

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

THE CORPORATION OF THE TOWNSHIP OF KING

For the year ended December 31, 2020

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Independent Auditor's Report

To the Mayor and Councillors of The Corporation of the Township of King

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of King (the Township), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations and accumulated surplus, cash flows and change in net assets (debt) for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Township as at December 31, 2020, and its consolidated results of operations, its consolidated change in net assets (debt), 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 report. We are independent of the Township 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements, management is responsible for assessing the Township'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 Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these 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 consolidated 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 Township'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 Township'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 consolidated 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 Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
June 9, 2021

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| As at December 31 | 2020 | 2019 |
|--|--------------------|--------------------|
| Financial Assets | | |
| Cash (Note 2) | 50,069,438 | 49,423,426 |
| Taxes receivable (Note 3) | 10,234,774 | 10,447,877 |
| Trade and other receivables (Note 4) | 5,458,692 | 4,433,329 |
| User charges and sewer receivable (Note 5) | 9,084,554 | 8,441,140 |
| | 74,847,458 | 72,745,772 |
| Financial Liabilities | | |
| Accounts payable and accrued liabilities | 15,763,955 | 13,901,654 |
| Developer and other deposits | 8,002,698 | 6,210,582 |
| Deferred revenue (Note 6) | 14,287,935 | 20,132,333 |
| Employee future benefits and other liabilities (Note 7) | 3,091,684 | 2,844,699 |
| Solid waste landfill closure and post closure liability (Note 8) | 1,030,796 | 1,285,936 |
| Long-term debt (Note 9) | 19,960,251 | 22,587,033 |
| | 62,137,319 | 66,962,237 |
| Net Financial Assets | 12,710,139 | 5,783,535 |
| Non-Financial Assets | | |
| Tangible capital assets - net (Note 10) | 278,121,416 | 265,543,652 |
| Inventory held for own use | 113,823 | 153,949 |
| Prepaid expenses | 103,457 | 162,533 |
| | 278,338,696 | 265,860,134 |
| Total Net Assets | 291,048,835 | 271,643,669 |
| Accumulated Surplus - End of Year (Note 11) | 291,048,835 | 271,643,669 |

Commitments (Note 18), Contingencies (Note 19)

Approved by

Mayor

Treasurer

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

| For the year ended December 31 | 2020 Budget (Note 16) | 2020 Actual | 2019 Actual |
|--|-----------------------------|--------------------|--------------------|
| Revenues | | | |
| Taxation (Note 14) | 37,625,624 | 34,345,419 | 33,031,389 |
| User fees | 4,618,260 | 3,307,783 | 6,069,728 |
| Water and wastewater user charges | 9,031,820 | 10,732,111 | 9,183,439 |
| Government grants (Note 17) | 3,339,918 | 4,124,580 | 2,749,899 |
| Contributions from developers | 11,951,761 | 8,648,507 | 19,132,037 |
| Investment income | 759,222 | 737,992 | 1,038,334 |
| Penalties and interest | 1,050,000 | 1,397,017 | 1,540,305 |
| Local area charges | - | 1,808,984 | 919,893 |
| Gain on sale of land and tangible capital assets | 230,000 | 10,564 | 105,588 |
| Other | 9,154,759 | 2,547,368 | 4,139,296 |
| | 77,761,364 | 67,660,325 | 77,909,908 |
| Expenses | | | |
| General government | 9,012,831 | 7,505,777 | 6,701,605 |
| Protection to persons and property | 5,698,252 | 5,825,701 | 6,140,332 |
| Transportation services | 13,353,435 | 11,152,218 | 11,309,693 |
| Environmental services | 10,749,714 | 11,370,519 | 9,281,805 |
| Recreation and cultural services | 15,425,994 | 9,542,113 | 10,901,413 |
| Planning and development | 2,399,371 | 2,858,831 | 2,282,815 |
| | 56,639,597 | 48,255,159 | 46,617,663 |
| Annual Surplus from Operations | 21,121,767 | 19,405,166 | 31,292,245 |
| Accumulated Surplus - Beginning of Year | 271,643,669 | 271,643,669 | 240,351,424 |
| Accumulated Surplus - End of Year (Note 11) | 292,765,436 | 291,048,835 | 271,643,669 |

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

| For the year ended December 31 | 2020 Budget (Note 16) | 2020 Actual | 2019 Actual |
|---|-----------------------------|-------------------|--------------------|
| Annual Surplus from Operations | 21,121,767 | 19,405,166 | 31,292,245 |
| Acquisition of tangible capital assets (net of changes in construction in progress) | (34,833,262) | (20,216,303) | (31,793,332) |
| Amortization of tangible capital assets | 7,626,041 | 7,626,041 | 7,417,777 |
| Proceeds on disposal of tangible capital assets | - | 23,062 | - |
| (Gain)/Loss on disposal of tangible capital assets | - | (10,564) | 105,588 |
| | (27,207,221) | (12,577,764) | (24,269,967) |
| Inventory held for own use | - | 40,126 | (36,418) |
| Change in prepaid expenses | - | 59,076 | 465,879 |
| Increase/(Decrease) in Net Financial Assets (Debt) | (6,085,454) | 6,926,604 | 7,451,739 |
| Net Financial Assets (Debt) - Beginning of Year | 5,783,535 | 5,783,535 | (1,668,204) |
| Net Financial Assets (Debt) - End of Year | (301,919) | 12,710,139 | 5,783,535 |

