

A photograph of the Township of King building, a modern structure with large glass windows and brick accents. Four tall flagpoles stand in front of the building, flying the Canadian flag, the Ontario flag, the KING logo flag, and the rainbow flag. The KING logo is also visible on the building's facade.

**KING**

# Financial Report and Consolidated Financial Statements

For the year ended  
December 31, 2021

The Corporation of the Township of  
King  
King, Ontario, Canada

Prepared by  
Finance, Township of King

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2021

# Introduction

Township of King



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## Message from Mayor Steve Pellegrini

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On behalf of the Township of King Council, I am pleased to share with you the Township's 2021 Year End Financial report.

King stands out from other municipalities in the Greater Toronto Area. We enjoy an exceptional rural lifestyle with green space that includes the Holland Marsh and Oak Ridges Moraine, while accessing the amenities we need within easy reach.

In King, we recognize the challenges taxpayers have faced during the COVID-19 pandemic. Council instructed the financial team to provide options for achieving a zero-per-cent tax impact in the Township portion of the 2021 budget. Our King team responded with a budget that continues to offer a high quality of life.

The 2021 budget was about building and maintaining a community where we all can live, work and play. And it provides programs and services that meet the needs of the community today and tomorrow.

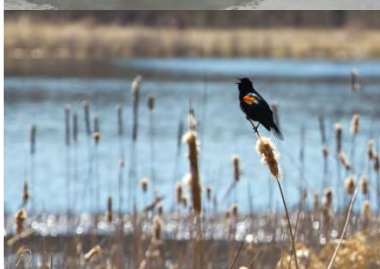
The Township of King's Annual Financial Report for 2021 tells the story of striking the right balance. Whether opening the new branch of the King Township Public Library, adding EV charger stations across King, improving parks and recreation space or hosting a successful vaccination clinic, King showed leadership and fiscal responsibility.

Thank you to King's finance team for finding efficiencies that allowed us to support our residents and businesses in 2021, during the COVID-19 pandemic. The Annual Financial Report demonstrates that we are planning for the future of King, as reflected in the decisions we make through our budget process and financial planning.

A handwritten signature in black ink, appearing to read "S. Pellegrini". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

**Mayor Steve Pellegrini**

# Welcome to King



The Township of King is a unique, special place proud of its natural heritage and scenic beauty, agricultural lands, and rich local and rural history. King's traditions of farming and mills contribute to a vibrant quality of life. King Township is located just 40 kilometres north of downtown Toronto, covering 339 square kilometres and boasting some of Ontario's most beautiful and rolling country sides and natural areas. Over 98 per cent of King Township is within the Greenbelt area, with 65 per cent of King contained within the Oak Ridges Moraine, a famed geological formation created by a retreating glacier in the last ice age.

King Township is one of nine municipalities that make up the Regional Municipality of York. King includes the villages and hamlets of Ansnorveldt, Kettleby, King City, Laskay, Lloydtown, Nobleton, Pottageville, Schomberg and Snowball. The Township is easily accessible by Highways 9, 27, 400, and 407 and is only 30 minutes from Toronto Pearson International Airport.

King has a population surpassing 29,000 people and is projected to grow to 49,800 people by 2051. An important asset of King Township is its strong rural economy and agricultural sector, which depend on the Holland Marsh's deep fertile soils and rich growing season. About 60 per cent of the Holland Marsh, also known as "Ontario's Vegetable Basket," is in King.

The Township's major infrastructure includes roads and bridges; water distribution and wastewater collection; waste management (collection); disposal and recycling; recreation facilities; parks; and fire and emergency services. Infrastructure also includes administration facilities for fire, operations and other service departments and vehicles for parks, operations and fire and emergency services.

## **The Township of King provides the following major services and many others:**

- Fire and emergency services
- Recreation programs and facilities
- Water distribution systems
- Wastewater collection systems
- Garbage collection, disposal, and recycling
- Municipal roads and bridges
- Parks
- Economic development
- Community planning and growth management
- Building Permit Issuance and Inspections
- By-law Enforcement



## Community Profile – “About King”

### Mayor & Council



**Jordan Cescolini**  
Councillor, Ward 1



**David Boyd**  
Councillor, Ward 2



**Jakob Schneider**  
Councillor, Ward 3



**Steve Pellegrini**  
Mayor



**Bill Cober**  
Councillor, Ward 4



**Debbie Schaefer**  
Councillor, Ward 5



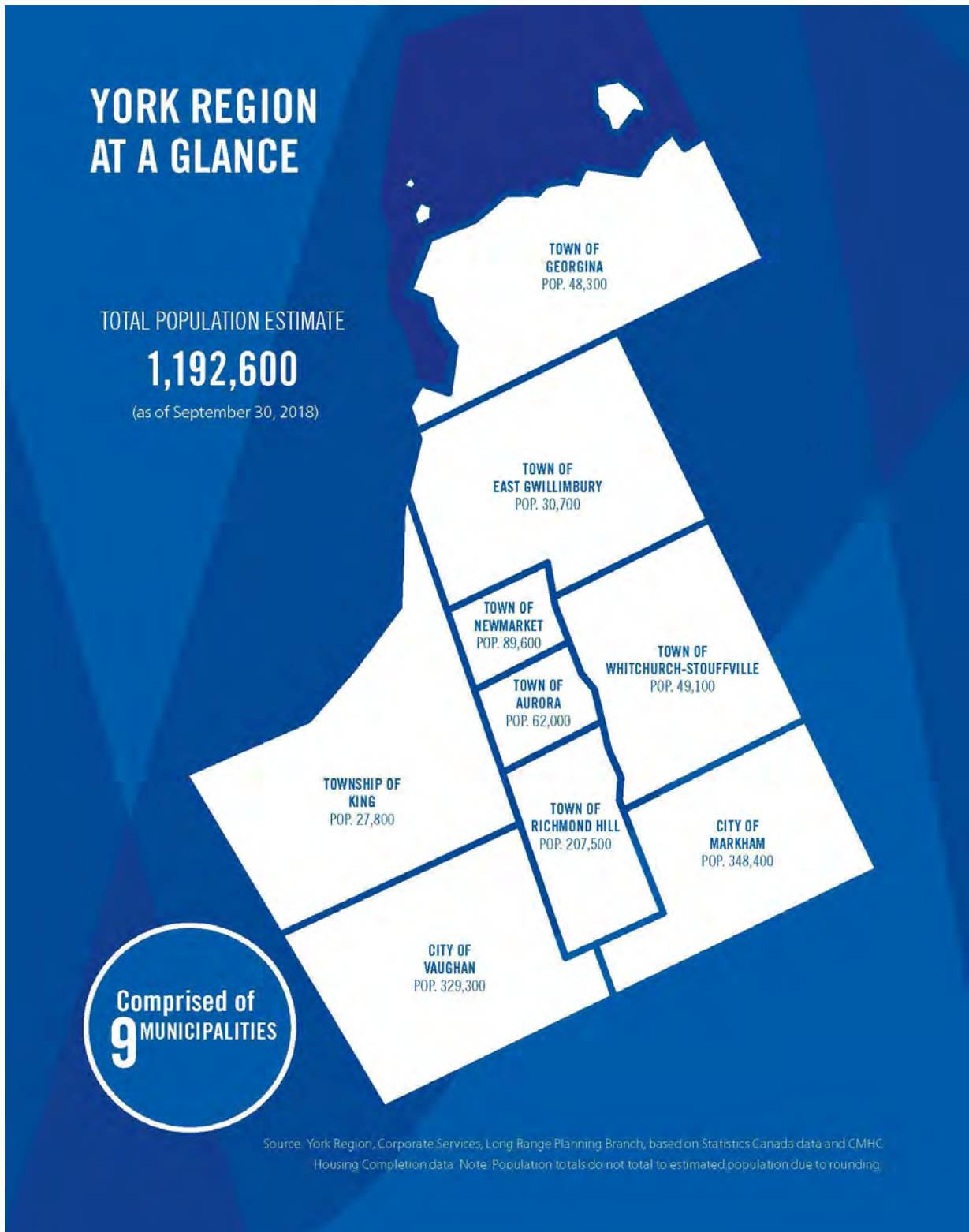
**Avia Eek**  
Councillor, Ward 6

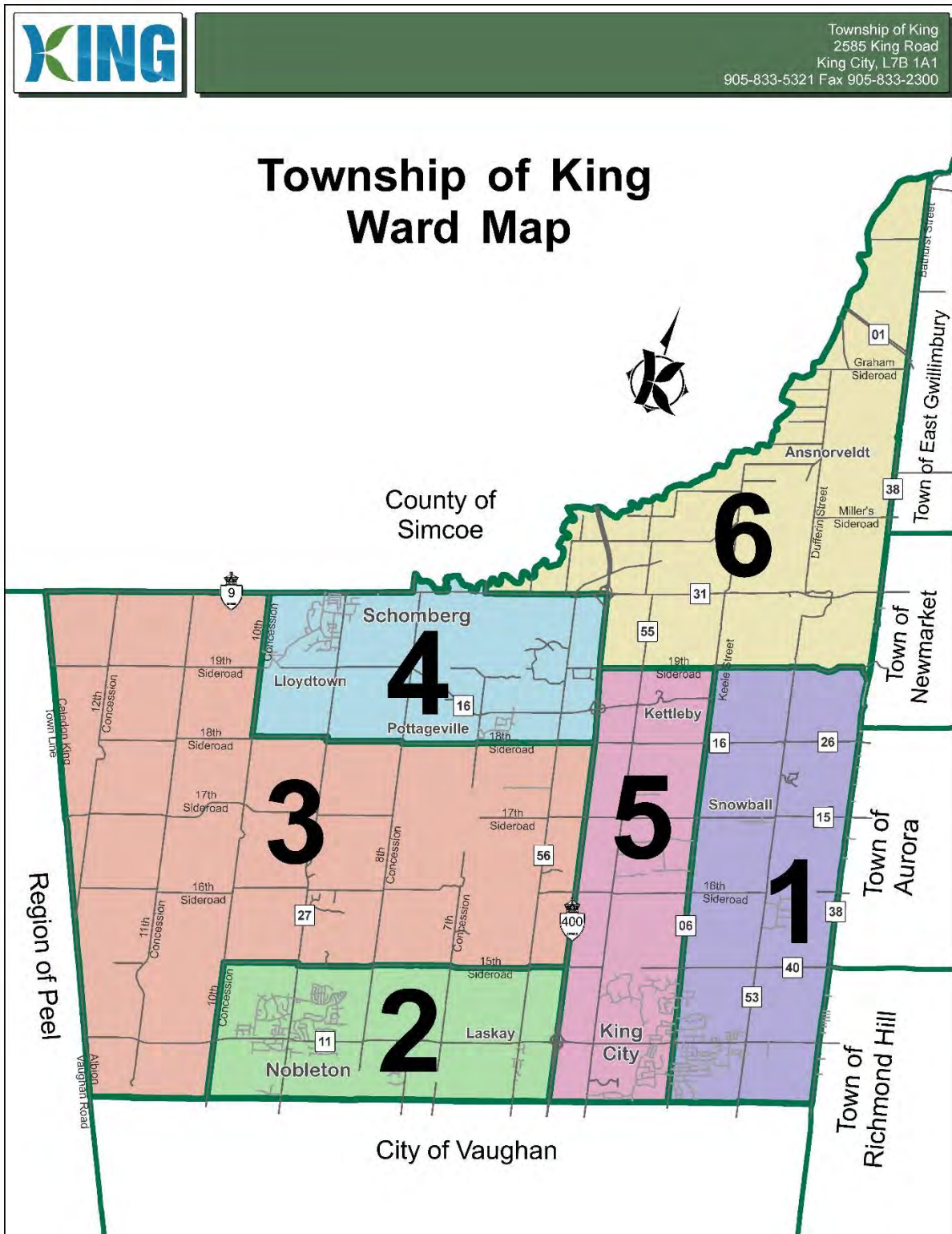
King Township is governed by an elected Mayor and six Councillors, each representing one of the six wards within the Township. As head of Council, the Mayor represents the Township on York Regional Council. Council sets policy and directs the affairs of the municipality with assistance from a staff of dedicated full-time employees.

Legislation dictates municipal elections be held every four years. The next municipal election is scheduled for the fall of 2022.

## Where are we located?

King Township is one of 9 municipalities located within the Regional Municipality of York, as indicated by this map of the Region, and a map of the Township that follows on the next page.





## Economic Profile

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Expected to grow to 50,000 people by 2051, and located approximately 40 kilometres north of downtown Toronto, King is the location of choice for a diverse mix of over 575 businesses, including the corporate head office of The ClubLink Corp., LGL Ltd. -Environmental Research Associates, Robert B. Somerville Co. Ltd., B.C. Instruments and Showa Canada.

The Township's three main villages, King City, Nobleton and Schomberg, attract businesses and residents seeking to live or locate in rural communities that provide a superb quality of life second to none, close to urban amenities.

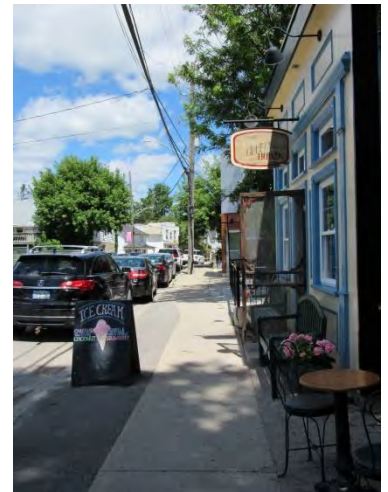
King is home to three post-secondary institutions focused on applied research, education and training opportunities: Seneca College - King City Campus; Koffler Scientific Reserve at Jokers Hill, University of Toronto; and the Muck Crops Research Station, University of Guelph.

## Employment Area Lands

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Major designated or zoned industrial and commercial areas are found within the communities of King City, Nobleton and Schomberg. Areas designated by the Official Plan as Employment Area include 95 Acres within King City, approximately 35 acres in Nobleton and approximately 20 acres in Schomberg.

There are opportunities for redevelopment and intensification in the three village cores, and a community improvement plan, financial incentives program and comprehensive village core design guidelines that will nurture and guide development in a sustainable manner.



## Business Profile

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Within the Economic Development Division includes several programs for Business Retention such as:

- **2021 Business Directory** - Represents the ninth consecutive year a directory has been developed and published in partnership with the King Chamber of Commerce. It is distributed to every household in King with 1,000 copies available for responding to inquiries.
- **ShopKING Shop Local Seasonal Campaigns** – In partnership with the King Weekly Sentinel newspaper and the King Chamber of Commerce, and with corporate sponsors' financial support, a series of full-page advertisements and social media posts are developed and deployed to help some of the hardest-hit business sectors—including retail, restaurants, and personal services—as they re-emerge and reopen following closures related to the COVID19 pandemic and economic crisis.
- **Extended Private Patio Program** – As a COVID-19 response measure to help restaurants, and in compliance with the Provincial and AGCO-regulated permissions, the Township put in place an extended outdoor seating patio application and permitting process for the second year.

Some initiatives within the Downtown Area have some specific programs to promote businesses. These include:

**Community Improvement Plan (CIP)** A new and broader Township-wide program was adopted by Council in March 2021. Building on the success of the first program that focused on the commercial cores of King City, Nobleton and Schomberg, this new program includes eligible properties in five precincts and provides incentives to commercial, agricultural and agri-business enterprises to make physical improvements to their properties. The new CIP Plan outlines financial incentives for property owners and tenants to invest in their property and outlines how the Township will roll out the plan.

## Message from the Chief Administrative Officer

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As Chief Administrative Officer, I am proud to present the Township of King's Annual Financial Report for 2021.

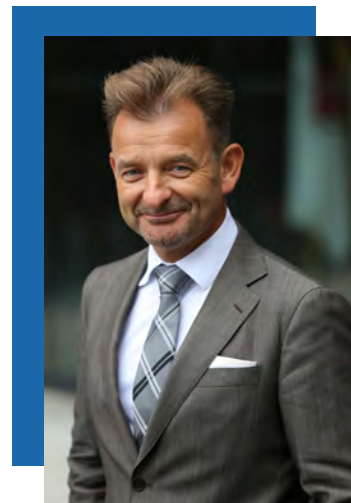
The Annual Financial Plan tells the story of many successes, including seamless delivery of services to our community during the COVID-19 pandemic and the continued achievement of goals set out in King's 2019-2022 Corporate Strategic Plan.

Here are some highlights:

- Celebrating the opening of the new King City branch of the King Public Library and the King City Seniors' Centre.
- Offering a mass, community-led COVID-19 vaccination clinic for Township residents at the Trisan Centre in Schomberg.
- Providing support to restaurants during pandemic restrictions with an expanded Pop-Up Patio program.
- Launching a traffic-calming strategy and reduced speed limit on urban local streets.
- Beginning a 10-year road improvement plan to resurface paved roads and upgrade the existing gravel roads.
- Launching a new mobile-friendly website.

Recognizing that many were struggling with the financial impacts of the pandemic, King's Mayor and Council directed the Township to maintain a zero-per-cent impact on the Township's portion of the tax base for 2021.

