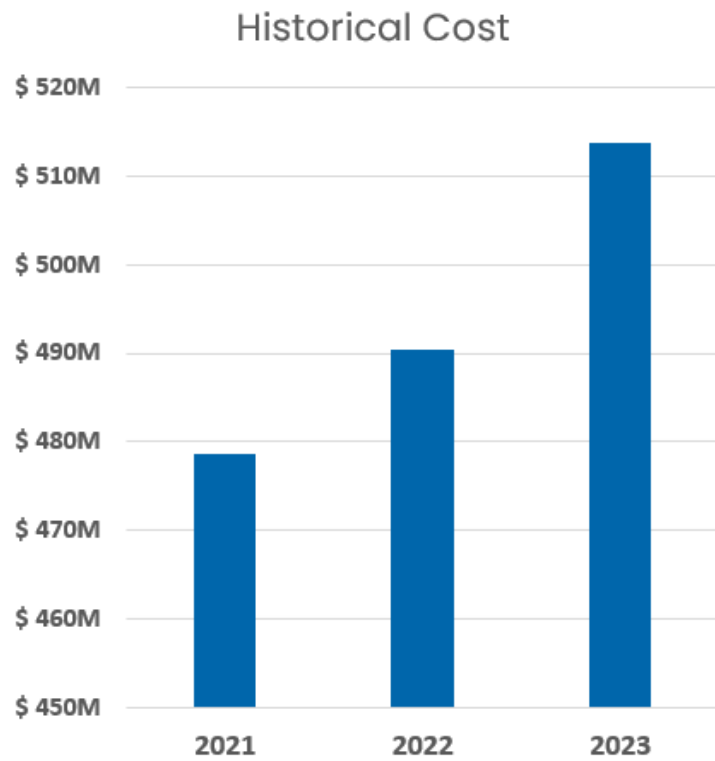
Results:

Accumulated
Surplus

Accumulated Surplus

Accumulated Surplus is comprised of the following:		2023
Reserves		56,460,410
Invested in Tangible Capital Assets		332,750,222
General - Fund		1,253,308
Library & Latcham Art Gallery - Fund		11,587
Business Improvement Area		2,696
Less: Amount financed by long-term debt		(24,827,138)
Add: Remeasurement gain on investments (PPN)		146,300
Less: Interest on long-term debt		(331,052)
Less: Post employment/severance and WSIB obligation		(1,962,096)
Accumulated surplus	\$	363,504,237