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF CASH FLOWS

| For the year ended December 31 | 2020 | 2019 |
|---|---------------------|---------------------|
| Cash Provided By (Used In) | | |
| Operating Activities | | |
| Annual Surplus from operations | 19,405,166 | 31,292,245 |
| Items not involving cash | | |
| Amortization of tangible capital assets | 7,626,041 | 7,417,777 |
| (Gain)/Loss on disposal of tangible capital assets | (10,564) | 105,588 |
| | <u>27,020,643</u> | <u>38,815,610</u> |
| Changes in non-cash working capital items (Note 13) | (3,554,608) | (9,485,501) |
| Capital Activities | | |
| Acquisition of tangible capital assets (net of changes in construction in progress) | (20,216,303) | (31,793,332) |
| Proceeds on disposal of tangible capital assets | 23,062 | - |
| | <u>(20,193,241)</u> | <u>(31,793,332)</u> |
| Investing Activities | | |
| Mortgage receivable | - | 8,000,000 |
| Financing Activities | | |
| New debt and sinking fund contributions | (2,226,782) | 9,084,905 |
| Principal repayment on long-term debt | (400,000) | (400,000) |
| | <u>(2,626,782)</u> | <u>8,684,905</u> |
| Net Change in Cash | 646,012 | 14,221,682 |
| Cash - Beginning of Year | 49,423,426 | 35,201,744 |
| Cash - End of Year | <u>50,069,438</u> | <u>49,423,426</u> |

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF KING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

The Corporation of the Township of King (the "Township") 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Township are the responsibility of management. They have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Basis of consolidation

- (i) The consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Township. They include the activities of all organizations, committees of Council and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These include:

| | |
|--|--------|
| King Township Library Board | 100% |
| The Holland Marsh Drainage System Joint Municipal Services Board | 59.15% |

All interfund assets, liabilities, revenues and expenses have been eliminated on consolidation.

The Township's portion of The Holland Marsh Drainage System Joint Municipal Services Board has been included in these consolidated financial statements on a proportionate consolidation basis.

(b) Basis of Accounting

(i) Accrual Basis of Accounting

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become 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.

(ii) Revenue Recognition

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has become available.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

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

Sales of other services and other revenues are recognized on an accrual basis.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

(b) **Basis of Accounting** (Continued)

(iii) **Cash**

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

(iv) **Non-Financial Assets, Tangible Capital 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.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|-------------------------------|-----------------|
| Land | No amortization |
| Land improvements | 15-50 years |
| Facilities | 20-45 years |
| Vehicles | 2-25 years |
| Machinery and equipment | 3-10 years |
| Transportation infrastructure | 15-75 years |
| Environmental infrastructure | 80-100 years |

Tangible capital assets under construction are not amortized until the asset is available for productive use. For larger scale linear infrastructure projects (such as sanitary sewer and concurrent road works), these assets are not amortized until all contracts/phases of the project are complete. No amortization is charged in the year of acquisition.

Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Tangible capital assets conveyed from developers are recorded at the estimated engineering value at time of registration.

Interest Capitalization

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

(v) **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 statement of operations as the stipulation liabilities are settled.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

(b) **Basis of Accounting** (Continued)

(vi) **Reserves and Reserve Funds**

Certain amounts, as approved by Township Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to/from reserves and reserve funds are an adjustment to the respective funds when approved.

(vii) **Deferred Revenue - Unearned User Charges and Fees**

Deferred revenue includes user charges and fees which have been collected but for which the related services have not yet been performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(viii) **Deferred Revenue - Obligatory Reserve Funds**

Deferred revenue includes funds received for specific purposes such as development charge contribution, parkland and federal gas tax revenue which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes. These funds, by their nature, are restricted in their use and, until applied to applicable capital works, are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended.

(ix) **Investment Income**

Investment income earned on available funds (other than obligatory reserve funds) are reported in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

(x) **Employee Future Benefits**

The Township accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits. The Township has adopted the following valuation methods and assumptions:

Actuarial cost method:

Accrued benefit obligations are computed using the projected benefit method prorated on service, as defined in PSAB 3250 and PSAB 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 an equal portion of total estimated future benefit is attributed to each year of service.

Funding policy:

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

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

(b) **Basis of Accounting** (Continued)

(x) **Employee Future Benefits** (Continued)

Accounting policies:

Actuarial gains and losses are recognized as income or expenses over the three year period of the related actuarial evaluation in which the determination of the gain or loss occurred. 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. Vacation entitlements are accrued for as entitlements are earned. The Township's fiscal year-end is December 31 and the measurement date of the Township's obligation is as such.

(xi) **Solid Waste Landfill Closure and Post Closure Liability**

Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation and are recognized as the landfill site's capacity is used.

(xii) **Use of Estimates**

The preparation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions on such areas as the employee future benefits liability, the solid waste landfill closure and post-closure liability, the taxes receivable, the allowance for doubtful accounts and the historical cost and estimated useful lives of tangible capital assets. Actual results could differ from those estimates.