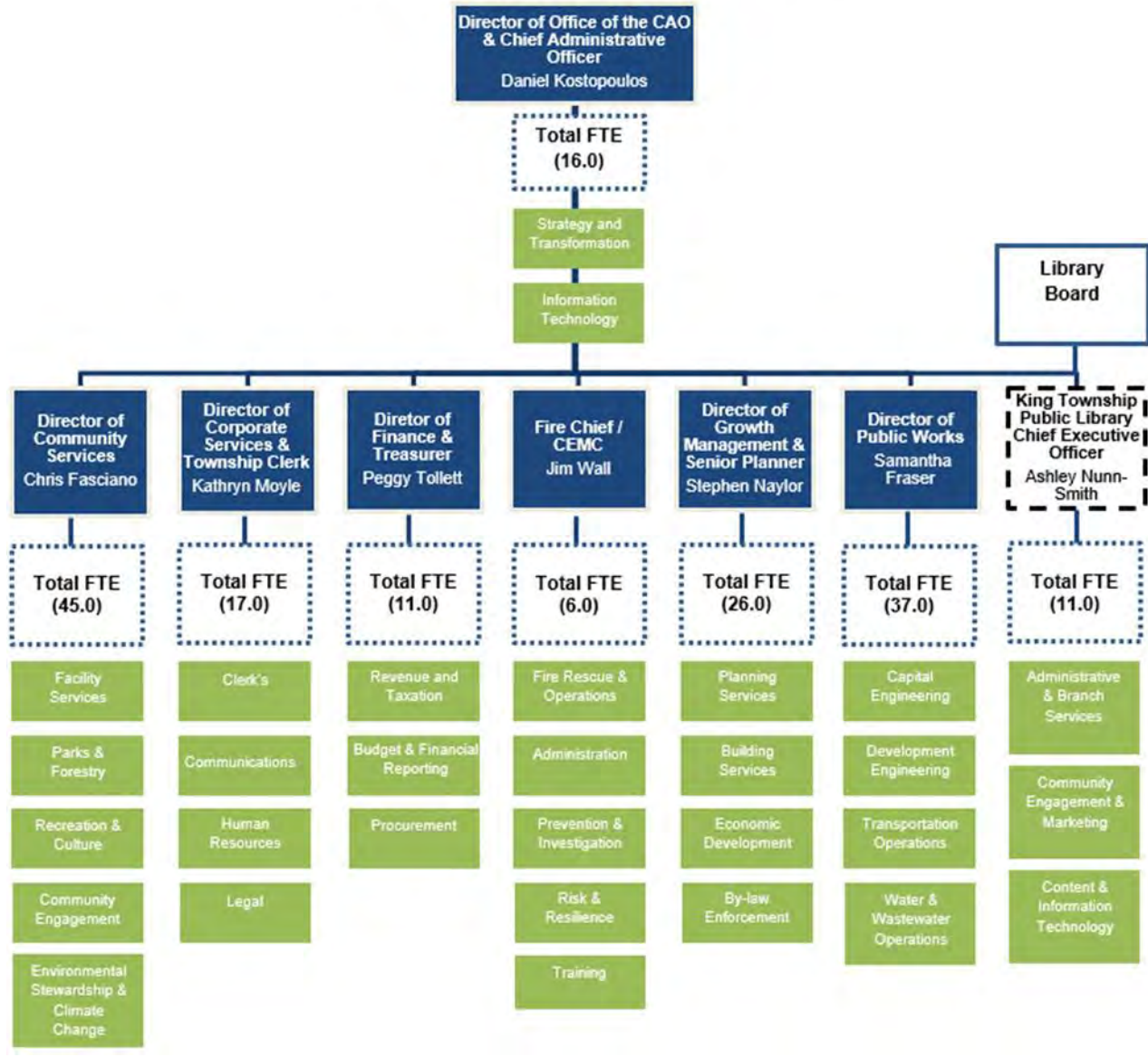
The Township of King remains committed to providing high-quality services in a cost-effective way. The Annual Financial Report provides an overview of the financial position of the Township and a snapshot of those successes for 2021.



A handwritten signature in blue ink, appearing to read 'DKostopolous', located below the portrait.

**Chief Administrative Officer  
Daniel Kostopolous**

## Senior Leadership Team



**TOTAL 2022 APPROVED FTE  
(169.0)**

### Office of the CAO

The Chief Administrative Officer (CAO) provides corporate leadership in overall management of the Township's Senior Leadership Team. The CAO reviews and approves all recommendations made to Council and Committees of Council and guides corporate strategic planning. The CAO also acts as a department head to the Office of the CAO Department, which includes the Information Technology and Strategy and Transformation Divisions.

## The Corporation of the Township of King

The Office of the CAO is responsible for ensuring that Council directives are coordinated between departments and relevant agencies while guiding operations of the organization in alignment with the vision and values of the Township and Council's priorities as identified in the corporate strategic plan.



### Community Services

The Community Services Department is responsible for the provision of recreational, cultural, and active opportunities through six key divisions that include recreation and culture, parks and forestry, fleet services, environmental stewardship and climate change, community engagement, and facilities.

The department bases its service delivery on the corporately established values that include alignment and accountability, customer service excellence, teamwork and engagement, communication, balance, community, integrity, and respect. The department also strives to ensure staff approaches operations in a professional manner while remaining innovative, creative, and equitable in the delivery of services. These corporate values are recognized through departmental vision and mission statements.





## Corporate Services

The Corporate Services Department is responsible for a variety of legislative, corporate, and public services. This includes the development, coordination, implementation and maintenance of broad and complex organization-wide services, projects, policies, and procedures. The Corporate Services Department consists of Clerks, Communications, Human Resources, Legal, and Centralized customer service – ServiceKING.



## Finance

The Finance Department is responsible for handling all the financial affairs of the municipality on behalf of, and in the manner directed by, Council. The Department's roles and responsibilities include the coordination of the annual operating and capital budgets, development charges, water, and wastewater budget, and reporting of the Corporation's finances;. co-coordinating and supporting asset management planning and best practices; developing and implementing a financial strategy for the Township; administering of property tax billing and collection on behalf of the Township, Region of York, and School Boards; establishing the water and wastewater rate, billing, and collection of payments; regular reporting to Council with respect to the financial affairs of the municipality as it requires or requests; and ensuring investments of the municipality are made in compliance with the regulations made under section 418 of the *Municipal Act*.



**MANAGING GROWTH AND  
STRATEGIC ALLOCATION OF  
RESOURCES**



**MULTI-YEAR BUDGET AND  
BUSINESS PLANS**



**STRATEGIC RESERVE  
PLANNING AND DEBT  
MANAGEMENT**

## Fire & Emergency Services



King Fire & Emergency Services proudly protects an area of 333 square kilometres and a population of 28,000 residents. Served by three Firehouses and a compliment of 150 dedicated volunteer firefighters, King Fire & Emergency Services provides Fire & Life Safety Education, Fire Prevention / Investigation Services, Fire Suppression Medical Aid Response, and Specialized Rescue Services.

King's fire service strives to deliver the highest level of service and emergency response with the greatest margin of safety for both its firefighters and the public in the most fiscally responsible way.

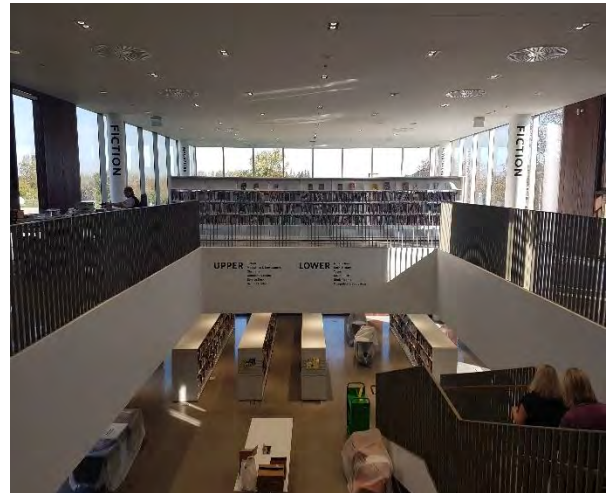
## Growth Management

The Growth Management Services Department (GMS) consists of Building, By-law Enforcement, Economic Development and Planning. Growth Management Services is responsible for many growth-related processes for the Township. Roles and responsibilities include business attraction, expansion, support, and retention (Economic Development), development review and approvals (Planning), the issuance of building permits (Building), and monitoring compliance of buildings and activities through municipal by-laws (By-law Enforcement). King takes a comprehensive, synergistic approach in efficiently managing the activities of the Department.



## Library

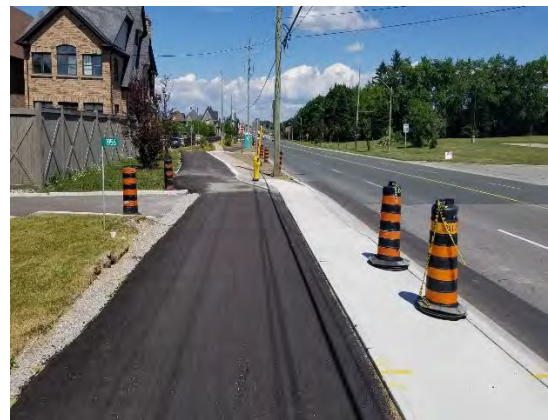
King Township Public Library is a four-branch system that offers both traditional and progressive programs and services as well as a contemporary, innovative multi-format collection. The Library is engaged in the King community, with numerous partnerships, community relationships and presence at a variety of community events. Library services offers universal access to print and digital material, information, and online services, as well as a wide variety of programs and outreach initiatives for people of all ages.



The library also provides access to the Internet through public workstations, tablets, and laptops, as well as wireless services to support personal electronic devices.

## Public Works

The Public Works Department is responsible for the operation and maintenance of the Township's roadways, water distribution, wastewater collection, stormwater collection and treatment systems. Development Engineering key functions is to plan, design, approve and execute of all infrastructure projects related to the systems it operates and maintains, which include, Engineering approval of all Planning Applications and administering all Subdivision Agreements. Public Works includes Transportation, water and wastewater master planning and the administration of Municipal Consent, Locates, Site Alteration and Entrance permits, Asset Management and Waste Management.





# The Corporation of the Township of King

Below is the tracking of the Full-Time Equivalent (FTE) from 2020-2022

DEPARTMENT	2020 APPROVED	2021 APPROVED	2022 APPROVED
<b>OFFICE OF THE CAO</b>			
STRATEGY AND TRANSFORMATION	9	9	9 *
INFORMATION TECHNOLOGY	7	7	7
<b>TOTAL</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>COMMUNITY SERVICES</b>			
PARKS AND FORESTRY	9	10	10
FACILITIES	16	15	15
RECREATION AND CULTURE	9	10	10
COMMUNITY ENGAGEMENT	7	7	7
FLEET	0	3	3
<b>TOTAL</b>	<b>41</b>	<b>45</b>	<b>45</b>
<b>CORPORATE SERVICES</b>			
CLERKS	7	7	7
COMMUNICATIONS	1	2	2
HUMAN RESOURCES	4	4	4
SERVICE KING	5	4	4 **
LEGAL	TBD	TBD	TBD ***
<b>TOTAL</b>	<b>17</b>	<b>17</b>	<b>17</b>
<b>FINANCE</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>TOTAL</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>FIRE AND EMERGENCY SERVICES</b>	<b>5</b>	<b>6</b>	<b>6</b>
<b>TOTAL</b>	<b>5</b>	<b>6</b>	<b>6</b>
<b>GROWTH MANAGEMENT</b>			
BUILDING	7	7	7
BY-LAW ENFORCEMENT	6	6	6
ECONOMIC DEVELOPMENT	2	2	2
PLANNING / POLICY	10	11	11
<b>TOTAL</b>	<b>25</b>	<b>26</b>	<b>26</b>
<b>LIBRARY (KTPL)</b>	<b>10</b>	<b>11</b>	<b>11</b>
<b>TOTAL</b>	<b>10</b>	<b>11</b>	<b>11</b>
<b>PUBLIC WORKS</b>			
ENVIRONMENTAL OPERATIONS	7	9	9
DEVELOPMENT ENGINEERING	7	7	8
CAPITAL ENGINEERING	6	6	6
TRANSPORTATION OPERATIONS	15	14	14
<b>TOTAL</b>	<b>35</b>	<b>36</b>	<b>37</b>
<b>TOTAL FULL TIME EQUIVALENTS</b>	<b>160</b>	<b>168</b>	<b>169</b>

\* 2 FTE to be redistributed from CAO office to be determined

\*\* Service King was moved from CAO to Corporate Services in 2021

\*\*\* Legal is to be developed and positions will be re-allocated at a later time

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The Township of King is pleased to present its 2021 Financial Report and Consolidated Financial Statements, for the year ended December 31, 2021. This report has been prepared in accordance with the *Municipal Act, 2001* and based on the reporting standards set by the Public Sector Accounting Board of Chartered Professional Accountants of Canada and the best practices in financial reporting by the Municipal Finance Officers Association (MFOA).

In 2021, the Township had a deficit as a direct result of the impacts of the pandemic. The biggest impact was with the closure of the facilities with the loss of revenues for recreation and culture activities. This was mitigated somewhat with gapping of staffing, delays in hiring for vacant positions, and the redeployment of staff. In addition to costs impacts with COVID-19 measures in the office and facilities to meet with province safety requirements. With the assist of the Safe Restart funding from the Federal and Province Government, the Township was able to offset the deficit for 2021 and carry funding forward for 2022 for any unanticipated unfavourable variance in the future.

In 2021, the Township completed several financial policies with regards to the consolidation of our reserve funds, a debt policy, water, and wastewater reserve strategy and the 10-year capital forecast for budget purposes. We will continue to enhance our financial strategy and focus on managing costs of growth and providing services to our residents.

The Township has been successful in receiving modernization funding which has been used in 2021 to make improves to financial services introducing, electronic funds transfer payments, E-Billing options for residents to receive both tax and water billing by email, a new platform for the completion of budget and forecasting for all departments, and asset management software which is scheduled to be completed in 2022.

The goal going forward it to continue to present a well-based annual budget with financial strategies that focus on being fiscally responsible for the Township of King balancing our principles of Flexibility, Balance, Governance, and Credible.

The overall Fiscal Strategy is intended to guide the financial policies and corporate strategies to ensure the goals and objectives of the Corporate Strategic Plan are achievable over the long-term.

A handwritten signature in black ink, appearing to read "Peggy Tollett".

Peggy Tollett, CPA, CGA,

Director of Finance / Treasurer

The 2021 Financial Report and Consolidated Financial Statements are the responsibility of Management of the Corporation of the Township of King. The financial statements have been examined by BDO Canada LLP Chartered Professional Accountants, the external auditors for the Corporation. The responsibility of the external auditor is to express an opinion on whether the financial statements are fairly presented, in all material respects, in accordance with public sector accounting standards.

The Financial Highlights have been extracted from the Township's Audited Consolidated Financial Statements.



King Township Municipal Centre (KTMC)

Section 296 (1) of the *Municipal Act*, requires that all municipalities appoint an auditor licensed under the *Public Accounting Act, 2004* who is responsible for annually auditing the accounts and transactions of the municipality and its local boards and express an opinion on the financial statements of these bodies based on the audit.

BDO Canada LLP Chartered Accountants were appointed by Council as independent auditors on September 24, 2012. They have audited the Township's 2021 Consolidated Financial Statements and expressed their opinion within the Independent Auditor's Report that precedes the financial statements.

Under Section 294.1 of the *Municipal Act*, a municipality shall, for each fiscal year, prepare annual financial statements for the municipality in accordance with generally accepted accounting principles (GAAP) for local governments as recommended, from time to time, by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants (CPA) of Canada. Section 295 contains requirements for municipalities to publish a full set of financial statements in a newspaper in the municipality or to advertise the availability of the financial statements within 60 days of receiving the audited financial statements of the previous fiscal year.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards. Management is also responsible for establishing, reviewing, and managing systems of internal control to ensure the safety and security of the Township's assets from potential loss or misuse.

The financial statements have been prepared in accordance with the *Municipal Act, 2001* and based on the reporting standards set by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and best practices in financial reporting by the Municipal Finance Officers Association (MFOA).

The 2021 Financial Report and Consolidated Financial Statements are the responsibility of Management of the Corporation of the Township of King. The financial statements have been examined by BDO Canada LLP Chartered Professional Accountants, the external auditors for the Corporation. The responsibility of the external auditor is to express an opinion on whether the financial statements are fairly presented, in all material respects, in accordance with public sector accounting standards.

The Financial Report provide a high-level overview of the financial position of the Township of King for the fiscal year ended December 31, 2021.

There are four required financial statements which include:

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations and Accumulated Surplus
- Consolidated Statement of Change in Net Financial Assets
- Consolidated Statement of Cash Flows

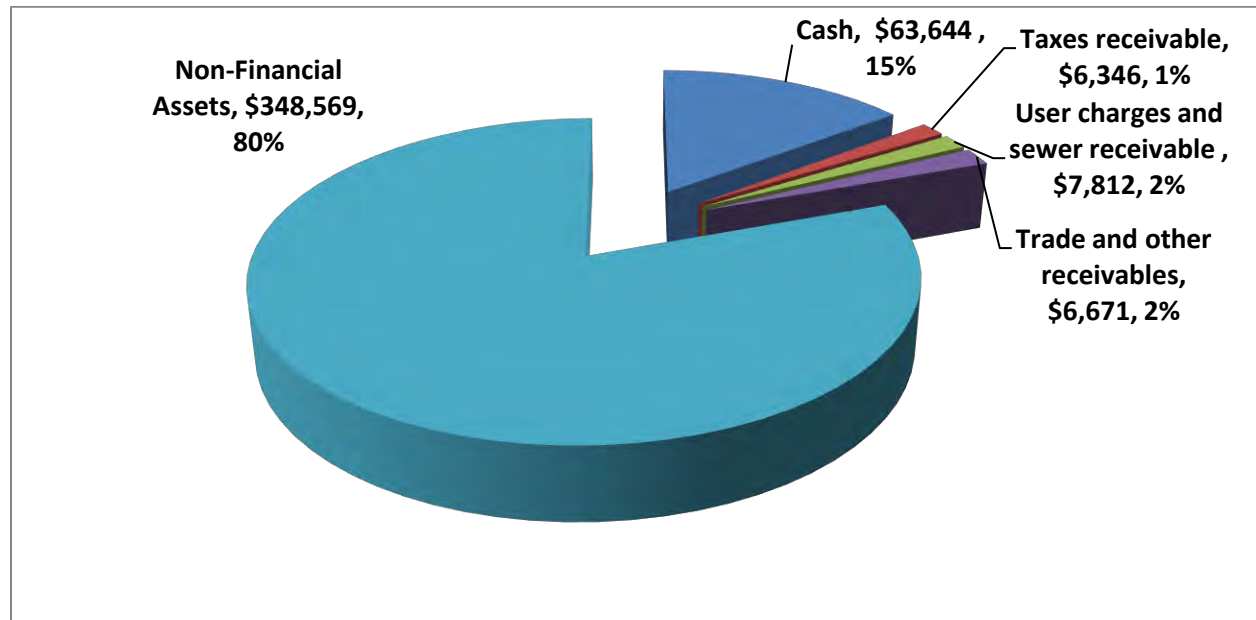
These financial statements provide information on the cost of the Township activities, what we own (Assets), what we owe (Liabilities), the Revenues, and Expenses. The next few pages give you a financial picture and breakdown of each area.