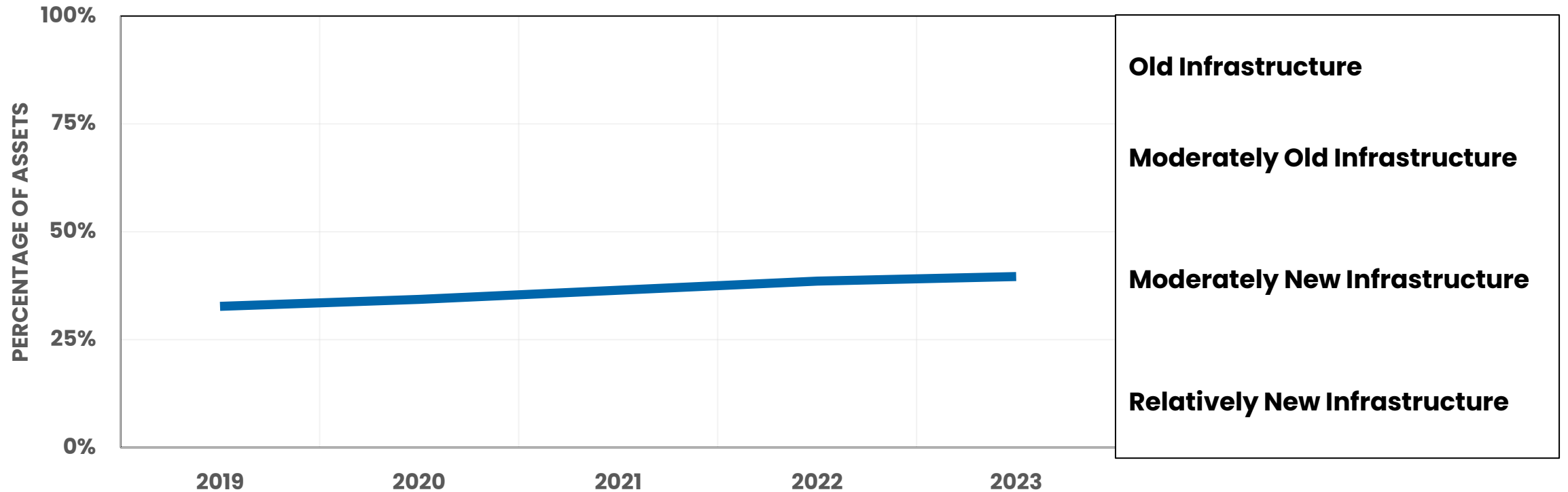
Tangible Capital Assets

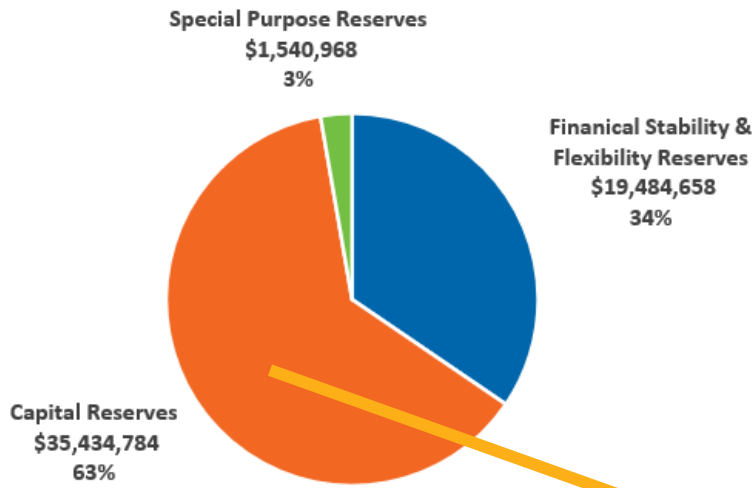




Tangible Capital Assets