(xiii) **Pension Plan**

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer pension plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by eligible employees based on the length of credited service and the average earnings. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Township uses defined contribution plan accounting principles for the Plan because insufficient information is available to apply defined benefit plan accounting principles. As such, the Township's contributions due during the year are expensed as incurred.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

2. CASH

Cash is comprised of the following:

| | 2020 | 2019 |
|--|-------------------|-------------------|
| Unrestricted | 35,781,503 | 29,291,093 |
| Restricted (obligatory reserve funds set aside for specific purposes by legislation) | 14,287,935 | 20,132,333 |
| | 50,069,438 | 49,423,426 |

The Township has an available bank operating credit line in the amount of \$5,000,000. Outstanding indebtedness bears interest at prime less 0.375%. At year end the Township has not utilized any amount under this credit facility (2019 - \$Nil).

The Township also has an available demand installment loan in the amount of \$3,000,000. Outstanding indebtedness bears interest at prime. At year end the Township has not utilized any amount under this credit facility (2019 - \$Nil).

3. TAXES RECEIVABLE

| | 2020 | 2019 |
|---------------------------------|-------------------|-------------------|
| Taxes receivable | 10,331,239 | 10,544,342 |
| Allowance for doubtful accounts | (96,465) | (96,465) |
| | 10,234,774 | 10,447,877 |

4. TRADE AND OTHER RECEIVABLES

| | 2020 | 2019 |
|---------------------------------|------------------|------------------|
| Accounts receivable | 5,491,304 | 4,465,941 |
| Allowance for doubtful accounts | (32,612) | (32,612) |
| | 5,458,692 | 4,433,329 |

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

5. USER CHARGES AND SEWER RECEIVABLE

In June 2006, Council for the Township of King approved By-law 2006-68, further amended by By-law 2007-110, which provided for the installation of sanitary sewers within a designated sewer service area in the village of King City. The total costs for this project amounted to \$47.1M, of which \$30.2M was to be funded from the existing benefitting landowners and \$16.9M from growth (development charges). The funding for the existing benefitting landowners was reduced by way of grants, contributions from developers, and a contribution by the Township. The net amount to be recovered from the existing benefitting landowners was \$19.4M. This amount was spread over the total number of landowners, 1,553, to be serviced in the village and each benefitting landowner was assessed a lump sum amount of \$12,541. The Township of King provided a number of payment options to the benefitting landowners, one of these options were to include an annual charge, with applicable interest, on their property tax bill for the life of the debenture, 10 years. For landowners that selected the 10-year debenture payment option, the Township recorded a corresponding receivable that declines each year by the amount of the annual charge of \$1,664 per residential unit equivalent.

In April 2010, Council for the Township of King approved By-law 2010-38, further amended by By-law 2011-105, which provided for the installation of sanitary sewers within a designated sewer service area in the village of Nobleton. The total costs for this project were estimated at \$22.7M, of which \$4.0M was to be funded from growth (development charges), \$2.5M from contributions and \$16.2M from the existing benefitting landowners. This amount was spread over the total number of landowners, 860, to be serviced in the village and each benefitting landowner was assessed a lump sum amount of \$18,790. The Township of King provided a number of payment options to the benefitting landowners, one of these options were to include an annual charge, with applicable interest, on their property tax bill for the life of the debenture, 15 years. For landowners that selected the 15-year debenture payment option, the Township recorded a corresponding receivable that declines each year by the amount of the annual charge of \$1,775 per residential unit equivalent.

6. DEFERRED REVENUE

| | Balance at December 31 2019 | Contributions Received | Investment Income | Revenue Recognized | Balance at December 31 2020 |
|---------------------------------|-----------------------------------|---------------------------|----------------------|-----------------------|-----------------------------------|
| Obligatory Reserve Funds | | | | | |
| Development charges | 16,097,308 | 1,812,772 | 168,410 | (6,840,046) | 11,238,444 |
| Parkland reserve | 597,712 | 5,228 | 6,977 | (5,261) | 604,656 |
| Federal gas tax | 1,441,020 | 743,601 | 14,915 | (1,798,350) | 401,186 |
| | <u>18,136,040</u> | <u>2,561,601</u> | <u>190,302</u> | <u>(8,643,657)</u> | <u>12,244,286</u> |
| User Charges and Fees | | | | | |
| Deferred facility rentals | 329,179 | - | - | (41,890) | 287,289 |
| Deferred revenue | 1,667,114 | 2,152,185 | - | (2,062,939) | 1,756,360 |
| | <u>1,996,293</u> | <u>2,152,185</u> | <u>-</u> | <u>(2,104,829)</u> | <u>2,043,649</u> |
| | <u>20,132,333</u> | <u>4,713,786</u> | <u>190,302</u> | <u>(10,748,486)</u> | <u>14,287,935</u> |

Cash needed to fund the obligatory reserves is \$12,244,286 (2019 - \$18,136,040) and the cash balance as at December 31, 2020 is \$50,069,438 as indicated in Note 2 (2019 - \$49,423,426).