## Statement of Financial Position

The following highlights outline the Financial Position as at December 31, 2021  
(In thousands of dollars)

As at December 31, 2021	2021	
What we own (Assets)	\$000's	%
Cash	\$63,644	15%
Taxes receivable	6,346	1%
Trade and other receivables	6,671	2%
User charges and sewer receivable	7,812	2%
Non-Financial Assets	348,569	80%
<b>Total</b>	<b>\$433,042</b>	<b>100%</b>

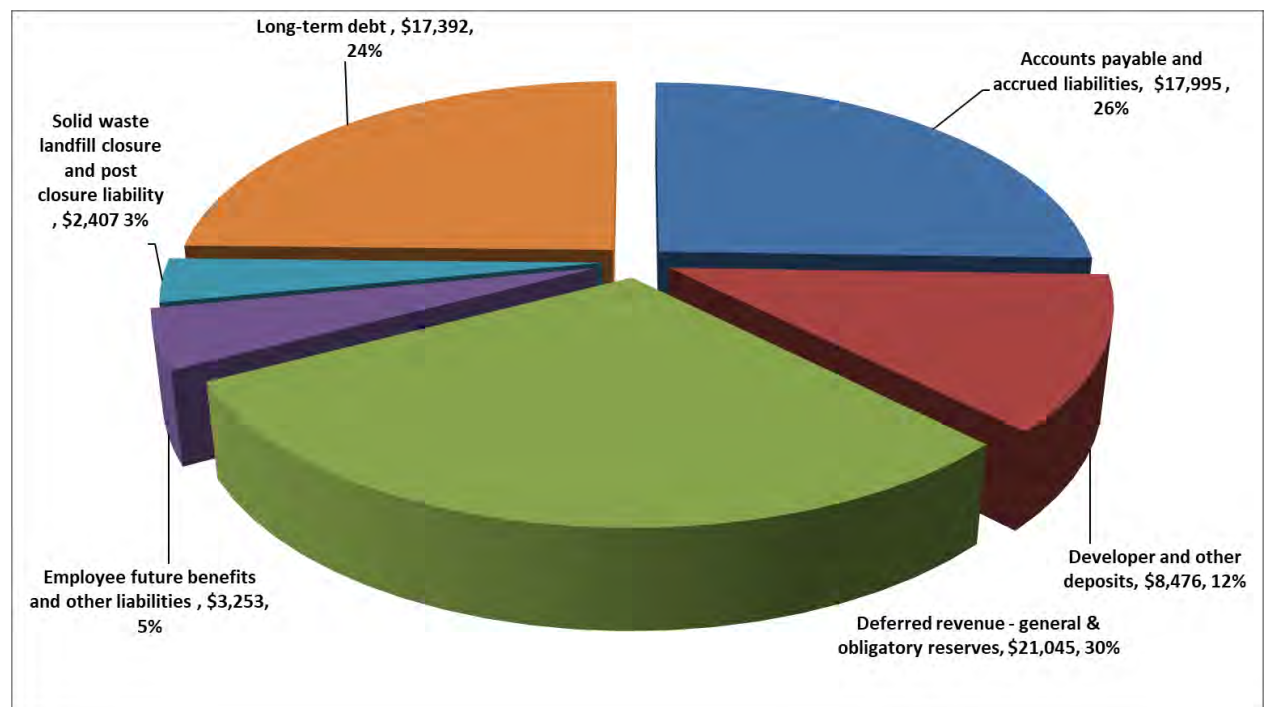




<b>What we owe (Liabilities)</b>	<b>\$000's</b>	<b>%</b>
Accounts payable and accrued liabilities	\$17,995	26%
Developer and other deposits	8,476	12%
Deferred revenue - general & obligatory reserves	21,045	30%
Employee future benefits and other liabilities	3,253	5%
Solid waste landfill closure and post closure liability	2,406	3%
Long-term debt	17,392	24%
<b>Total</b>	<b>\$70,567</b>	<b>100%</b>

<b>Net Worth</b>		
Accumulated operating surplus	\$(26,944)	-7%
Investment in Tangible Capital Assets	348,122	96%
Reserve and Reserve Funds	41,297	11%
<b>Total</b>	<b>\$362,475</b>	<b>100%</b>

**Total Liabilities and Net Worth** **\$433,042**

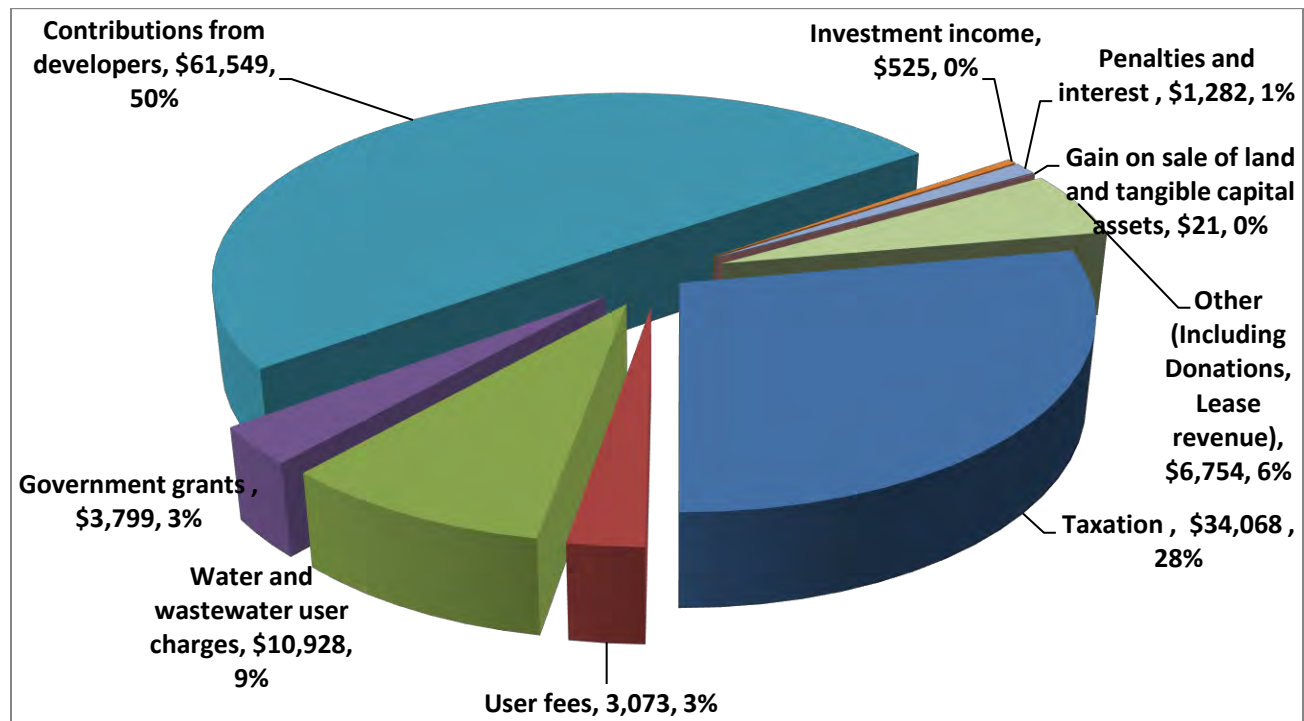


## Revenues and Expenses

The following highlights outline the Statement of Operations as at December 31, 2021  
(In thousands of dollars)

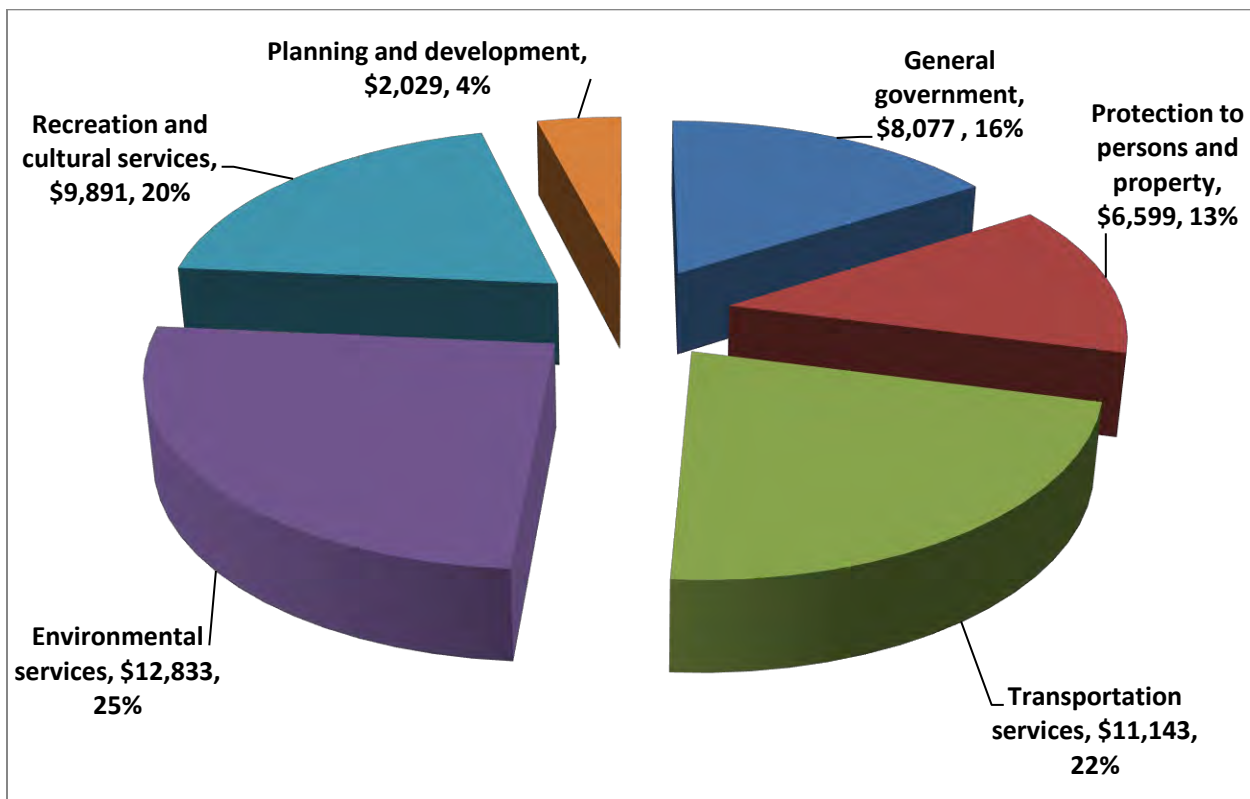
### For the year ended December 31, 2021

Where the funding comes from (Revenues)	\$000's	%	
Taxation	\$ 34,068	28%	\$ 34,345
User fees	3,073	3%	3,308
Water and wastewater user charges	10,928	9%	10,732
Government grants	3,799	3%	4,125
Contributions from developers	61,549	50%	8,649
Investment income	525	0%	738
Penalties and interest	1,282	1%	1,397
Gain on sale of land and tangible capital assets	21	0%	10
Other (Including Donations, Lease revenue)	6,754	6%	4,894
<b>Total</b>	<b>\$ 121,999</b>	<b>100%</b>	<b>\$ 68,198</b>



**For the year ended December 31, 2021**

<b>What the funding was used for (Expenses)</b>	<b>\$000's</b>	<b>%</b>
General government	\$ 8,077	16%
Protection to persons and property	6,599	13%
Transportation services	11,143	22%
Environmental services	12,833	25%
Recreation and cultural services	9,891	20%
Planning and development	2,029	4%
<b>Total</b>	<b>\$ 50,572</b>	<b>100%</b>



In addition to the Financial Discussion and Analysis and the Consolidated Financial Statements, the 2021 Financial Report contains supplementary financial, non-financial and statistical information about the Township. (See Statistical Section).

The Township of King prepares its budget on a fund accounting basis where budgeted operating expenditures and capital are balanced with revenues. Like all other municipalities, the Township of King is required under the Public Sector Accounting Board rules to prepare financial statements on the full accrual basis accounting, including amortization, tangible capital assets, landfill closure, and future employment benefits.

The Consolidated Financial Statements in the 2021 Financial Report have been prepared in accordance with general accepted accounting principles for local government as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. By converting the Township's statements to a full accrual basis, it changes the budget from a balanced budget to recognize either a surplus or deficit. The statements and related information are the responsibility of management and include the financial activities of all deemed entities controlled by the Township of King.

Some highlights of the 2021 financial statements include:

- An investment in Tangible Capital Assets of \$70 million which included but not limited to infrastructure, roads, equipment, vehicles, and the King Township Public Library (KTPL) and Senior's Centre. This includes \$34 million in assumptions of subdivisions for various developers in 2021 for assumed Township infrastructure which includes roads, signage, water, and wastewater assets.
- An increase in developer contributions of \$53 million which includes subdivision assumptions and funding for the King City East (KCE) spine servicing
- An increase in the amount of development charges (DC) and Federal Gas Tax Funding, Parkland contributions received totalling \$41 million, of which \$34 million has been recognized to fund capital projects both development and infrastructure.
- A reduction in the long-term liabilities of \$2.6 million reflects debt servicing payment obligations that have drawn down total debt outstanding
- A slight increase in user fees of \$0.3 million in the statement of operations as a direct relation to the lifting of the closure of facilities due to the COVID-19 pandemic. Still an overall reduction in user fees as compared to budget by \$1.6 million.
- Decrease in Taxes Receivable of \$3. million due to the implementation of the Township Tax Arrears Program which started in January 2021.

## Financial Assets

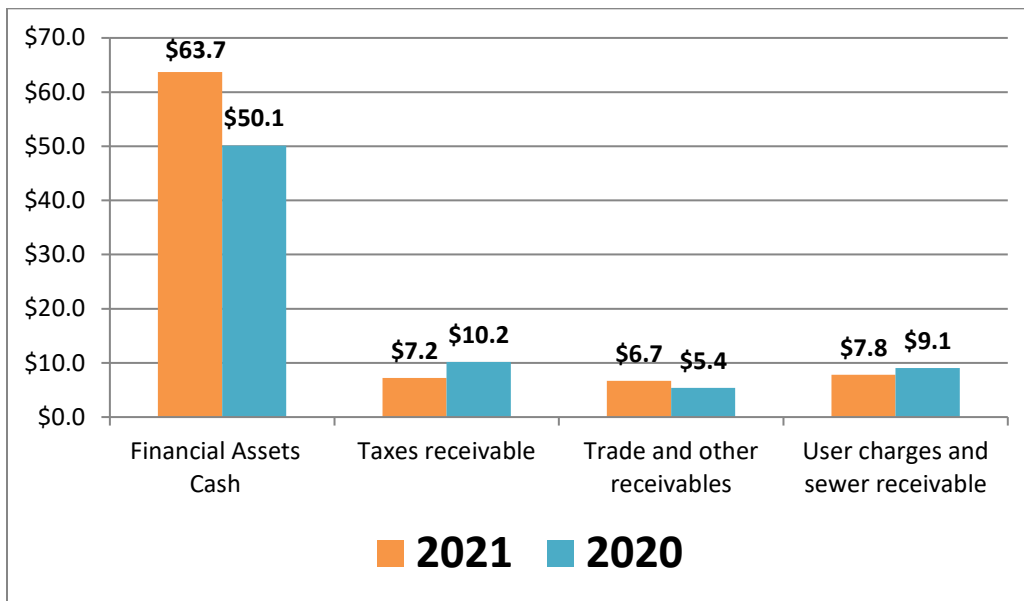
Table 1:

As at December 31 (\$ millions)	2021	2020	Change in 2021 Increase / (Decrease)
<b>Financial Assets</b>			
Cash	\$63.7	\$50.1	\$13.6
Taxes receivable	\$7.2	\$10.2	\$(3.0)
Trade and other receivables	\$6.7	\$5.4	\$1.3
User charges and sewer receivable	\$7.8	\$9.1	\$(1.3)
<b>Total</b>	<b>\$85.4</b>	<b>\$74.8</b>	<b>\$10.6</b>

The increase of \$10.6 million in financial assets for the Township is mainly attributed to the following:

- \$13.6 million increase in cash mainly due to timing of deposits received at year-end related to development charges and tax arrears collected for the year.
- Decrease of \$3.0 million from a tax arrears program to deal with properties 3 years in arrears or more. During 2020, the Township held off on taxes in arrears due to COVID however, in 2021 the program was established to assist property owners with payment plans or mortgage payments to bring their property taxes account current.
- \$1.3 million Increase from additional maintenance receivable to be established for 2021 for the Holland Marsh related to drain 15 and 16. These charges will be a local improvement added to the 2022 final tax billing once final allocations are received from the Hollard Marsh. This also includes additional recovery for billing of fire response time for motor vehicle accidents, facility rental agreements for recreation, and recovery for developments.
- Decrease of \$1.3 million in user charge and sewer receivable related to payments made on levies for sewer connections in Nobleton for Phase 1 & 2.