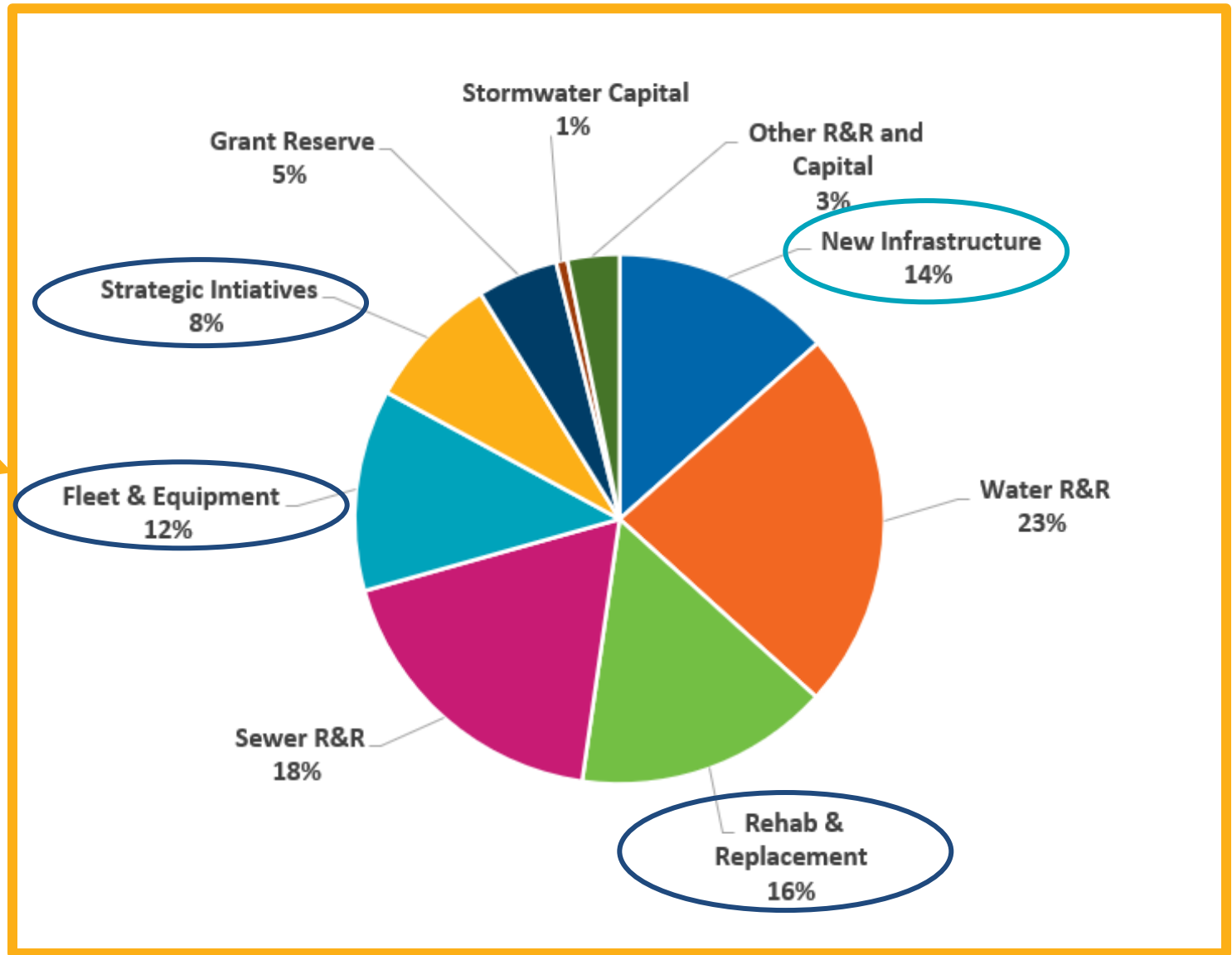
Indicator	Target	2023	2022	2021	Trend
Asset Consumption Ratio	<50%	36.90%	35.20%	33.20%	Declining