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

7. EMPLOYEE FUTURE BENEFITS AND OTHER LIABILITIES

The Township provides certain employee benefits that will require funding in future periods. Under the Township's sick leave plan, unused sick leave can accumulate and employees with five years of active service are entitled to a maximum benefit of 50% of the employee's annual salary at the date of retirement, termination or death. The Township also pays certain health, dental and travel life insurance benefits on behalf of its retired employees.

The Township recognizes the cost of its post retirement non-pension benefit costs and sick leave obligations in the period in which the employee rendered the services.

| | 2020 | 2019 |
|--|------------------|------------------|
| Accrued post-retirement non-pension benefits | 1,074,258 | 1,128,333 |
| Vested sick leave benefits | 1,193,192 | 981,074 |
| Vacation pay | 824,234 | 735,292 |
| | 3,091,684 | 2,844,699 |

The actuarial results for each of the plans as at December 31, 2020 are as follows:

| | Post Retirement Non-Pension Benefits | Vested Sick Leave Benefits | Total 2020 | Total 2019 |
|---|--|-------------------------------|------------------|------------------|
| Accrued benefit obligation, beginning of year | 1,128,333 | 981,074 | 2,109,407 | 1,869,224 |
| Current service cost (net of benefits paid) | 35,237 | 53,402 | 88,639 | 165,548 |
| Interest cost | 21,976 | 37,067 | 59,043 | 74,635 |
| Actuarial (gain)/loss | (111,288) | 121,649 | 10,361 | - |
| Accrued benefit liability, end of year | 1,074,258 | 1,193,192 | 2,267,450 | 2,109,407 |

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

7. EMPLOYEE FUTURE BENEFITS AND OTHER LIABILITIES (CONTINUED)

Actuarial evaluations for accounting purposes are performed every three years using the projected benefit method prorated on services. The most recent actuarial report was prepared as at January 1, 2020.

The assumptions used in the January 1, 2020 actuarial valuation and the projections for fiscal 2021 and 2022 were:

Interest (discount) rate

The rate used to discount future benefits is assumed to be 2.60% per annum. This rate reflects the cost of borrowing and the market yields on high quality bonds at the time of preparing the valuation. The assumption used in the previous valuation was 3.60% per annum.

Salary rate

The assumed rate used to project salaries reflects the expected Consumer Price Index adjusted for productivity, merit and promotion.

Health costs

Health costs were assumed to be at a rate of 4.20% for 2020, increasing to 5.30% in 2025 and then decreasing by 0.70% over the next 10 years and remain at 4.00% thereafter (2019 – assumed to be at a rate of 5.71% for 2019, decreasing to 5.47% in 2020 and then decreasing by 0.24% over the next 4 years and remain at 4.50% thereafter).

Dental costs

Dental costs were assumed to be at a rate of 4.50% for 2020 increasing to 5.60% in 2025 and then decreasing by 1.00% over the next 10 years and remain at 4.00% thereafter (2019 – assumed to be a rate of 4.50% and remain at 4.50% thereafter).

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

8. SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the Township's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$1,030,796 (2019 - \$1,285,936) and reflects a discount rate of 3.14% (2019 - 3.14%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill using the best information available to management. The previous year's estimate was adjusted to add an additional year. The Miller Road landfill is expected to reach its capacity in 1 year and the estimated remaining capacity is 300 (2019 - 300) cubic meters which is 1% (2019 - 1%) of the site's total capacity. The estimated length of time needed for post-closure care is 24 years.

The 10th Concession landfill is closed and has an estimated time of 5 years of post-closure care remaining.

The total estimated future expenses for closure and post-closure care are \$1,035,426 (2019 - \$1,403,254) leaving an amount to be recognized of \$4,630 (2019 - \$117,318) when the Miller Road landfill reaches full capacity.

The most recent valuation was prepared on December 31, 2016. Future events may result in significant changes to the estimated total expenses and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

A reserve of \$448,371 (2019 - \$452,949) is established to finance the future landfill closure and post-closure costs.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

9. LONG-TERM DEBT

- (a) The Township has long-term debt managed and issued by the Region of York. The Township has the responsibility for the payment of principal and interest charges and/or annual contribution towards sinking funds that would be used to extinguish the debt at maturity. The total long-term debt reported on the consolidated statement of financial position include the following:

| | 2020 | 2019 |
|---|-------------------|-------------------|
| Bylaw 2016-54 - long-term debt, issued in 2011 for the construction of sewage works in the community of Nobleton, in the amount of \$6,000,000, has annual principle payments of \$400,000 with an interest rate of 3.8% and a maturity date of July 6, 2026. At the end of the year, the outstanding principal amount of the liability is: | 2,400,000 | 2,800,000 |
| Bylaw 2015-62 - sinking fund debenture, issued in 2015 for the construction of road and watermain in the community of Nobleton, in the amount of \$6,000,000. The long-term debt has an interest rate of 2.6% and a maturity date of June 15, 2025. At the end of the year, the outstanding principal amount of the liability is: | 6,000,000 | 6,000,000 |
| Bylaw 2019-21 - sinking fund debenture, issued in 2019 for the King Roads project in the amount of \$6,100,000. The long-term debt has an interest rate of 2.65% and a maturity date of April 18, 2029. At the end of the year, the outstanding principal amount of the liability is: | 6,100,000 | 6,100,000 |
| By law 2019-52 - sinking fund debenture, issued in 2019 for the King Buildings project in the amount of \$10,000,000. The long-term debt has an interest rate of 2.65% and a maturity date of April 18, 2029. At the end of the year, the outstanding principal amount of the liability is: | 10,000,000 | 10,000,000 |
| Long-term liabilities | 24,500,000 | 24,900,000 |
| Less: sinking fund assets | (4,539,749) | (2,312,967) |
| Net long-term liabilities | 19,960,251 | 22,587,033 |