**Table 2: Summary of Financial Assets 2021 vs 2020**



**Taxes Receivable**

The Township is continuing to implement a tax arrears program to help reduce property taxes outstanding. The program involves communicating with the property owners, offering special payment arrangements and payment plans, notifying mortgage companies, and proactively processing tax sales on eligible properties.

Tax arrears have been an issue with the Township over the years as indicated on the table below that shows the tax arrears from 2017-2021. As the tax arrears ratio was high prior to 2020, we can conclude the level of tax arrears is not a result of COVID directly but rather a lack of collection.

Below is a chart to show the history of arrears over the last 5 years.

**Table 3:**

Taxes Receivable, End of Year	2021	2020	2019	2018	2017
Taxes Receivable	\$7,225,326	\$10,234,774	\$10,447,877	\$9,976,152	\$8,786,543
Total Taxes Levied	\$87,209,932	\$86,394,348	\$83,680,260	\$80,562,287	\$76,243,198
Percentage of Current Years Levy	8%	12%	12%	12%	12%

The Township reports our financial indicators to the province with the yearly reporting in the Financial Information Return (FIR). The Township’s tax arrears historically have been over the 10% industry standard indicating a moderate to high level of risk which was flagged by Ministry staff in 2020. The success of the tax arrears program is evident in the results which show a decrease from 12% to 8% for 2021.

## Financial Liabilities

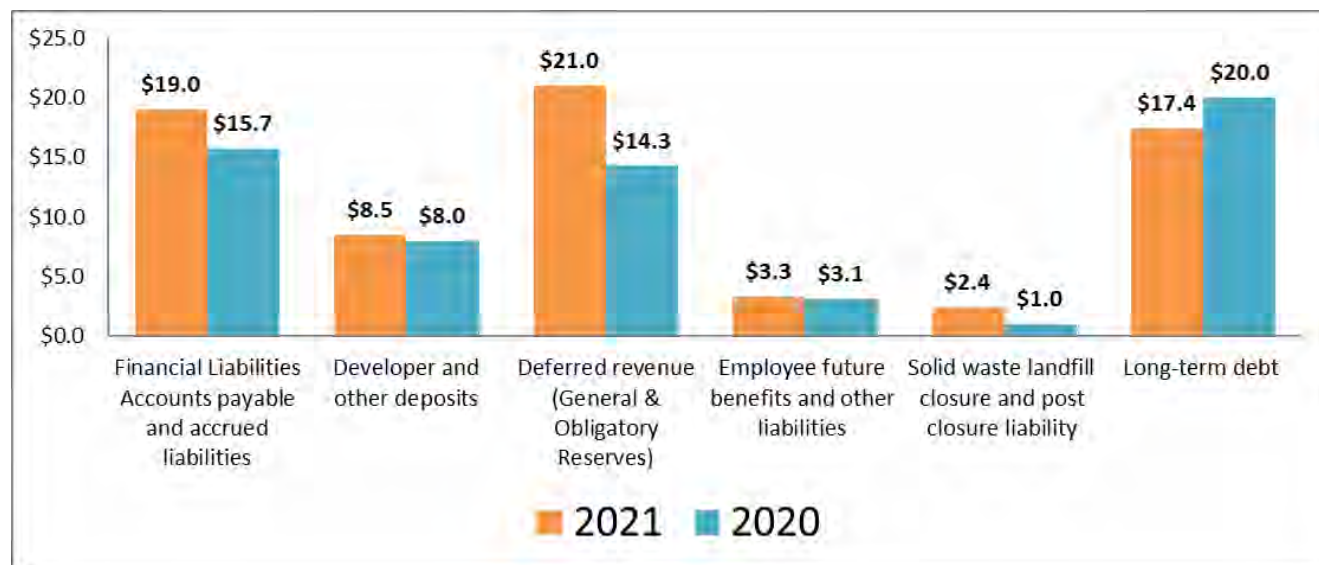
Table 4:

As at December 31 (\$ millions)	2021	2020	Change in 2021 Increase / (Decrease)
<b>Financial Liabilities</b>			
Accounts payable and accrued liabilities	\$19.0	\$15.7	\$3.3
Developer and other deposits	\$8.5	\$8.0	\$0.5
Deferred revenue (General & Obligatory Reserves)	\$21.0	\$14.3	\$6.7
Employee future benefits and other liabilities	\$3.3	\$3.1	\$0.2
Solid waste landfill closure and post closure liability	\$2.4	\$1.0	\$1.4
Long-term debt	\$17.4	\$20.0	\$(2.6)
<b>Total</b>	<b>\$71.6</b>	<b>\$62.1</b>	<b>\$9.5</b>

The Increase of \$9.5 million in financial liabilities for the Township is mainly attributed to the following:

- \$3.3 million increase in accounts payable and accrued liabilities to account for additional accruals for developer payments of the King City East (KCE) Spine Servicing agreement, legal matters on potential Ontario Land Tribunal (OLT) appeals related to the Official Plan, outstanding legal matters, and timing of payables related to invoices received.
- \$0.5 million in additional road damage deposits received in 2021 and developer contributions for planning and subdivision applications currently being constructed.
- Increase of \$6.7 million related to DC funds collected in 2021 offset by the funding of DC capital projects in particular infrastructure currently being constructed for the KCE Spine Services, the Town-wide Recreation Facility, the new King City Seniors Centre and Library, roads infrastructure projects, and park developments.
- \$0.2 million from updating the Township's Post-Retirement non-pension benefits and Sick leave benefit by our actuarial review which was completed in 2020 and forecasted over the next 2 years.
- \$1.4 million increase in Solid Waste landfill closure liabilities for the 2 landfill sites of the Township. This is due to an adjustment in the commitment with the remaining years of post-closure care increasing between 22-39 years.
- Decrease of \$2.6 million related to debenture payments to the Region of York for long term debt obligations for various projects. More details further in this report.

**Table 5: Summary of Financial Liabilities 2021 vs 2020**



## Non-Financial Assets

**Table 6:**

As at December 31 (\$ millions)	2021	2020	Change in 2021 Increase / (Decrease)
<b>Non-Financial Assets</b>			
Tangible capital assets	\$348.1	\$278.1	\$70.0
Inventory held for own use	\$0.2	\$0.1	\$0.1
Prepaid expenses	\$0.3	\$0.1	\$0.2
<b>Total</b>	<b>\$348.6</b>	<b>\$278.3</b>	<b>\$70.3</b>

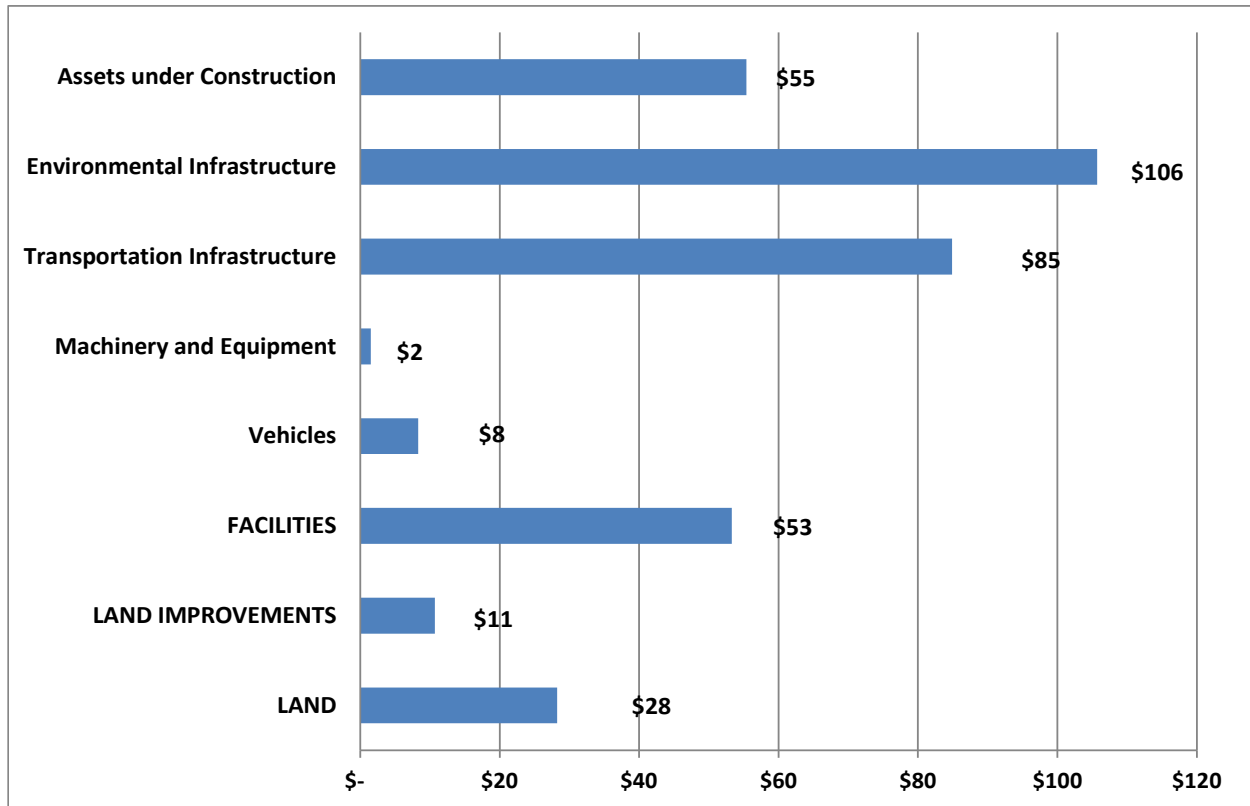
The majority of the year over year change within Non-Financial Assets relates to the recognition of new assets. The Township made significant investment in tangible capital assets totalling \$70.0 million in 2021, of which \$34.0 million relates to assumed subdivisions. The increase in tangible capital assets is net of \$8.5 million amortization expenses and net gain on disposal of assets of \$5.0 thousand.

The year over year change to prepaid expenses relates to Information Technology licenses for 2022 that were paid in 2021.



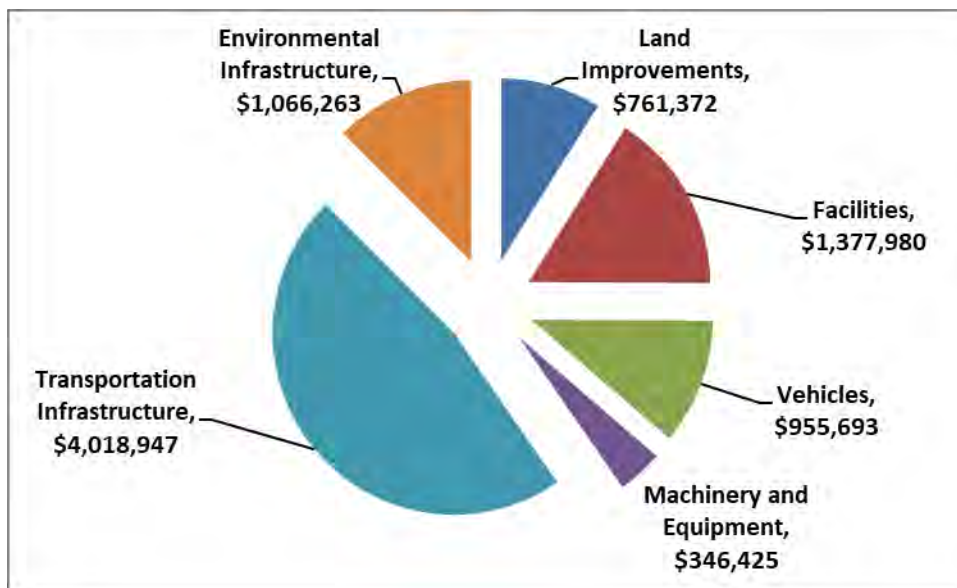
The following table represents the Net Book Value (NBV) of assets in millions:

**Table 7: Total NBV \$348.1 million**



The value of amortization per class of assets is listed on below:

**Table 8: Total Amortization is \$8.5 million**



## 2021 FINANCIAL DISCUSSION AND ANALYSIS



For 2021, the Township recognized \$36.0 million in Tangible Capital Assets. Below are some high-level projects for reference and is not the full list of projects recognized in the 2021 year-end

**Table 9:**

<b>Additions for 2021</b>	<b>Value \$ (millions)</b>
• The King Township Public Library (KTPL) & Senior's Centre	\$11.0
• Various Road Improvements	\$1.5
• Conversion of Gravel Roads to Paved Roads	\$0.9
• Park Improvements – Pottageville for baseball diamonds, tennis courts, Mary Lake Park playground equipment and shade structure)	\$0.6
• Various new Vehicles and Equipment (Includes 3 fire apparatus, 2 dump trucks, and other equipment)	\$3.7
• Nobleton Sewer Phase 2	\$7.9

The Township assumed several subdivisions in 2021 which accounted for \$34.3 million in additional assets to the Township inventory. Service levels and growth needs will need to be addressed in these areas to ensure it is staffed and resourced accordingly. Below is a chart that outlines the date and name of the various assumptions for the Township in 2021.

**Table 10:**

<b>Date</b>	<b>Assumption Description</b>
11-Jan-21	Mary Lakes Estates - Mattamy (Monarch) Limited - 19T-10-K01 - External Work Infrastructure
08-Feb-21	Acacia Estates Subdivision - Westview Star Equity, Inc - 19T-13K03
08-Feb-21	Weedon Court Subdivision - Angelo Nicastro - 19T-11-K02
08-Mar-21	King's Den - Signature 13424 Keele Incorporated & Lattame Holdings - 19T-13K01
08-Mar-21	King Dufferin - Phase 1 Valley Pt Cres & Phase 2 - 19T-06K04
29-Mar-21	King South - Zancor Homes (King South) Limited - 19T-06K05
26-Apr-21	King Valley - Phase 2, Valley King Developments - 19T-07K02
28-Jun-21	Nobleridge Subdivision - Phase 5 and Block 194, Hamleys Developments Inc - 19T-03K01
27-Sep-21	King Station - Assumption of Trail - 19T-07K01
18-Oct-21	Kingsview Manor - 2149629 Ontario Inc. - 19T-08K02
18-Oct-21	Osmington Subdivision - Phase 3 - 830184 Ontario Limited - 19T-06K06
13-Dec-21	Mary Lakes Estates - Mattamy (Monarch) Limited - 19T-10-K01 - Internal Work Infrastructure

## 2021 FINANCIAL DISCUSSION AND ANALYSIS



The Township’s sustainable funding source for capital offsets the projected amortization expenses of approximately \$8.5 million per year. With amortization providing an indication of how much should be set aside / spent each year to repair and replace the Township assets. However, amortization is based on historical cost of assets and the future cost to replace an asset (such as a road or bridge) will cost more than what the Township paid for it more than 50 years ago. The difference between the historical cost and the replacement cost is called the infrastructure funding gap.

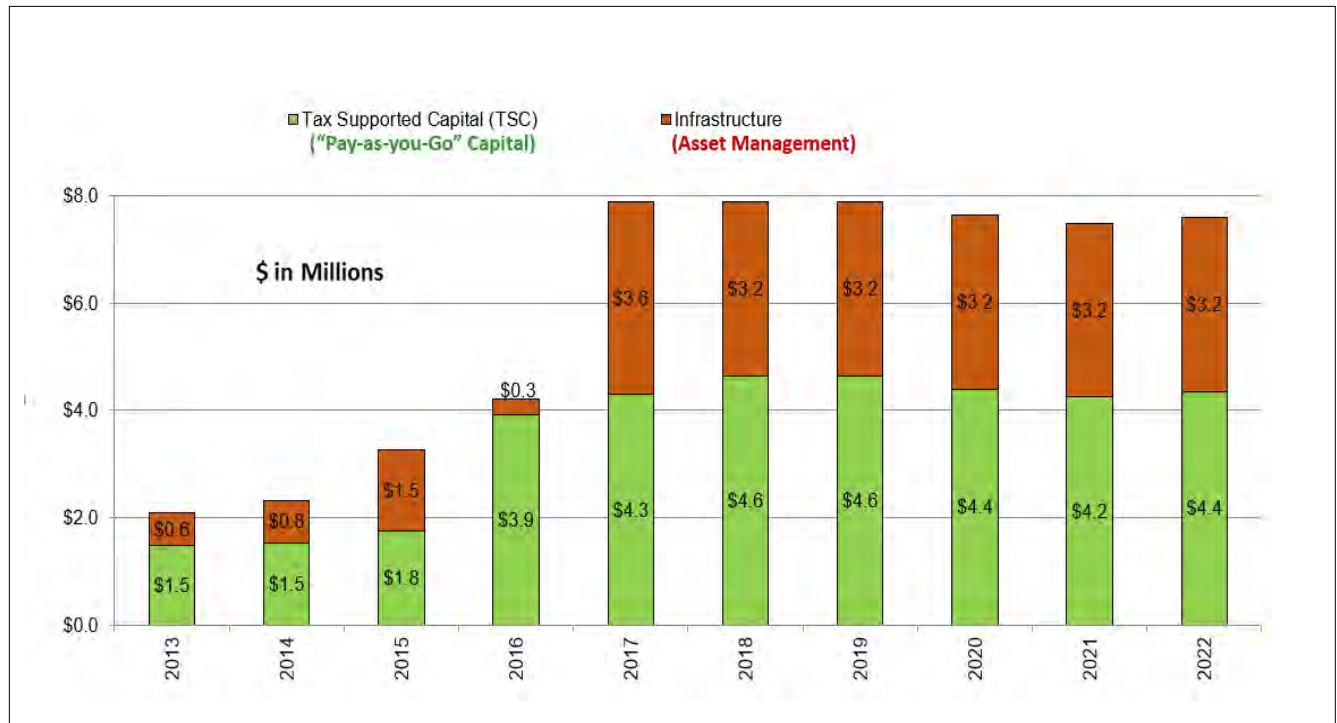
The Township needs to build-up sustainable funding for capital. In recent years, the Township has actively worked to reduce the infrastructure funding shortfall by levying more property tax dollars for capital purposes.