Total reserves declined slightly year over year overall (\$914K)

Capital Reserves



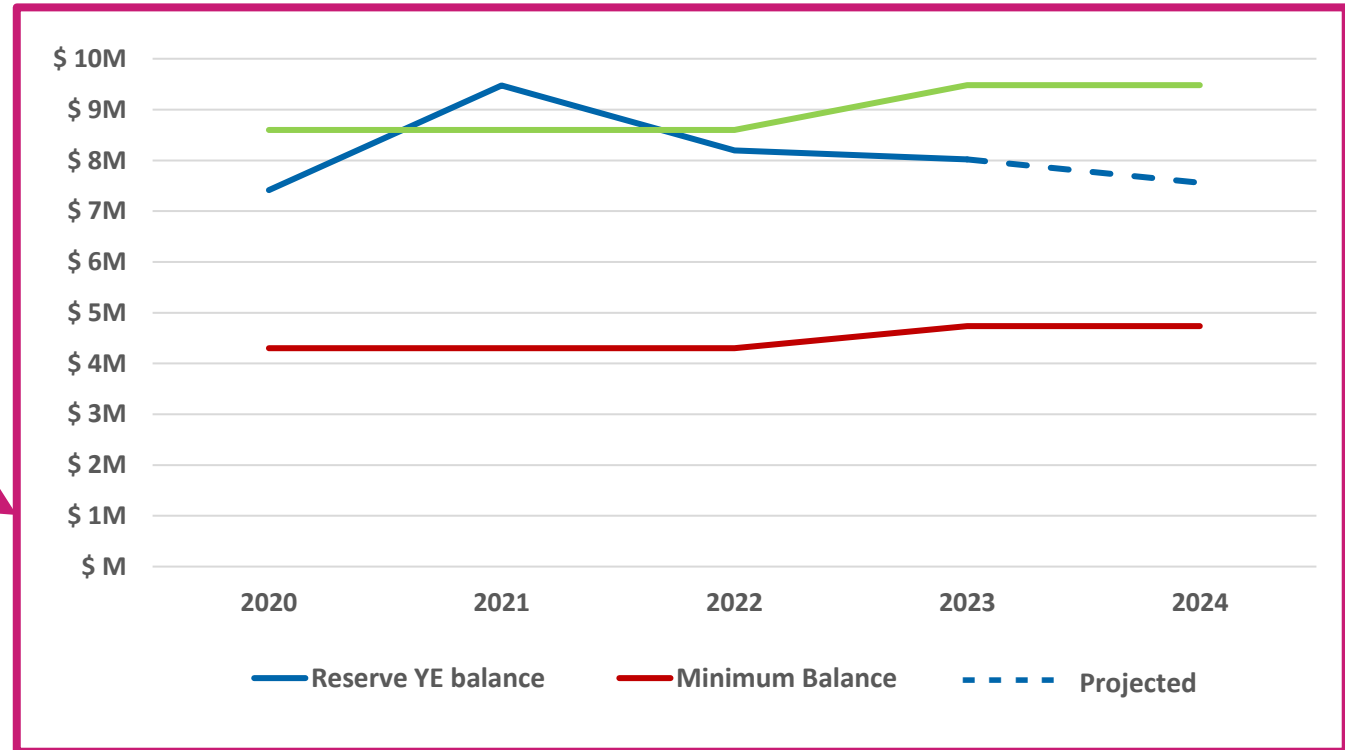
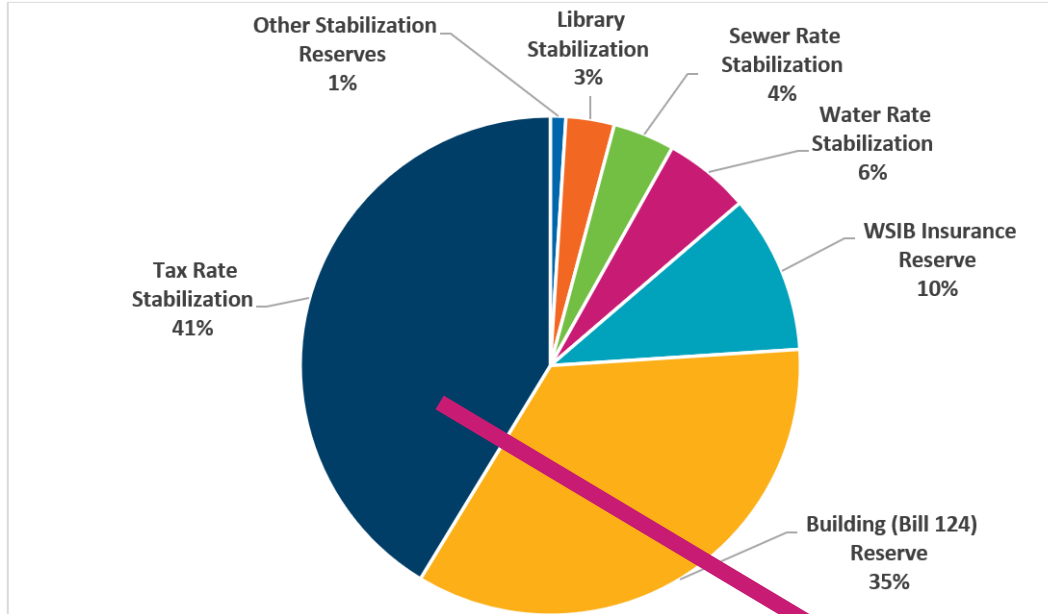


Capital Reserves – Future Outlook

	Rehab & Replacement	Fleet & Equipment	Strategic Initiatives
2023 Ending Reserve Balance	5,458,425	4,319,168	\$ 2,900,907
2024 Activity			
Add: Deposits	3,265,590	2,339,110	1,335,890
Less: Carryforward Project Funding	(2,456,683)	(3,355,749)	(870,616)
Less: 2024 Approved Project Funding	(3,059,000)	(1,853,079)	(1,211,000)
2024 Estimated Ending Reserve Balance	3,208,332	1,449,451	2,155,181
Minimum Balance	\$ 5,391,150	\$ 2,173,200	\$ 1,777,640

(1) 5-year average capital requirement included in the 10-year Capital Plan

Stabilization Reserves



SUMMARY

2023 Results



Financial Statements

- Steady and consistent results overall compared to 2022

Key Drivers

- Favourable interest rates on growing investment portfolio
- Increase in property taxation revenue (approved 2023 tax levy increase)
- Significant grant earned for Memorial Park Skating Trail
- Repayment of long-term debt
- Minimal increase in expenses, mainly in salaries

Reserves

- Continued emphasis to be placed on sustainability and stability – particularly for stabilization and capital reserves



Questions