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

9. LONG-TERM DEBT (CONTINUED)

The following table outlines the principal repayments, including sinking fund payments, and interest requirements on the long-term debt.

| | Principal | Interest | Total |
|-------------|-------------------|------------------|-------------------|
| 2021 | 2,446,809 | 670,081 | 3,116,890 |
| 2022 | 2,446,809 | 654,881 | 3,101,690 |
| 2023 | 2,446,809 | 639,681 | 3,086,490 |
| 2024 | 2,446,809 | 624,585 | 3,071,394 |
| 2025 | 2,446,809 | 531,281 | 2,978,090 |
| 2026 - 2029 | 7,726,206 | 1,504,706 | 9,230,912 |
| | 19,960,251 | 4,625,215 | 24,585,466 |

The long-term debt issued in the name of the Township, has been approved by by-law. The annual principal and interest payments required to service these debts are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing. The annual principal and interest payments required to service the long-term liabilities of the municipality are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

Interest expense on long-term debt in the amount of \$678,015 (2019 - \$652,241) has been recognized on the consolidated statement of operations.

- (b) For the 2015 debt issuance, the Township is contributing \$542,519 annually to a sinking fund held at the Region of York. It is anticipated that the principal will be fully funded by maturity in 2025 of \$6,000,000 with the combined sinking fund contributions and investment income. The balance in the restricted fund is \$3,016,286 (2019 - \$2,312,967).
- (c) For the 2019 debt issuance, the Township is contributing \$569,948 annually to a sinking fund held at the Region of York. It is anticipated that the principal will be fully funded by maturity in 2029 of \$6,100,000 with the combined sinking fund contributions and investment income. The balance in the restricted sinking fund is \$577,213 (2019 - \$Nil).
- (d) For the 2019 debt issuance, the Township is contributing \$934,342 annually to a sinking fund held at the Region of York. It is anticipated that the principal will be fully funded by maturity in 2029 of \$10,000,000 with the combined sinking fund contributions and investment income. The balance in the restricted sinking fund is \$946,250 (2019 - \$Nil).

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

10. TANGIBLE CAPITAL ASSETS

| | Land | Land Improvements | Facilities | Vehicles | Machinery and Equipment | Transportation Infrastructure | Environmental Infrastructure | Assets under Construction | Total 2020 | Total 2019 |
|---|------------|-------------------|------------|------------|-------------------------|-------------------------------|------------------------------|---------------------------|--------------------|-------------|
| Cost | | | | | | | | | | |
| Balance, beginning of year | 28,215,515 | 16,057,977 | 36,984,552 | 18,312,801 | 1,877,522 | 152,334,013 | 87,520,077 | 48,774,448 | 390,076,905 | 359,096,200 |
| Additions during the year | - | 891,205 | 21,119,332 | 427,157 | 319,767 | 5,082,467 | 2,107,558 | (9,731,183) | 20,216,303 | 31,793,332 |
| Disposals/transfers during the year | - | - | - | (39,056) | (155,637) | - | - | - | (194,693) | (812,627) |
| Balance, end of year | 28,215,515 | 16,949,182 | 58,103,884 | 18,700,902 | 2,041,652 | 157,416,480 | 89,627,635 | 39,043,265 | 410,098,515 | 390,076,905 |
| Accumulated Amortization | | | | | | | | | | |
| Balance, beginning of year | - | 5,711,395 | 13,359,054 | 11,325,874 | 769,134 | 81,043,017 | 12,324,779 | - | 124,533,253 | 117,822,514 |
| Amortization during the year | - | 719,232 | 806,501 | 1,030,612 | 295,647 | 3,731,935 | 1,042,114 | - | 7,626,041 | 7,417,777 |
| Accumulated amortization on disposal | - | - | - | (26,559) | (155,636) | - | - | - | (182,195) | (707,038) |
| Balance, end of year | - | 6,430,627 | 14,165,555 | 12,329,927 | 909,145 | 84,774,952 | 13,366,893 | - | 131,977,099 | 124,533,253 |
| Net Book Value of Tangible Capital Assets | 28,215,515 | 10,518,555 | 43,938,329 | 6,370,975 | 1,132,507 | 72,641,528 | 76,260,742 | 39,043,265 | 278,121,416 | 265,543,652 |

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

10. TANGIBLE CAPITAL ASSETS (CONTINUED)

a) Assets under construction:

Assets under construction having a value of \$39,043,265 (2019 - \$48,774,448) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Tangible capital assets recognized at nominal value:

Certain assets have been assigned a nominal value because of the difficulty of determining a valuation. The most significant such asset is the land under the Township's roads which has been assigned a nominal value of one dollar per kilometer of road length.

c) Capitalization of interest:

No interest was capitalized in 2020 (2019 - \$Nil)

11. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following amounts:

| | 2020 | 2019 |
|--|--------------------|--------------------|
| General purposes | (3,328,502) | (1,747,360) |
| King Township Library Board Annual Surplus | (11,304) | (9,529) |
| Holland Marsh Drainage System Joint Municipal Services Board | 42,269 | (10,191) |
| Unfunded | | |
| Employee benefits and post-employment liabilities | (3,091,684) | (2,844,699) |
| Solid waste landfill and post-closure liabilities | (1,030,796) | (1,285,936) |
| Invested in Tangible Capital Assets | 278,121,416 | 265,543,652 |
| Less: Amount financed by long-term debt | (19,960,251) | (22,587,033) |
| Interest on long-term debt | (138,303) | (145,840) |
| Reserves and Reserve Funds (Note 12) | 40,445,990 | 34,730,605 |
| | 291,048,835 | 271,643,669 |

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

12. RESERVES AND RESERVE FUNDS

| | 2020 | 2019 |
|--|-------------------|-------------------|
| Reserves set aside by Council: | | |
| Acquisition of capital assets | 21,504,504 | 18,315,213 |
| Recreation and culture programs and facilities | 641,664 | 619,405 |
| Working capital | 1,832,625 | 1,832,625 |
| Sick leave | 1,213,073 | 1,113,073 |
| Personnel matters | 454,781 | 325,993 |
| Planning matters | 310,988 | 310,988 |
| Heritage preservation | 38,931 | 38,931 |
| Environmental matters | 448,371 | 452,949 |
| Election expenditures | 60,287 | 32,424 |
| Current purposes | 12,289,990 | 8,856,285 |
| King City sewer capital costs | 20,133 | 20,133 |
| | 38,815,347 | 31,918,019 |
| Reserve funds set aside by Council: | | |
| Acquisition of capital assets | 43,975 | 43,469 |
| Repayment of water and sewer debentures | 562,368 | 1,756,601 |
| Water system capital expenditures | 1,024,300 | 1,012,516 |
| | 1,630,643 | 2,812,586 |
| | 40,445,990 | 34,730,605 |

13. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

| | 2020 | 2019 |
|---|--------------------|--------------------|
| Decrease (Increase) in taxes receivable | 213,103 | (471,725) |
| Increase in trade and other receivables | (1,025,363) | (185,428) |
| (Increase) Decrease in user charges receivable and sewer receivable | (643,414) | 339,092 |
| Decrease (Increase) in inventory held for own use | 40,126 | (36,419) |
| Decrease in prepaid expenses | 59,076 | 465,879 |
| Increase (Decrease) in accounts payable and accrued liabilities | 1,862,301 | (7,057,334) |
| Increase in developer and other deposits | 1,792,116 | 1,131,598 |
| Decrease in deferred revenue | (5,844,398) | (2,273,658) |
| Increase in employee future benefits and other liabilities | 246,985 | 227,119 |
| Decrease in solid waste landfill closure and post closure liability | (255,140) | (1,624,625) |
| | (3,554,608) | (9,485,501) |

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

14. TAXATION

Property tax billings are prepared by the Township based on an assessment roll prepared by Municipal Property Assessment Corporation (MPAC) based upon Current Value Assessment (CVA). Tax rates are established annually by Township Council, incorporating amounts to be raised for local services and the requisition made by the Region of York in respect of regional services. The Township is required to collect education taxes on behalf of the Province of Ontario. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

During the year, the following taxation revenue was raised and remitted to the Regional Municipality of York and the School Boards:

| | 2020 | 2019 |
|---|-------------------|-------------------|
| Taxation revenue | 86,394,348 | 83,680,260 |
| Amount levied and remitted to Regional Municipality of York | (33,134,375) | (32,316,446) |
| Amount levied and remitted to School Boards | (18,914,554) | (18,332,425) |
| Net taxation | 34,345,419 | 33,031,389 |

15. PENSION AGREEMENTS

The Ontario Municipal Employees Retirement System (OMERS) provides pension services to more than half a million active 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 at December 31, 2020. The results of the valuation disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets at that date of \$109,844 million indicating an actuarial funding deficit of \$3,211 million. 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 Township does not recognize any share of the OMERS pension surplus or deficit. Matching contributions made by the Township to OMERS for 2020 were \$1,265,570 (2019 - \$1,285,929).