The plan is to build up our tax funded capital which is \$4.1 million in 2021 and \$4.3 million in 2022 plus, our contribution for infrastructure which is now \$3.1 million to cover the estimated annual depreciation or amortization of all assets. By forecasting our capital expenditures, we can plan for funding from both reserves and stabilize the tax rate.

This chart shows the balance of using the two funding sources to support the repair and replacement of Township assets with using both tax supported capital reserve and infrastructure reserve.

**Table 11:**

(\$ millions)



As the Township continues to work towards a comprehensive Asset Management Plan (AMP), the average annual investment required will be adjusted, and the infrastructure gap will be quantified with the goal of creating a long-term strategy to fund the gap. This strategy will continue to look at best practices to maintain assets to avoid large replacement costs and ensure a proactive approach is adopted for proper maintenance and repairs. The Township AMP was approved by Council in January 2022.



As part of the Township’s Fiscal Strategy, we must look at our 10-year capital forecast and balance the needs of growth and non-growth. In conjunction with our Asset Management Plan (AMP) we must include the various studies to help formulate the 10-year plan. These include but, are not limited to the Community Service plan that looks at the various amenities for parks, recreation, and culture. The Fire Master Plan that looks at community risk assessment, the Official Plan for population growth for both residential and commercial / industrial, the Development Charge Study which is a 5-year plan that was adopted by Council in January 2021 and the Paving strategy.



**Replacement,  
Rehabilitation,  
Expansion and New  
Facilities**

**Studies**

- Community Services Master Plan
- Fire Master Plan
- Official Plan
- Development Charges Study
- Paving Strategy

**Asset  
Management Plan  
(AMP)**



**Accumulated Surplus**

**Table 12:**

As at December 31 (\$ millions)	2021	2020	Change in 2021 Increase / (Decrease)
Financial Assets	\$85.5	\$74.8	\$10.7
Financial Liabilities	\$71.6	\$62.1	\$9.5
<b>Net Financial Assets</b>	<b>\$13.9</b>	<b>\$12.7</b>	<b>\$1.1</b>
Non- Financial Assets	\$348.5	\$278.3	\$70.2
Total Net Assets	\$362.4	\$291.0	\$71.4
<b>Accumulated Surplus - End of Year</b>	<b>\$362.4</b>	<b>\$291.0</b>	<b>\$71.4</b>

The 2021 accumulated surplus change is equal to the 2021 annual surplus from operations from the statement of operations. In 2021, the Township’s change represents an increase of \$71.4 million to the accumulated surplus at the end of December 31, 2021. Details are provided in the financial statements under note 11 for more information.

**OPERATIONS AND ACCUMULATED SURPLUS**

The budgets for the Township are prepared using fund accounting where revenues equal expenses for the budget / planning purposes. On the fund basis of accounting, the Township ended the 2021 year with a deficit of \$423 thousand due primarily to loss of revenues due to the COVID-19 Pandemic and incurring direct costs related to COVID-19 of \$310 thousand. In order to minimize the deficit, staff reduced spending where possible, delayed staffing recruitment to gap vacancies to offset the closure of facilities, and loss of revenues during the COVID-19 Pandemic. A detailed reporting of the fund basis operating budget deficit will be provided in a separate report as part of the year-end process.

Overall, the Township has a 2021 year-end full accrual surplus of \$71.5 million which is related primarily due to additional assets that were added by the Township of \$70.0 million which includes \$34.4 million of infrastructure assets that were assumed by development. The revenue from Township assumed infrastructure is captured under contribution from developers in the Statement of Operations. In 2021, the Township recognized \$31.8 million in development charges under contribution and \$1.2 million in Federal Gas Tax under the grant revenue section of the Statement of Operations.

### Conversion to Full Accrual Accounting

In order to comply with PSAB reporting, the Township converts its fund basis of accounting to the full accrual accounting for both revenues and expenses. For example, prior to 2009 there was no requirement to present tangible capital assets on the Township's Statement of Financial Position. At the time, all Ontario municipalities at the time expensed tangible capital assets (TCA) additions with revenues related to capital project additions shown to fully offset the expenses. Under the full accrual method of accounting, the TCA additions are now capitalized on the Township's Statement of Financial Position similar to other private businesses and organizations. Municipalities now show amortization expense as listed on the Statement of Operations which is one of the largest expenses for many municipalities due the volume of assets under a municipality's control such as roads, bridges, fleet, facilities, and equipment.

The items below are included in the December 31, 2021 financial statements:

- Amortization of tangible capital assets
- Accumulated Surplus/(Deficit) from Operations
- Net Book Value Gain / Loss on disposal of Tangible Capital Assets
- Revenue – Grants (including Federal Gas Tax)/Development Charges/Recoveries from other municipalities/ other - for Capital
- Revenue – Contributed Assets (assets assumed by the Township by developers)
- Transfer from/to Reserves are not considered Revenue or Expenses and are removed from the Township's Surplus

The following is the adjustment from the Township's fund accounting deficit of \$423 thousand to the actual full accrual surplus of \$71.4 million:



**Table 13:**

	<u>\$ Thousands</u>
2021 Fund Accounting Operating Budget Deficit	(\$423)
<b>Tangible Capital Asset (TCA) Adjustments</b>	
Tangible Capital Asset Amortization	(\$8,527)
o 2021 Tax Levy Funded Capital Program	\$64,499
o Capital Budget Items not considered Tangible Capital Assets	(\$318)
o Net Book Value loss on Disposal of Tangible Capital Assets	(\$59)
	<u>\$55,595</u>
Surplus after accounting for TCA	\$55,172
<b>Other Full Accrual Adjustments</b>	
o Transfers to Reserves not considered an expense	\$20,490
o Transfers from Reserves not considered revenue	(\$5,393)
o Deferred Revenues and Other External Funding (grants)	-
o Long term debt (external) not considered as expenditures	\$2,447
o Change in Employee Future Benefits Liability	(\$218)
o Change in Solid Waste Landfill Closure and Post Closure Liability	(\$1,376)
o Consolidation of Library Board and Holland Marsh	\$300
o Transfer of Nobleton Cemetery Surplus/(Deficit) to Care & Maintenance Fund	\$4
	<u>\$16,254</u>
2021 Full Accrual Surplus	<u>\$71,426</u>

## MUNICIPAL DEBT

King Township’s capital planning requirements may rely on the use of debenture financing to support investment in municipal infrastructure. This approach has been analyzed on the basis of the Township’s current debt structure, in conjunction with Ministry defined debenture capacity / annual repayment limits, and with a comprehensive understanding of current reserve and reserve funds.

Under section 401 of the *Municipal Act*, debentures are issued by the upper tier; therefore the Region of York issues debentures on behalf of the Township of King. Debenture issuance at the Township will only be undertaken in compliance with the provisions of the *Municipal Act, 2001*, specifically Part XIII Debt and Investment, as well as Ontario Regulation 403/02 (Debt and Financial Obligation Limit).

At the end of 2021, the Township’s net outstanding debt is \$17.4 million.

The long-term debt incurred by the Township and outstanding at the end of the year consists of the following:

**Table 14:**

By-law	Purpose / Description	Maturity Date	Interest	Type	2022	2021
2015-62	For the construction of road and watermain in the community of Nobleton, in the amount of \$6,000,000. This is a sinking fund debenture	2025-06-15	2.60%	Sinking Fund	6,000,000	6,000,000
2016-54	For the construction of sewer works in the community of Nobleton, in the amount of \$6,000,000, with annual principle payments of \$400,000	2026-07-06	3.80%	Serial	2,000,000	2,400,000
2019-21	For the King Roads project in the amount of \$6,100,000. This is a sinking fund debenture.	2029-04-18	2.65%	Sinking Fund	6,100,000	6,100,000
2019-52	For King Buildings including the King Township Municipal Centre (KTMC), King City Library / Senior Centre and Graham Sideroad Bridge. This is a sinking fund debenture.	2029-04-18	2.65%	Sinking Fund	10,000,000	10,000,000
Long-Term Liabilities					24,100,000	24,500,000
Less: Sinking Fund Assets					(6,708,103)	(4,539,749)
<b>Net Long-Term Liabilities</b>					<b>17,391,897</b>	<b>19,960,251</b>

### Type of debentures:

**Serial Debentures:** Designed to pay equal, semi-annual principles amounts with interest calculated on the declining balances;

**Amortized Debentures:** Constructed to pay equal, semi-annual total payments with the interest component decreasing over the term;

**Sinking Fund Debentures:** Designed to pay equal, annual sinking fund contributions and equal, semi-annual interest payments to a fund that when combined with interest earned is used to repay the principal at the maturity.





**2015-62 – Construction of Road and Watermain in Nobleton**

This debenture was issued in 2015 for the construction of a road and watermain in the community of Nobleton for a total of \$6.0 million. This was issued as a sinking fund debenture with an interest rate of 2.6% and a maturity date of June 15, 2025. Semi-Annual payments are made for interest payments and the principle paid at maturity.

**2016-54 – Sewer Works in Nobleton**

Issued in 2011, for the construction of the sewer works in the community of Nobleton in the amount of \$6.0 million. This is a traditional serial debenture with a principal payment of \$400,000 a year plus interest of 3.8% for a maturity date of July 6, 2026.

**2019-21 – King Road Projects**

This debenture was issued in 2019 for the construction of various road projects throughout the Township for a total of \$6.1 million. This was issued as a sinking fund debenture with an interest rate of 2.65% and a maturity date of April 18, 2029. Semi-Annual payments are made for interest payments and the principle paid at maturity.

**2019-52 – Various Town Projects**

This debenture was issued in 2019 for the construction of Graham Sideroad Bridge, the King Township Municipal Centre (KTMC) and the King City Library / Senior Centre for a total of \$10.0 million. This was issued as a sinking fund debenture with an interest rate of 2.65% and a maturity date of April 18, 2029. Semi-Annual payments are made for interest payments and the principle paid at maturity.

Annual debt charges are included in the amount of the property tax rate, user rate, and area specific charge (benefitting landowner) calculations. The table below summarizes the annual debt charges (principal and interest) for the Township’s existing debt obligation; it does not include any new proposed debt.

**Table 15:**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	2,446,809	654,881	3,101,690
2023	2,446,809	639,809	3,086,618
2024	2,446,809	624,585	3,071,394
2025	2,647,731	531,281	3,179,012
2026	1,904,290	438,081	2,342,371
2027-2029	5,499,449	1,066,625	6,566,074
<b>TOTAL</b>	<b>17,391,897</b>	<b>3,955,262</b>	<b>21,347,159</b>

## Annual Debt Repayment Limit

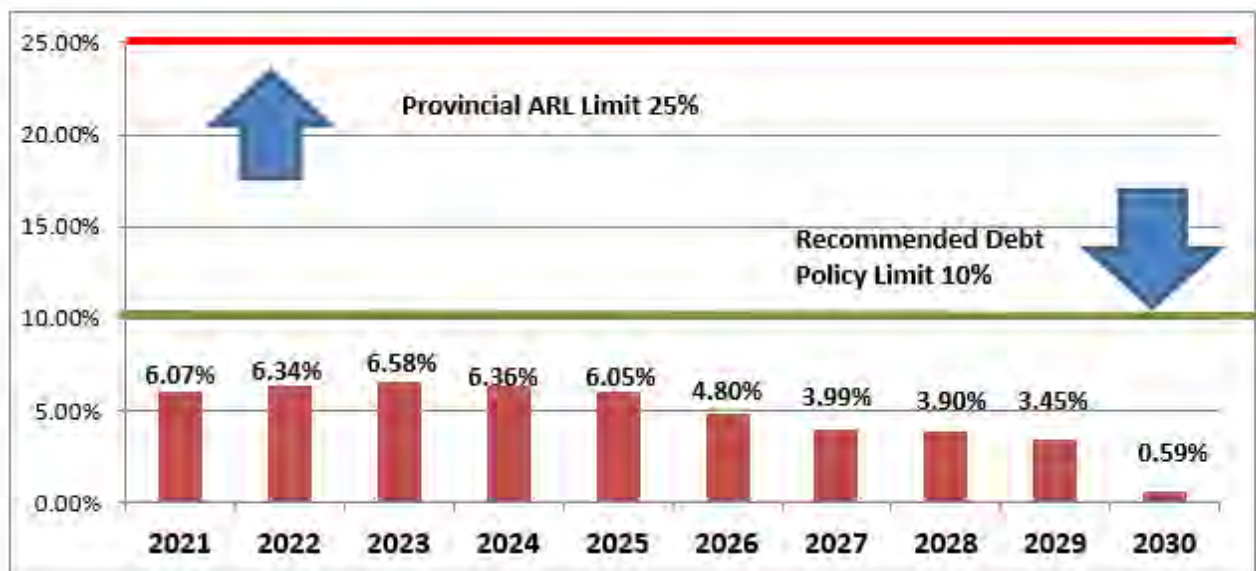
The Province of Ontario, through regulation, prescribes the Annual Debt Repayment Limit (ARL) for municipalities. The ARL is calculated based on 25% of the municipality’s own source revenues and represents the maximum amount which the municipality has available to commit to payments relating to debt and financial obligation. Prior to the authorization by Council of a long-term debt or financial obligation, this limit must be adjusted by the Treasurer in the prescribed manner. As per the debt policy within the Township of King we have an approved limit of 10% for all debt.

Based on debt financing the Township’s current debt limit is 6.07%. Below represents the forecasted projected debt limit for the remaining debentures including a new debenture related to Nobleton Sewer Contract 3 for \$4,500,000 to be issued in 2022.

The ARL statement report indicates that the Township has net debt charges of \$11,688,379 million. After adjusting for all sinking fund payments and estimated debenture for the Nobleton Sewer Contract 3, the projected ARL is \$9,801,111 or approximately 6.07% of the Township’s net revenues. The chart below includes the 2021 – 2030 estimated debt ARL include principal and interest for all debentures including sinking fund contributions and long-term leases. For 2022, this includes the start of the Nobleton Sewer serial debenture for ½ a year in 2022 then a full year starting in 2023 for a 15-year term and estimated 3.10% interest. The interest rate will be confirmed once the debt is secured by the Region in June 2022.

### 2021-2030 ARL Debt Projections

Table 16:



## Annual Reporting Requirements

The Director of Finance / Treasurer will determine the short- and long-term borrowing needs and report to Council annually on any outstanding debt balance, their use and measured to key financial indicators. Through the Capital Budget process, the Director of Finance / Treasurer will also seek Council approval on all new debt prior to works being formally undertaken and will advise Council of issuance of debt when it is appropriate.

The Corporate Debt Policy will be reviewed periodically and updated if necessary. Any required changes will then be submitted to Council for approval. Otherwise, the Corporate Debt Policy will be formally reviewed, at a minimum of every five (5) years from the date of the last review.

## CONCLUSION

With consultation with Council, the Senior Leadership Team, and staff will continue to present a well-balanced annual budget and additional financial strategies to provide a fiscally responsible outlook for the Township of King.

Some of the principles staff take into consideration in developing its fiscal strategies are:

1. **FLEXIBLE** – Responsive financial policies allow for opportunities and changing circumstances. Being able to respond to change related to economic, social, environmental, and political conditions.
2. **BALANCE** – Service levels are equitable and supported by Council. Balance of growth and non-growth
3. **GOVERNANCE** – Maintain Integrity to ensure strong public funds and assets, to always spend within our means, to maintain a strong balance sheet, establish reserves and mitigate risk.
4. **CREDIBLE** – Maintaining public confidence and being accountable. Providing citizens with the best value for money, setting performance metrics, looking for areas of improvements, report to stakeholders, maintain a high level of transparency, and find methods to promote public education.

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2021

# Financial Information

Township of King



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## Management Report

The accompanying consolidated financial statements of the Corporation of the Township of King are the responsibility of the Township's management and have been prepared in accordance with Canadian public sector accounting standards. The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation maintains a system of internal controls designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate, that transactions are properly authorized and the Corporation's assets are properly accounted for and adequately safeguarded. The Corporation is responsible for the budget, accounting, and the audit processes.

The financial statements have been examined by BDO, LLP, Chartered Professional Accountants, the external auditors for the Corporation. The responsibility of the external auditor is to express an opinion on whether the financial statements are fairly presented, in all material respects, in accordance with Canadian public sector accounting standards.

Township Council, through the Audit Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The Audit Committee meets periodically with management, as well as with the external auditors to satisfy itself that each party is properly discharging its responsibilities with respect to internal controls and financial reporting.

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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Daniel Kostopolous  
Chief Administrative Officer

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Peggy Tollett, CPA, CGA  
Director of Finance / Treasurer



**THE CORPORATION OF THE TOWNSHIP OF KING**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended December 31, 2021**





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300 Lakeshore Drive, Suite 300  
Barrie, ON L4N 0B4  
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## Independent Auditor's Report

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**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, 2021, the consolidated statements of operations and accumulated surplus, cash flows and change in net financial assets 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, 2021, and its consolidated results of operations, its consolidated change in net financial assets, 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 Consolidated 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 consolidated 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 consolidated 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 Township 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  
May 30, 2022

# THE CORPORATION OF THE TOWNSHIP OF KING

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31	2021	2020
<b>Financial Assets</b>		
Cash (Note 2)	63,643,519	50,069,438
Taxes receivable (Note 3)	7,225,326	10,234,774
Trade and other receivables (Note 4)	6,865,158	5,458,692
User charges and sewer receivable (Note 5)	7,811,619	9,084,554
	<u>85,545,622</u>	<u>74,847,458</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	19,068,280	15,763,955
Developer and other deposits	8,476,180	8,002,698
Deferred revenue (Note 6)	21,044,526	14,287,935
Employee future benefits and other liabilities (Note 7)	3,252,526	3,091,684
Solid waste landfill closure and post closure liability (Note 8)	2,406,561	1,030,796
Long-term debt (Note 9)	17,391,897	19,960,251
	<u>71,639,970</u>	<u>62,137,319</u>
<b>Net Financial Assets</b>	<u>13,905,652</u>	<u>12,710,139</u>
<b>Non-Financial Assets</b>		
Tangible capital assets - net (Note 10)	348,122,237	278,121,416
Inventory held for own use	182,105	113,823
Prepaid expenses	265,084	103,457
	<u>348,569,426</u>	<u>278,338,696</u>
<b>Total Net Assets</b>	<u>362,475,078</u>	<u>291,048,835</u>
<b>Accumulated Surplus - End of Year (Note 11)</b>	<u>362,475,078</u>	<u>291,048,835</u>

Commitments (Note 19), Contingencies (Note 20)

Approved by

Steve Pellegrini

\_\_\_\_\_  
Mayor

Peggy Tollett

\_\_\_\_\_  
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	2021 Budget (Note 17)	2021 Actual	2020 Actual
<b>Revenues</b>			
Taxation (Note 14)	38,216,764	34,067,696	34,345,419
User fees	4,647,661	3,072,649	2,770,494
Water and wastewater user charges	9,034,412	10,928,012	10,732,111
Government grants (Note 18)	681,237	3,799,950	4,124,580
Contributions from developers (Note 15)	259,693	61,549,422	8,648,507
Investment income	786,722	525,150	737,992
Penalties and interest	1,050,000	1,281,693	1,397,017
Gain on sale of land and tangible capital assets	-	20,930	10,564
Other	1,624,307	6,753,492	4,893,641
	<b>56,300,796</b>	<b>121,998,994</b>	<b>67,660,325</b>
<b>Expenses</b>			
General government	9,845,458	8,076,790	7,505,777
Protection to persons and property	5,832,316	6,599,396	5,825,701
Transportation services	12,551,929	11,142,718	11,152,218
Environmental services	12,591,056	12,833,616	11,370,519
Recreation and cultural services	16,271,528	9,890,703	9,542,113
Planning and development	2,956,069	2,029,528	2,858,831
	<b>60,048,356</b>	<b>50,572,751</b>	<b>48,255,159</b>
<b>Annual Surplus from Operations</b>	<b>(3,747,560)</b>	<b>71,426,243</b>	<b>19,405,166</b>
<b>Accumulated Surplus - Beginning of Year</b>	<b>291,048,835</b>	<b>291,048,835</b>	<b>271,643,669</b>
<b>Accumulated Surplus - End of Year (Note 11)</b>	<b>287,301,275</b>	<b>362,475,078</b>	<b>291,048,835</b>

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	2021 Budget (Note 17)	2021 Actual	2020 Actual
<b>Annual Surplus from Operations</b>	(3,747,560)	71,426,243	19,405,166
Acquisition of tangible capital assets (net of changes in construction in progress)	(21,764,476)	(78,531,571)	(20,216,303)
Amortization of tangible capital assets	8,384,519	8,526,680	7,626,041
Proceeds on disposal of tangible capital assets	-	25,000	23,062
Gain on disposal of tangible capital assets	-	(20,930)	(10,564)
	(13,379,957)	(70,000,821)	(12,577,764)
Inventory held for own use	-	(68,282)	40,126
Change in prepaid expenses	-	(161,627)	59,076
<b>Increase/(Decrease) in Net Financial Assets (Debt)</b>	<b>(17,127,517)</b>	<b>1,195,513</b>	<b>6,926,604</b>
<b>Net Financial Assets (Debt) - Beginning of Year</b>	<b>12,710,139</b>	<b>12,710,139</b>	<b>5,783,535</b>
<b>Net Financial Assets (Debt) - End of Year</b>	<b>(4,417,378)</b>	<b>13,905,652</b>	<b>12,710,139</b>

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	2021	2020
<b>Cash Provided By (Used In)</b>		
<b>Operating Activities</b>		
Annual Surplus from operations	71,426,243	19,405,166
Items not involving cash		
Amortization of tangible capital assets	8,526,680	7,626,041
(Gain)/Loss on disposal of tangible capital assets	(20,930)	(10,564)
	<u>79,931,993</u>	<u>27,020,643</u>
Changes in non-cash working capital items (Note 13)	14,717,013	(3,554,608)
<b>Capital Activities</b>		
Acquisition of tangible capital assets (net of changes in construction in progress)	(78,531,571)	(20,216,303)
Proceeds on disposal of tangible capital assets	25,000	23,062
	<u>(78,506,571)</u>	<u>(20,193,241)</u>
<b>Investing Activities</b>		
<b>Financing Activities</b>		
Sinking fund contributions	(2,168,354)	(2,226,782)
Principal repayment on long-term debt	(400,000)	(400,000)
	<u>(2,568,354)</u>	<u>(2,626,782)</u>
<b>Net Change in Cash</b>	13,574,081	646,012
<b>Cash - Beginning of Year</b>	50,069,438	49,423,426
<b>Cash - End of Year</b>	<u>63,643,519</u>	<u>50,069,438</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, 2021

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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

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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. User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided. 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, 2021

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

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(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, 2021

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

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

(vi) **Reserve Funds**

Certain amounts, as approved by Township Council, are set aside in reserve funds for future operating and capital purposes. Transfers to/from 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 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 reserve funds and obligatory reserve funds are added to the fund balance and forms part of the respective reserve funds and 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, 2021

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

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(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, taxation revenue, 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, 2021

**2. CASH**

Cash is comprised of the following:

	<b>2021</b>	<b>2020</b>
Unrestricted	42,598,993	35,781,503
Restricted (obligatory reserve funds set aside for specific purposes by legislation)	21,044,526	14,287,935
	<b>63,643,519</b>	<b>50,069,438</b>

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 (2020 - \$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 (2020 - \$Nil).

**3. TAXES RECEIVABLE**

	<b>2021</b>	<b>2020</b>
Taxes receivable	7,321,791	10,331,239
Allowance for doubtful accounts	(96,465)	(96,465)
	<b>7,225,326</b>	<b>10,234,774</b>

**4. TRADE AND OTHER RECEIVABLES**

	<b>2021</b>	<b>2020</b>
Accounts receivable	6,960,090	5,491,304
Allowance for doubtful accounts	(94,932)	(32,612)
	<b>6,865,158</b>	<b>5,458,692</b>

**THE CORPORATION OF THE TOWNSHIP OF KING**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**5. USER CHARGES AND SEWER RECEIVABLE**

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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 \$8.0M, 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.

In July 2019, Council for the Township of King approved By-law 2019-73, 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 \$7.9M, of which \$1.1M was to be funded from developer contributions, \$1.1M from the Wastewater reserve, \$2.0M from the Infrastructure reserve, \$0.8M from grants, and \$2.9M from the existing benefitting landowners. This amount was spread over the total number of landowners, 107, to be serviced in the village and each benefitting landowner was assessed a lump sum amount of \$21,870. 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 \$1,975 per residential unit equivalent.

**THE CORPORATION OF THE TOWNSHIP OF KING**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**6. DEFERRED REVENUE**

	Balance at December 31 2020	Contributions Received	Investment Income	Revenue Recognized	Balance at December 31 2021
<b>Obligatory Reserve Funds</b>					
Development charges	11,238,444	39,060,340	148,932	(31,793,674)	18,654,042
Parkland reserve	604,656	509,436	-	(1,114,092)	-
Federal gas tax	401,186	1,524,740	4,948	(1,227,539)	703,335
	<u>12,244,286</u>	<u>41,094,516</u>	<u>153,880</u>	<u>(34,135,305)</u>	<u>19,357,377</u>
<b>User Charges and Fees</b>					
Deferred facility rentals	287,289	623,360	-	(331,300)	579,349
Deferred revenue	1,756,360	1,085,916	-	(1,734,476)	1,107,800
	<u>2,043,649</u>	<u>1,709,276</u>	<u>-</u>	<u>(2,065,776)</u>	<u>1,687,149</u>
	<u>14,287,935</u>	<u>42,803,792</u>	<u>153,880</u>	<u>(36,201,081)</u>	<u>21,044,526</u>

Cash needed to fund the obligatory reserves is \$19,357,377 (2020 - \$12,244,286) and the cash balance as at December 31, 2021 is \$63,643,519 as indicated in Note 2 (2020 - \$50,069,438).

**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.

	<b>2021</b>	<b>2020</b>
Accrued post-retirement non-pension benefits	1,001,422	1,074,258
Vested sick leave benefits	1,483,795	1,193,192
Vacation pay	767,310	824,234
	<u>3,252,527</u>	<u>3,091,684</u>

**THE CORPORATION OF THE TOWNSHIP OF KING**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**7. EMPLOYEE FUTURE BENEFITS AND OTHER LIABILITIES (CONTINUED)**

The actuarial results for each of the plans as at December 31, 2021 are as follows:

	Post Retirement Non-Pension Benefits	Vested Sick Leave Benefits	Total 2021	Total 2020
Accrued benefit obligation, beginning of year	1,074,258	1,193,192	2,267,450	2,109,407
Current service cost (net of benefits paid)	15,240	140,076	155,316	88,639
Interest cost	23,212	40,597	63,809	59,043
Actuarial (gain)/loss	(111,288)	109,930	(1,358)	10,361
<b>Accrued benefit liability, end of year</b>	<b>1,001,422</b>	<b>1,483,795</b>	<b>2,485,217</b>	<b>2,267,450</b>

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 2021, increasing to 5.30% in 2025 and then decreasing by 0.70% over the next 10 years and remain at 4.00% thereafter (2020 - 4.20%).

*Dental costs*

Dental costs were assumed to be at a rate of 4.50% for 2021 increasing to 5.60% in 2025 and then decreasing by 1.00% over the next 10 years and remain at 4.00% thereafter (2020 - 4.50%).

**THE CORPORATION OF THE TOWNSHIP OF KING**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**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 \$2,406,561 (2020 - \$1,030,796) and reflects a discount rate of 2.57% (2020 – 3.14%).

The Miller Road landfill is closed and has an estimated time of 22 years of post-closure care remaining.

The 10<sup>th</sup> Concession landfill is closed and has an estimated time of 39 years of post-closure care remaining.

The most recent valuation was prepared on December 31, 2021. 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 \$450,388 (2020 - \$448,371) 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, 2021

**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:

	<b>2021</b>	<b>2020</b>
Bylaw 2016-54 - long-term debt, issued in 2011 for the construction of sewer 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:	2,000,000	2,400,000
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	24,100,000	24,500,000
Less: sinking fund assets	(6,708,103)	(4,539,749)
<b>Net long-term liabilities</b>	<b>17,391,897</b>	<b>19,960,251</b>



**THE CORPORATION OF THE TOWNSHIP OF KING**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**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
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	2,647,731	531,281	3,179,012
2026	1,904,290	438,081	2,342,371
2027 - 2029	5,499,449	1,066,625	6,566,074
	<b>17,391,897</b>	<b>3,955,134</b>	<b>21,347,031</b>

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 \$654,736 (2020 - \$678,015) 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 \$3,629,004 (2020 - \$3,016,286).
- (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 \$1,166,615 (2020 - \$577,213).
- (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 \$1,912,484 (2020 - \$946,250).

**THE CORPORATION OF THE TOWNSHIP OF KING**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**10. TANGIBLE CAPITAL ASSETS**

	Land	Land Improvements	Facilities	Vehicles	Machinery and Equipment	Transportation Infrastructure	Environmental Infrastructure	Assets under Construction	Total 2021	Total 2020
<b>Cost</b>										
Balance, beginning 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	<b>410,098,515</b>	390,076,905
Additions during the year	-	917,373	10,779,800	2,879,926	763,727	16,261,115	30,561,707	16,367,923	<b>78,531,571</b>	20,216,303
Disposals/transfers during the year	-	-	-	(50,850)	(141,669)	-	-	-	<b>(192,519)</b>	(194,693)
Balance, end of year	28,215,515	17,866,555	68,883,684	21,529,978	2,663,710	173,677,595	120,189,342	55,411,188	<b>488,437,567</b>	410,098,515
<b>Accumulated Amortization</b>										
Balance, beginning of year	-	6,430,627	14,165,555	12,329,927	909,145	84,774,952	13,366,893	-	<b>131,977,099</b>	124,533,253
Amortization during the year	-	761,372	1,377,980	955,693	346,425	4,018,947	1,066,263	-	<b>8,526,680</b>	7,626,041
Accumulated amortization on disposal	-	-	-	(50,850)	(137,599)	-	-	-	<b>(188,449)</b>	(182,195)
Balance, end of year	-	7,191,999	15,543,535	13,234,770	1,117,971	88,793,899	14,433,156	-	<b>140,315,330</b>	131,977,099
Net Book Value of Tangible Capital Assets	28,215,515	10,674,556	53,340,149	8,295,208	1,545,739	84,883,696	105,756,186	55,411,188	<b>348,122,237</b>	278,121,416

Note 1: The increase in the Net Book Value of Tangible Capital Assets is mainly attributable to the assumption of 12 subdivisions during the year amounting to \$34,351,401 (2020 - \$1,819,412) and where the cost has been applied to several different asset categories.

Note 2: The additions during the year for the Assets under Construction mainly relate to King City East Spine Servicing work in progress.

**THE CORPORATION OF THE TOWNSHIP OF KING**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**10. TANGIBLE CAPITAL ASSETS (CONTINUED)**

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a) Assets under construction:

Assets under construction having a value of \$55,411,188 (2020 - \$39,043,265) 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 2021 (2020 - \$Nil)

**11. ACCUMULATED SURPLUS**

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Accumulated surplus is comprised of the following amounts:

	<b>2021</b>	<b>2020</b>
General purposes	(3,852,202)	(3,328,502)
King Township Library Board Annual Surplus	(21,303)	(11,304)
Holland Marsh Drainage System Joint Municipal Services Board	110,839	42,269
Unfunded		
Employee benefits and post-employment liabilities	(3,252,526)	(3,091,684)
Solid waste landfill and post-closure liabilities	(2,406,561)	(1,030,796)
Invested in Tangible Capital Assets	348,122,237	278,121,416
Less: Amount financed by long-term debt	(17,391,897)	(19,960,251)
Interest on long-term debt	(130,766)	(138,303)
Reserve Funds (Note 12)	41,297,257	40,445,990
	<b>362,475,078</b>	<b>291,048,835</b>

**THE CORPORATION OF THE TOWNSHIP OF KING**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**12. RESERVE FUNDS**

	<b>2021</b>	<b>2020</b>
<b>Reserve funds set aside by Council:</b>		
Reserve funds For Existing Infrastructure Stability (Rehabilitation & Replacement)	18,871,511	14,319,745
Reserve funds for New Infrastructure	11,458,387	15,070,711
Reserve funds for Stabilization & Contingencies	10,575,295	8,602,116
Reserve funds for Special Purposes	(108,827)	1,913,760
Library Board Managed Reserve funds	500,891	539,658
	<b>41,297,257</b>	<b>40,445,990</b>

**13. CHANGE IN NON-CASH WORKING CAPITAL ITEMS**

	<b>2021</b>	<b>2020</b>
Decrease in taxes receivable	3,009,448	213,103
Increase in trade and other receivables	(1,406,466)	(1,025,363)
Decrease (Increase) in user charges receivable and sewer receivable	1,272,935	(643,414)
(Increase) Decrease in inventory held for own use	(68,282)	40,126
(Increase) Decrease in prepaid expenses	(161,627)	59,076
Increase in accounts payable and accrued liabilities	3,304,325	1,862,301
Increase in developer and other deposits	473,482	1,792,116
Increase (Decrease) in deferred revenue	6,756,591	(5,844,398)
Increase in employee future benefits and other liabilities	160,842	246,985
Increase (Decrease) in solid waste landfill closure and post closure liability	1,375,765	(255,140)
	<b>14,717,013</b>	<b>(3,554,608)</b>

**THE CORPORATION OF THE TOWNSHIP OF KING**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**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:

	<b>2021</b>	<b>2020</b>
Taxation revenue	87,209,932	86,394,348
Amount levied and remitted to Regional Municipality of York	(34,178,803)	(33,134,375)
Amount levied and remitted to School Boards	(18,963,433)	(18,914,554)
<b>Net taxation</b>	<b>34,067,696</b>	<b>34,345,419</b>

**15. CONTRIBUTIONS FROM DEVELOPERS**

	<b>2021 Actual</b>	<b>2020 Actual</b>
Subdivision assumptions	(34,351,405)	(1,803,200)
Developer credits for King City East Spine Servicing	(17,577,777)	-
Developer credits for Township Infrastructure	(9,620,240)	(6,845,307)
	<b>(61,549,422)</b>	<b>(8,648,507)</b>

**THE CORPORATION OF THE TOWNSHIP OF KING**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**16. PENSION AGREEMENTS**

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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, 2021. The results of the valuation disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets at that date of \$117,665 million indicating an actuarial funding deficit of \$3,131 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 2021 were \$1,447,517 (2020 - \$1,265,570).

**17. BUDGET RECONCILIATION**

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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 25, 2021 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.

	<b>2021</b>
Budgeted surplus (deficit) for the year, as approved by Council	
Operating	6,230,490
Capital	(21,764,476)
<b>Total budgeted deficit for the year, as approved by Council</b>	<b>(15,533,986)</b>
Add:	
Capital expenditures carried forward from previous years	21,764,476
Increase in landfill liability	(1,375,764)
Less:	
Amortization	(8,384,519)
Increase in post-retirement benefits	(217,767)
<b>Budgeted surpluses for the year, per statement of operations</b>	<b>(3,747,560)</b>

**18. GOVERNMENT GRANTS**

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

	<b>2021</b>	<b>2020</b>
Federal grants	1,596,011	1,832,934
Provincial grants	2,203,939	2,291,646
	<b>3,799,950</b>	<b>4,124,580</b>

**THE CORPORATION OF THE TOWNSHIP OF KING**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**19. COMMITMENTS**

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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.