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

16. BUDGET RECONCILIATION

The authority of Council is required before monies can be spent by the Township. Approvals are given in the form of an annually approved budget. The budget approved by the Council on January 27, 2020 differs from the budget in the Consolidated Statement of Operations as the approved budget has been adjusted to account for the material changes due to PSAB reporting requirements.

| | 2020 |
|---|--------------|
| Budgeted surplus (deficit) for the year, as approved by Council | |
| Operating | 5,526,922 |
| Capital | (11,827,335) |
| Total budgeted deficit for the year, as approved by Council | (6,300,413) |
| Add: | |
| Capital expenditures carried forward from previous years | 34,833,262 |
| Decrease in landfill liability | 255,140 |
| Less: | |
| Amortization | (7,508,180) |
| Increase in post-retirement benefits | (158,042) |
| Budgeted surpluses for the year, per statement of operations | 21,121,767 |

17. GOVERNMENT GRANTS

Government grant revenue is comprised of the following types of grants:

| | 2020 | 2019 |
|-------------------|-------------|-------------|
| Federal grants | 1,832,934 | 915,721 |
| Provincial grants | 2,291,646 | 1,834,178 |
| | 4,124,580 | 2,749,899 |

18. COMMITMENTS

The Township of King has entered into the following contract:

- a) The lease of photocopiers at all Township locations at an approximate cost of \$28,390 per year. The lease will expire September 30, 2023.

The Township has numerous contracts with a variety of suppliers for future capital projects that are budgeted in the next fiscal year.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

19. CONTINGENCIES

In the ordinary course of business, various claims and lawsuits are brought against the Township. After reviewing the merits of these actions and claims with counsel and the insurers, management has incorporated a provisional estimate for any potential uninsured liability arising from these claims. Any adjustment as a result of these claims will be recognized at the time the amount is known or can be reasonably determined.

20. INSURANCE COVERAGE

The Township is self-insured for insurance claims up to \$50,000 for any individual claim and for any number of claims arising out of a single occurrence. Outside insurance coverage is in place for claims in excess of \$50,000 to a maximum of \$5,000,000 per claim occurrence. The Township has not made any provisions for self-insurance claims under \$10,000 in the reserves. Claim costs during the year amounted to \$57,050 (2019 - \$28,926).

During the year the Township's total paid premiums was \$453,082 (2019 - \$429,223), which has been reported as an expense in the consolidated statement of operations.

21. COVID-19 IMPACT

As the impacts of COVID-19 continue, there could be further impact on the Township, constituents, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Township's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Township is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Township's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The Township will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

22. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

THE CORPORATION OF THE TOWNSHIP OF KING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

23. SEGMENTED INFORMATION

The Township provides a wide range of services to its residents. For management reporting purposes the Township's operations and activities are organized and reported by department. The following departments have been separately disclosed in the segmented information, along with a description of their services.

Accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For each reported segment, revenues and expenses represent amounts directly attributable to the segment.

Governance & Corporate Support

Includes Council, Office of the CAO, Clerks, Finance, Human Resources, Communications, Economic Development, and Information Technology services.

Fire & Emergency Services

King Fire and Emergency Services provide fire services to the residents of King. They are responsible to provide fire suppression service, fire prevention programs, training and education.

Bylaw & Building Services

The Township ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-law for the protection of occupants. It facilitates economic development by providing services for the approval of building permit applications.

Environmental Services

The Township provides drinking water to its citizens and collects wastewater. The solid waste and recycling program includes curbside collection of recyclables, organics, yard waste and garbage.

Roads & Related Services

This includes the safety and maintenance of the Township's paved roads, sidewalks, street lights, trees, and traffic control devices.

Planning, Development & Drainage Services

The Township creates plans for King's future. It manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods through Township planning, community development, and parks planning.

Parks & Facilities

The Township provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs.

The Township maintains numerous recreation facilities, as well as indoor community space for booking and community use. It also maintains parks and playgrounds, open spaces and trail systems.

Public Library Services

The provision of library services contributes towards the information needs of the Township's citizens. The library also provides programs to local residents.

Taxation Revenue

The Township's primary source of revenue to support its operations is realized through property taxation levied against property owners on the basis of assessment value as determined by the Municipal Property Assessment Corporation.

Eliminations

The Township's consolidated financial statements incorporate the assets, liabilities and operating results of the King Township Public Library (100%) and Holland Marsh Drainage System Joint Municipal Services Board (59.15%) on a proportionate share basis.

Accordingly, all interfund assets, liabilities, revenues and expenses have been eliminated on consolidation.