**20. CONTINGENCIES**

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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.

**21. INSURANCE COVERAGE**

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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 \$120,212 (2020 - \$57,050).

During the year the Township's total paid premiums was \$517,207 (2020 - \$453,082), which has been reported as an expense in the consolidated statement of operations.

**22. COVID-19 IMPACT**

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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.

**23. COMPARATIVE AMOUNTS**

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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, 2021

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### 24. SEGMENTED INFORMATION

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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, 2021

	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 2021
<b>Revenue</b>										
Taxation	4,043,294	337,715	553,290	7,687,181	19,113,610	905,716	2,613,420	1,917,482	(1,917,482)	35,254,226
Fees and user charges	171,110	105,478	1,018,942	11,258,980	271,037	700,006	691,057	1,886	(217,835)	14,000,661
Grants	1,310,121	10,600	-	756,302	1,227,539	120,754	344,588	30,046	-	3,799,950
Other revenue	6,425,310	547,436	68,115	11,208,397	45,211,453	958,714	4,398,982	125,750	-	68,944,157
	11,949,835	1,001,229	1,640,347	30,910,860	65,823,639	2,685,190	8,048,047	2,075,164	(2,135,317)	121,998,994
<b>Expenses</b>										
Salaries and benefits	4,210,946	1,947,790	1,773,434	1,367,243	2,765,897	1,460,633	4,423,961	1,328,813	-	19,278,717
Amortization on tangible capital assets	630,135	524,727	-	1,170,498	4,373,497	64,278	1,589,492	174,053	-	8,526,680
Materials and supplies	2,523,457	1,237,333	707,600	6,725,524	1,479,296	299,014	1,960,951	473,353	(217,835)	15,188,693
Contracted services	212,464	53,770	586,557	1,906,609	1,819,562	538,063	347,547	-	-	5,464,572
Interest on debt	198,750	-	-	116,905	339,081	-	-	-	-	654,736
Other expenses	-	-	-	1,459,353	-	-	1,917,482	-	(1,917,482)	1,459,353
	7,775,752	3,763,620	3,067,591	12,746,132	10,777,333	2,361,988	10,239,433	1,976,219	(2,135,317)	50,572,751
<b>Net Surplus (Deficit)</b>	<b>4,174,083</b>	<b>(2,762,391)</b>	<b>(1,427,244)</b>	<b>18,164,728</b>	<b>55,046,306</b>	<b>323,202</b>	<b>(2,191,386)</b>	<b>98,945</b>	<b>-</b>	<b>71,426,243</b>

# 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
<b>Revenue</b>										
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	137,443	74,819	957,615	10,899,520	233,675	646,196	648,368	4,111	(99,141)	13,502,606
Grants	1,336,869	-	-	155,754	1,798,350	67,909	735,484	30,214	-	4,124,580
Other revenue	1,637,829	612,508	84,710	2,029,782	4,912,439	691,333	4,440,317	82,769	-	14,491,687
	<u>6,666,286</u>	<u>1,398,156</u>	<u>2,108,569</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>
<b>Expenses</b>										
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>
<b>Net Surplus (Deficit)</b>	<b>(804,359)</b>	<b>(2,231,737)</b>	<b>(180,675)</b>	<b>16,282,635</b>	<b>3,700,540</b>	<b>(31,735)</b>	<b>2,638,359</b>	<b>32,138</b>	<b>-</b>	<b>19,405,166</b>

2021

WELCOME  
to MAIN  
STREET

# Statistics

Township of King



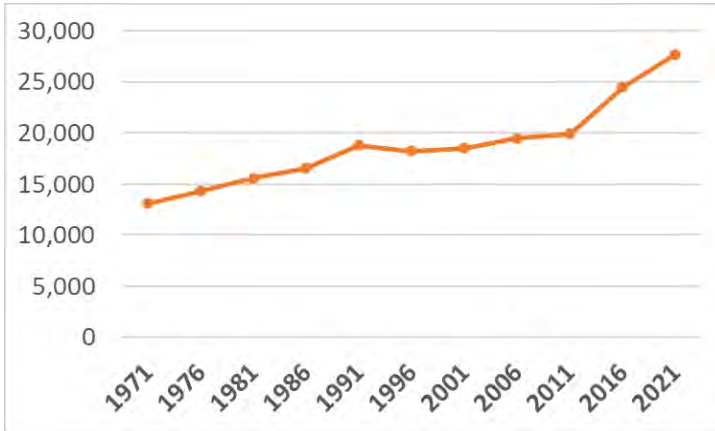
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FISCAL YEAR	2021	2020	2019	2018	2017
Population	27,713	27,700	26,308	24,916	24,843
Households	10,404	10,336	9,923	9,510	9,482

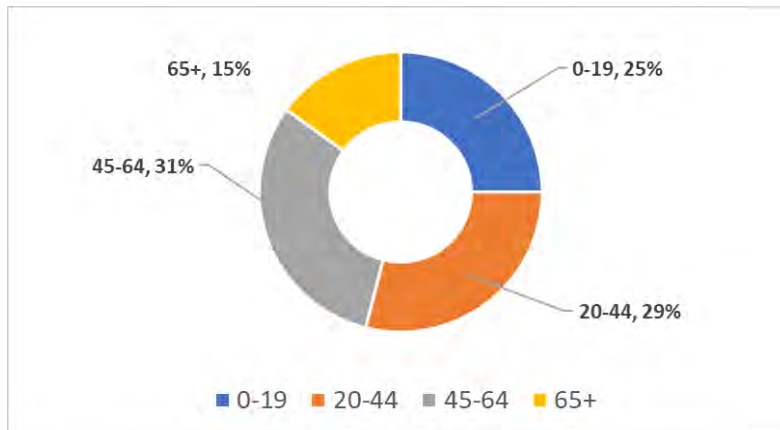
\* Information pulled from the FIR / MPAC. 2019 was an average between 2018 & 2020

King Township's population grew by 23.2% between 2011 and 2016, from 19,899 to 24,512. The population density is 73.6 people per square kilometre; however, the Township is characterized by areas of low density farming communities and the much higher density of its three major communities. In 2016, of the 24,512 residents in the township, 6,970 resided in King City, 4,614 in Nobleton, and 2,691 in Schomberg. The estimated growth from 2016 to 2021 is 13.1%



Year	Population	% Growth
1971	13,120	
1976	14,297	9.0%
1981	15,553	8.8%
1986	16,573	6.6%
1991	18,791	13.4%
1996	18,223	-3.0%
2001	18,533	1.7%
2006	19,487	5.1%
2011	19,899	2.1%
2016	24,512	23.2%
2021	27,713	13.1%

The age demographics show an even distribution between the age groups. The median age as of 2016 was 42.5, slightly higher than the Ontario median age of 41.3.

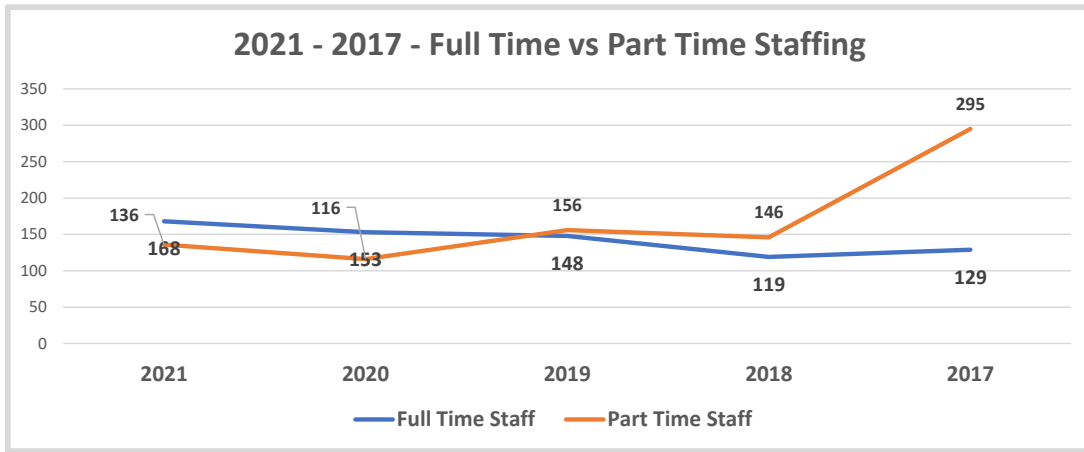


(Based on statistics Canada and the BMA Municipal Study)



Staffing Levels	2021	2020	2019	2018	2017
Full Time Staff	168	153	148	119	129
Part Time Staff	136	116	156	146	295

\*Information provided from Schedule 80 of FIR



\* Note: 2021- 2020 shows a drop in part-time due to facility closures due to Covid-19

**TAX RATE STATISTICS**

Residential and Farm	2021	2020	2019	2018	2017
Township	0.311325	0.318392	0.328370	0.347552	0.375916
Region	0.326425	0.321619	0.336549	0.350606	0.371903
School	0.153000	0.153000	0.161000	0.170000	0.179000
<b>Total Residential and Farm Rate</b>	<b>0.790750</b>	<b>0.793011</b>	<b>0.825919</b>	<b>0.868158</b>	<b>0.926819</b>

Commercial	2021	2020	2019	2018	2017
Township	0.414716	0.424130	0.420117	0.428288	0.444074
Region	0.434831	0.428429	0.430581	0.432052	0.439334
School	0.880000	0.896686	0.931834	0.966480	0.987908
<b>Total Commercial Rate</b>	<b>1.729547</b>	<b>1.749245</b>	<b>1.782532</b>	<b>1.826820</b>	<b>1.871316</b>

Industrial	2021	2020	2019	2018	2017
Township	0.511569	0.523182	0.515672	0.520390	0.532631
Region	0.536382	0.528484	0.528517	0.524962	0.526945
School	0.880000	0.980000	1.030000	1.090000	1.140000
<b>Total Industrial Rate</b>	<b>1.927951</b>	<b>2.031666</b>	<b>2.074189</b>	<b>2.135352</b>	<b>2.199576</b>

**TAX INFORMATION**

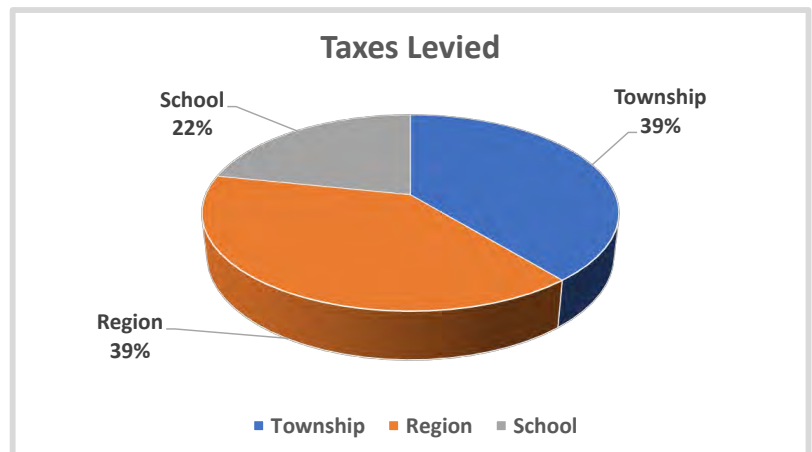
**Taxes Levied**

Township	\$ 34,067,696	\$ 34,345,419	\$ 33,031,389	\$ 32,049,068	\$ 30,776,283
Region	34,178,803	33,134,375	32,316,446	30,871,350	28,953,748
School	18,963,433	18,914,554	18,332,425	17,641,869	16,513,167
<b>Total</b>	<b>\$ 87,209,932</b>	<b>\$ 86,394,348</b>	<b>\$ 83,680,260</b>	<b>\$ 80,562,287</b>	<b>\$ 76,243,198</b>

**Principle Corporate Tax payers**

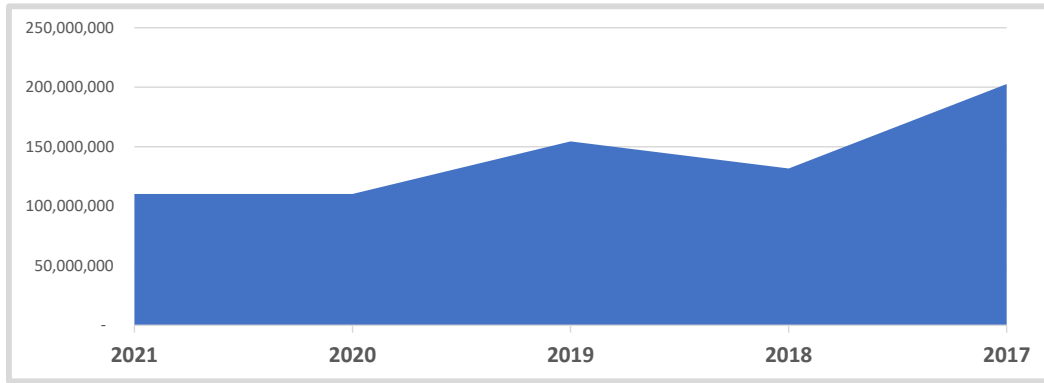
Top 10 employers within the Township of King are:

1. Seneca College
2. Priestly Demolition Inc.
3. Brookdale Treeland Nurseries Limited
4. Cardinal Golf Club
5. Showa
6. B.C. Instruments
7. ClubLink
8. Robert B. Somerville Company Limited
9. The Country Day School
10. Kingbridge Centre

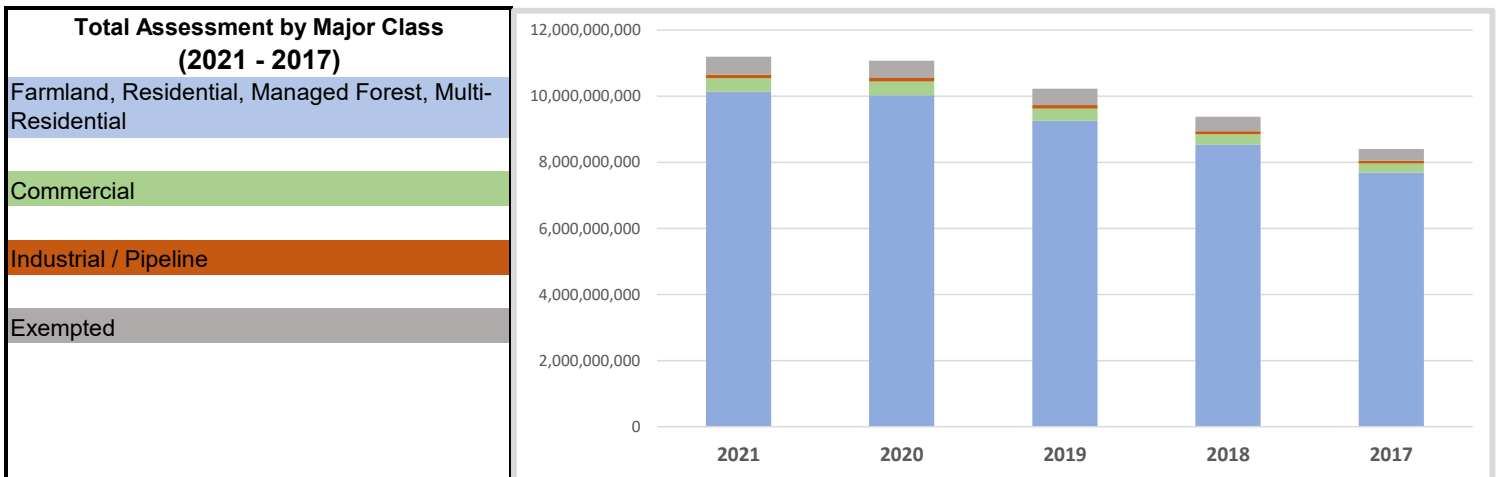




New Construction	2021	2020	2019	2018	2017
Value of construction (based on permits issued)	110,281,623	110,281,623	154,502,944	131,792,193	202,693,238



Assessment Value by Class	2021	2020	2019	2018	2017
Farmland	618,606,484	635,059,327	581,634,145	541,776,586	498,066,190
Residential	9,465,704,895	9,347,427,537	8,631,974,733	7,954,455,283	7,152,154,931
Managed Forest	32,881,100	30,260,100	25,667,040	22,751,689	20,184,206
Multi-Residential	15,710,000	15,710,000	15,442,209	15,174,418	14,906,627
Commercial	410,679,496	415,561,411	371,250,950	312,947,112	277,867,135
Industrial	73,273,500	75,767,400	72,652,532	65,007,184	56,534,755
Pipeline	31,251,000	31,121,000	30,237,895	29,337,140	28,313,250
Exempted	545,939,381	524,427,381	493,526,669	436,032,725	351,173,667
<b>Total Assessment</b>	<b>11,194,045,856</b>	<b>11,075,334,156</b>	<b>10,222,386,173</b>	<b>9,377,482,137</b>	<b>8,399,200,761</b>





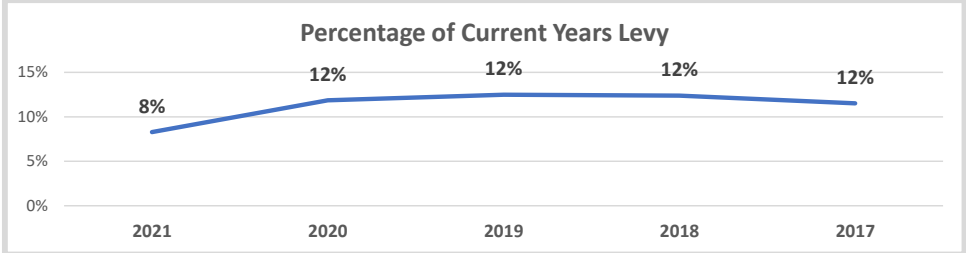


**Taxes Collected**

Township Collection	\$ 31,779,144	\$ 31,592,283	\$ 29,955,653	\$ 28,569,885	\$ 27,869,337
Taxes transferred to the Region	33,320,489	31,912,485	30,701,780	28,820,933	27,571,830
Taxes transferred to the School Boards	21,378,591	18,715,830	17,853,015	16,906,462	15,945,550
<b>Total</b>	<b>\$ 86,478,224</b>	<b>\$ 82,220,598</b>	<b>\$ 78,510,448</b>	<b>\$ 74,297,280</b>	<b>\$ 71,386,717</b>

Taxes Receivable, End of Year	2021	2020	2019	2018	2017
Taxes Receivable	\$7,225,326	\$10,234,774	\$10,447,877	\$9,976,152	\$8,786,543
Total Taxes Levied	\$87,209,932	\$86,394,348	\$83,680,260	\$80,562,287	\$76,243,198
<b>Percentage of Current Years Levy</b>	<b>8%</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>

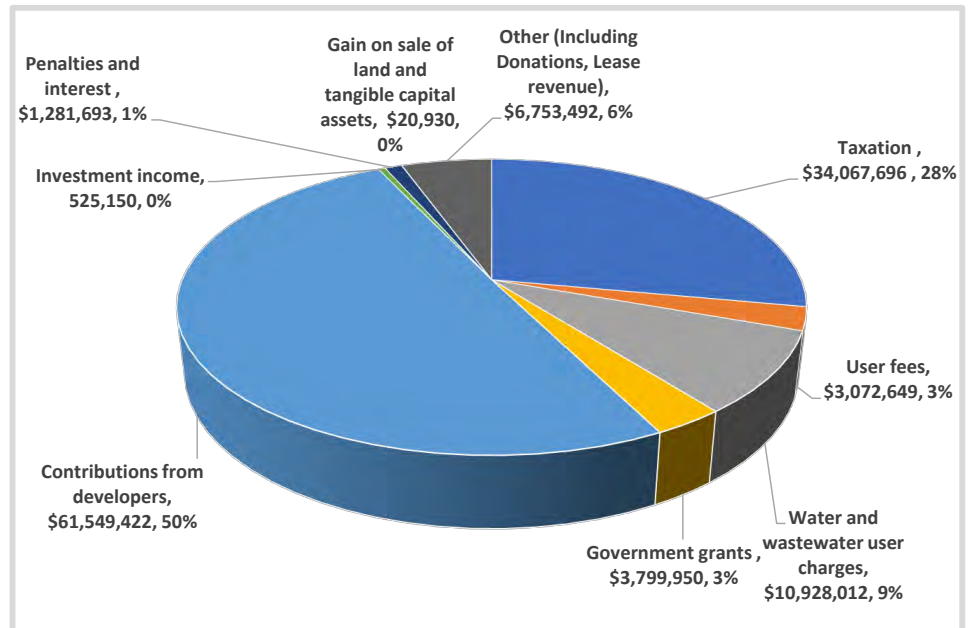
**Trend of Tax Receivables (Arrears)**





FINANCIAL INFORMATION	2021	2020	2019	2018	2017
<b>REVENUES</b>					
Taxation	\$ 34,067,696	\$ 34,345,419	\$ 33,031,389	\$ 32,049,068	\$ 30,776,283
User fees	3,072,649	2,770,494	6,069,728	4,466,966	4,984,071
Water and wastewater user charges	10,928,012	10,732,111	9,183,439	8,126,528	6,753,372
Government grants	3,799,950	4,124,580	2,749,899	1,702,150	1,230,731
Contributions from developers	61,549,422	8,648,507	19,132,037	16,154,051	23,907,177
Investment income	525,150	737,992	1,038,334	488,070	521,501
Penalties and interest	1,281,693	1,397,017	1,540,305	1,393,434	1,261,143
Gain on sale of land and tangible capital assets	20,930	10,564	105,588	9,133,502	171,228
Other (Including Donations, Lease revenue)	6,753,492	4,893,641	5,059,189	3,843,546	1,695,176
<b>Total</b>	<b>\$ 121,998,994</b>	<b>\$ 67,660,325</b>	<b>\$ 77,909,908</b>	<b>\$ 77,357,315</b>	<b>\$ 71,300,682</b>

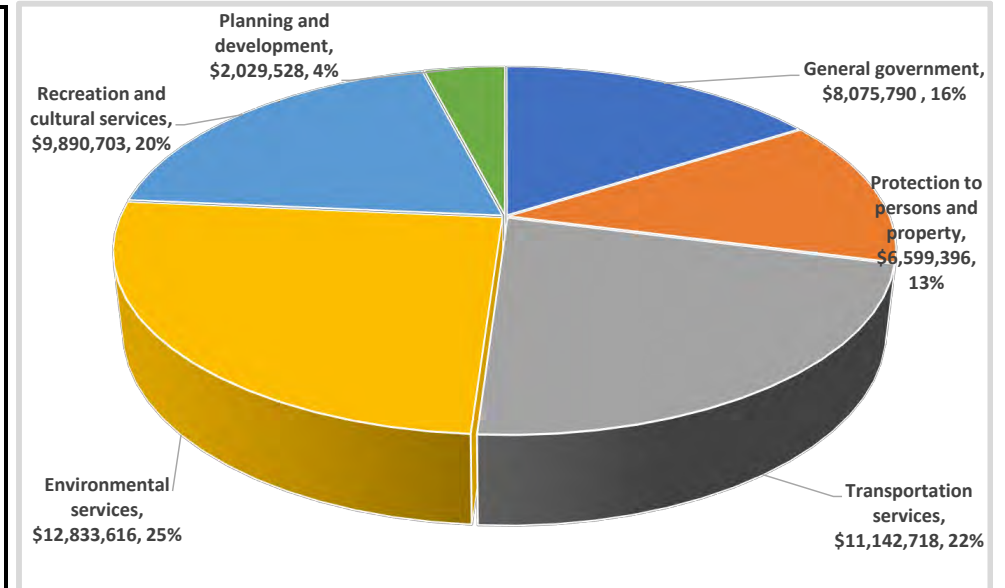
**Revenue by Type  
( 2021 )**





FINANCIAL INFORMATION	2021	2020	2019	2018	2017
<b>EXPENSES</b>					
General government	\$ 8,075,790	\$ 7,505,777	\$ 6,701,605	\$ 5,557,704	\$ 5,242,194
Protection to persons and property	6,599,396	5,825,701	6,140,332	6,072,042	5,574,912
Transportation services	11,142,718	11,152,218	11,309,693	10,720,790	11,218,753
Environmental services	12,833,616	11,370,519	9,281,805	10,312,268	8,788,568
Recreation and cultural services	9,890,703	9,542,113	10,901,413	10,327,517	10,138,883
Planning and development	2,029,528	2,858,831	2,282,815	3,158,491	2,775,924
<b>Total</b>	<b>\$ 50,571,751</b>	<b>\$ 48,255,159</b>	<b>\$ 46,617,663</b>	<b>\$ 46,148,812</b>	<b>\$ 43,739,234</b>

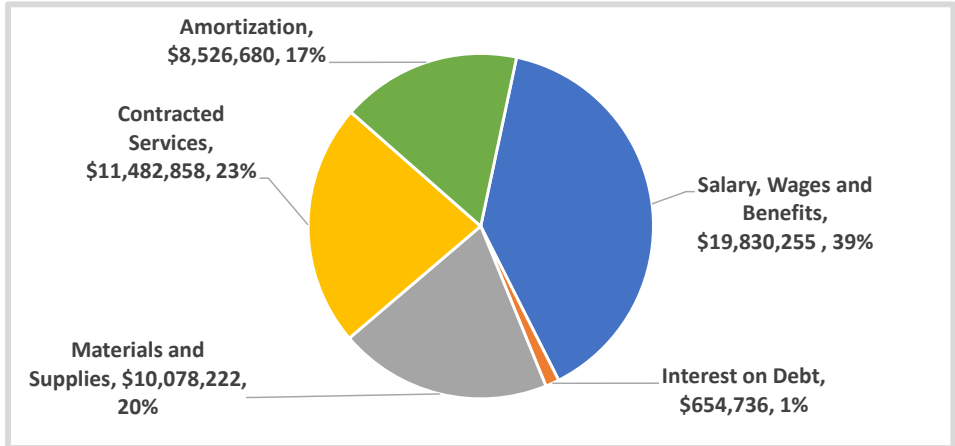
**Expense by Service  
( 2021 )**





EXPENSES BY OBJECT	2021	2020	2019	2018	2017
Salary, Wages and Benefits	\$ 19,830,255	\$ 18,775,875	\$ 18,611,535	\$ 17,416,518	\$ 16,996,129
Interest on Debt	654,736	678,015	604,161	649,672	953,773
Materials and Supplies	10,078,222	8,133,777	7,854,826	9,161,425	9,565,921
Contracted Services	11,482,858	13,041,451	12,129,202	11,888,136	9,718,304
Other Transfers	0	0	162	0	0
Amortization	8,526,680	7,626,041	7,417,777	7,033,061	6,663,488
<b>Total</b>	<b>\$ 50,572,751</b>	<b>\$ 48,255,159</b>	<b>\$ 46,617,663</b>	<b>\$ 46,148,812</b>	<b>\$ 43,897,615</b>

**Expense by Object Code or Type ( 2021 )**



Long-Term Liabilities	2021	2020	2019	2018	2017
Gross Long-Term Debt	\$ 17,391,897	\$ 19,960,251	\$ 22,587,033	\$ 13,902,128	\$ 15,272,873
<i>Per Capita</i>	627.57	720.59	858.56	557.96	614.78

Interest on Long-Term Debt	\$ 654,736	\$ 678,015	\$ 604,161	\$ 649,672	\$ 953,773
<i>Per Capita</i>	23.63	24.48	22.96	26.07	38.39

**Sources of Debt Repayment**

	**				
Debt Retirement Fund*	\$ 2,629,459	\$ 2,635,655	\$ 7,608,239	\$ 1,538,718	\$ 1,538,718
Tax Supported					
Water / Wastewater Reserve Funds	487,431	502,902	517,831	533,031	548,231
<b>Total Debt Repayment Funds</b>	<b>\$ 3,116,890</b>	<b>\$ 3,138,557</b>	<b>\$ 8,126,070</b>	<b>\$ 2,071,749</b>	<b>\$ 2,086,949</b>

\*Debt Retirement Fund held by Region of York \*\* 2019 Includes a balloon payment of \$6.1M for debenture Bylaw# 2009-22

**FIR - Schedule 81**

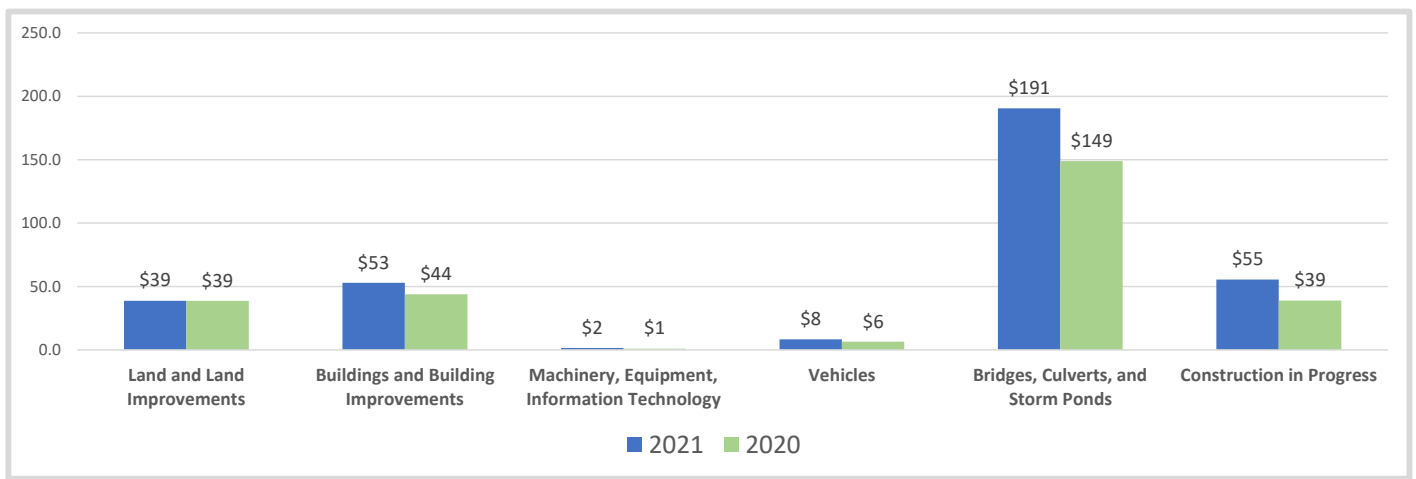
Provincial ARL	11,688,379	10,571,486	7,777,247	6,341,603	6,163,502
ARL as a % of Net Revenues	6.14%	6.23%	17.54%	4.98%	5.20%



**Tangible Capital Asset**

Net Book Value	2021	2020	2019	2018	2017
Land and Land Improvements	\$ 38,890,072	\$ 38,734,070	\$ 38,686,363	\$ 31,656,022	\$ 31,158,195
Buildings and Building Improvements	53,340,150	43,938,329	23,649,824	24,021,297	23,689,253
Machinery, Equipment, Information Technology	1,541,287	1,132,507	959,796	1,189,075	1,057,120
Vehicles	8,295,208	6,370,975	6,986,927	7,494,458	7,047,614
Bridges, Culverts, and Storm Ponds	190,639,879	148,902,270	146,486,294	131,578,898	123,488,575
Construction in Progress	55,415,641	39,043,265	48,774,448	45,333,936	19,748,577
<b>Total</b>	<b>\$ 348,122,237</b>	<b>\$ 278,121,416</b>	<b>\$ 265,543,652</b>	<b>\$ 241,273,686</b>	<b>\$ 206,189,334</b>

2021 vs 2020 (In millions)





<b>Tangible Capital Asset Cost</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Assets - Beginning of Year	\$ 410,098,515	\$ 390,076,905	\$ 359,096,200	\$ 319,082,037	\$ 289,189,252
Additions	78,531,571	20,216,303	31,793,332	42,290,999	33,859,838
Disposals and Transfers	(192,519)	(194,693)	(812,627)	(2,276,836)	(3,967,053)
<b>Assets - End of Year</b>	<b>\$ 488,437,567</b>	<b>\$ 410,098,515</b>	<b>\$ 390,076,905</b>	<b>\$ 359,096,200</b>	<b>\$ 319,082,037</b>

<b>Tangible Capital Asset Amortization</b>					
Accumulated Amortization - Beginning of Year	\$ 131,977,099	\$ 124,533,253	\$ 117,822,514	\$ 112,892,703	\$ 107,912,297
Amortization during the year	8,526,680	7,626,041	7,417,777	7,033,061	6,663,488
Accumulated Amortization on disposal	(188,449)	(182,195)	(707,038)	(2,103,250)	(1,683,082)
<b>Accumulated Amortization - End of Year</b>	<b>\$ 140,315,330</b>	<b>\$ 131,977,099</b>	<b>\$ 124,533,253</b>	<b>\$ 117,822,514</b>	<b>\$ 112,892,703</b>

<b>Net Book Value of Tangible Capital Assets</b>	<b>\$ 348,122,237</b>	<b>\$ 278,121,416</b>	<b>\$ 265,543,652</b>	<b>\$ 241,273,686</b>	<b>\$ 206,189,334</b>
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<b>Net Financial Assets</b>					
Net Financial Assets - Beginning of Year	\$ 12,710,139	\$ 5,783,535	\$(1,668,204)	\$ 2,666,714	\$ 232,735
Net Financial Assets	1,195,513	6,926,604	7,451,739	(4,334,918)	2,433,979
<b>Net Financial Assets - End of Year</b>	<b>\$ 13,905,652</b>	<b>\$ 12,710,139</b>	<b>\$ 5,783,535</b>	<b>\$(1,668,204)</b>	<b>\$ 2,666,714</b>

**Accumulated Surplus & Tangible Capital Assets**

Accumulated Surplus - Beginning of Year	\$ 291,048,835	\$ 271,643,669	\$ 240,351,424	\$ 209,142,921	\$ 181,581,423
Annual Surplus	71,426,243	19,405,166	31,292,245	31,208,503	27,561,498
<b>Accumulated Surplus - End of Year</b>	<b>\$ 362,475,078</b>	<b>\$ 291,048,835</b>	<b>\$ 271,643,669</b>	<b>\$ 240,351,424</b>	<b>\$ 209,142,921</b>



## GLOSSARY

**Accumulated surplus**-the sum of the profits retained by a corporation.

**AGCO**- Alcohol and Gaming Commission on Ontario

**Amortization**-the process of allocating the cost of a tangible asset over its useful life.

**Annual surplus**-the amount by which the revenue of an organization exceeds its expenditures in a given year.

**Annual deficit**- the amount by which the expenditures of an organization exceed its revenues in a given year.

**ARL** – Annual Repayment Limit set by the Province that represents the maximum amount which the municipality had available as of a specific year to commit to payments relating to debt and financial obligation.

**CEMC**– Certified Community Emergency Management Coordinator

**DC**– Development Charges

**Fiscal year**- a 12-month period (January 1 through December 31) in which the annual operating budget applies and at the end of which an assessment is made of the Town's financial condition and performance of operations.

**FTE**- Full-Time Equivalent. A unit to measure employed persons or students and it is the number of hours a full-time employee works for an organization.

**KCE**- King City East

**Net financial assets**- the non-physical assets of a business less its liabilities.

**PSAB**- Public Sector Accounting Board

**Tangible capital assets**-assets that have physical substance and are expected to be in use or possession of a business beyond the current accounting period.