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2020

| | Governance & Corporate Support | Fire & Emergency Services | Bylaw & Building Services | Environmental Services | Roads & Related Services | Planning, Development & Drainage Services | Parks & Facilities | Public Library Services | Eliminations | Total 2020 |
|---|--------------------------------|---------------------------|---------------------------|------------------------|--------------------------|---|--------------------|-------------------------|--------------------|-------------------|
| Revenue | | | | | | | | | | |
| Taxation | 3,554,145 | 710,829 | 1,066,244 | 14,571,995 | 7,819,119 | 1,421,658 | 6,397,462 | 1,819,412 | (1,819,412) | 35,541,452 |
| Fees and user charges | 129,391 | 340,374 | 975,996 | 10,899,520 | 429,222 | 646,196 | 714,225 | 4,111 | (99,141) | 14,039,894 |
| Grants | 1,336,869 | - | - | 155,754 | 1,798,350 | 67,909 | 735,484 | 30,214 | - | 4,124,580 |
| Other revenue | 1,627,500 | 346,953 | 84,710 | 2,029,782 | 4,716,892 | 691,333 | 4,374,460 | 82,769 | - | 13,954,399 |
| | <u>6,647,905</u> | <u>1,398,156</u> | <u>2,126,950</u> | <u>27,657,051</u> | <u>14,763,583</u> | <u>2,827,096</u> | <u>12,221,631</u> | <u>1,936,506</u> | <u>(1,918,553)</u> | <u>67,660,325</u> |
| Expenses | | | | | | | | | | |
| Salaries and benefits | 4,489,520 | 1,757,103 | 1,924,820 | 1,290,234 | 2,380,609 | 1,156,066 | 4,171,778 | 1,314,396 | - | 18,484,526 |
| Amortization on tangible capital assets | 44,381 | 511,547 | - | 1,146,581 | 4,185,211 | 69,175 | 1,514,446 | 154,700 | - | 7,626,041 |
| Materials and supplies | 1,807,457 | 1,338,010 | 131,188 | 6,606,571 | 1,807,291 | 206,945 | 1,858,625 | 435,272 | (99,141) | 14,092,218 |
| Contracted services | 930,537 | 23,233 | 233,236 | 2,326,166 | 2,345,032 | 1,426,645 | 219,011 | - | - | 7,503,860 |
| Interest on debt | 198,750 | - | - | 134,365 | 344,900 | - | - | - | - | 678,015 |
| Other expenses | - | - | - | (129,501) | - | - | 1,819,412 | - | (1,819,412) | (129,501) |
| | <u>7,470,645</u> | <u>3,629,893</u> | <u>2,289,244</u> | <u>11,374,416</u> | <u>11,063,043</u> | <u>2,858,831</u> | <u>9,583,272</u> | <u>1,904,368</u> | <u>(1,918,553)</u> | <u>48,255,159</u> |
| Net Surplus (Deficit) | (822,740) | (2,231,737) | (162,294) | 16,282,635 | 3,700,540 | (31,735) | 2,638,359 | 32,138 | - | 19,405,166 |

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2019

| | Governance & Corporate Support | Fire & Emergency Services | Bylaw & Building Services | Environmental Services | Roads & Related Services | Planning, Development & Drainage Services | Parks & Facilities | Public Library Services | Eliminations | Total 2019 |
|---|--------------------------------|---------------------------|---------------------------|------------------------|--------------------------|---|--------------------|-------------------------|--------------------|-------------------|
| Revenue | | | | | | | | | | |
| Taxation | 2,122,511 | 160,233 | 539,831 | 9,702,903 | 9,329,274 | 1,290,415 | 11,279,534 | 1,773,725 | (1,773,725) | 34,424,701 |
| Fees and user charges | 253,934 | 196,990 | 618,487 | 9,507,888 | 917,510 | 838,895 | 2,531,938 | 15,405 | (214,939) | 14,666,108 |
| Grants | 477,982 | - | - | 472,386 | 1,087,501 | 56,508 | 610,602 | 44,920 | - | 2,749,899 |
| Other revenue | 1,957,745 | 1,575 | 50,486 | 2,929,209 | 9,556,077 | 703,714 | 10,835,361 | 108,131 | (73,098) | 26,069,200 |
| | <u>4,812,172</u> | <u>358,798</u> | <u>1,208,804</u> | <u>22,612,386</u> | <u>20,890,362</u> | <u>2,889,532</u> | <u>25,257,435</u> | <u>1,942,181</u> | <u>(2,061,762)</u> | <u>77,909,908</u> |
| Expenses | | | | | | | | | | |
| Salaries and benefits | 3,267,659 | 1,955,169 | 2,088,285 | 1,268,483 | 2,621,035 | 1,121,713 | 5,013,880 | 1,344,078 | - | 18,680,302 |
| Amortization on tangible capital assets | 40,597 | 660,037 | - | 1,078,083 | 4,020,704 | 64,743 | 1,410,263 | 143,350 | - | 7,417,777 |
| Materials and supplies | 1,843,751 | 1,073,262 | 138,257 | 6,001,744 | 1,819,659 | 260,423 | 2,641,391 | 286,821 | (288,037) | 13,777,271 |
| Contracted services | 1,419,436 | 19,856 | 213,076 | 2,293,743 | 2,395,609 | 835,936 | 417,423 | - | - | 7,595,079 |
| Interest on debt | 48,079 | - | - | 151,476 | 452,685 | - | - | - | - | 652,240 |
| Other expenses | 1,592 | - | - | (1,506,598) | - | - | 1,773,725 | - | (1,773,725) | (1,505,006) |
| | <u>6,621,114</u> | <u>3,708,324</u> | <u>2,439,618</u> | <u>9,286,931</u> | <u>11,309,692</u> | <u>2,282,815</u> | <u>11,256,682</u> | <u>1,774,249</u> | <u>(2,061,762)</u> | <u>46,617,663</u> |
| Net Surplus (Deficit) | <u>(1,808,942)</u> | <u>(3,349,526)</u> | <u>(1,230,814)</u> | <u>13,325,455</u> | <u>9,580,670</u> | <u>606,717</u> | <u>14,000,753</u> | <u>167,932</u> | <u>-</u> | <u>31,292,245</u> |