



For the year ended
December 21, 2023



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



Prepared by Finance,
Township of King

Financial Report and Consolidated Financial Statements

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TABLE OF CONTENTS

INTRODUCTION

Message from Mayor	Page 9
Welcome to King	Page 10
Message from Chief Administrative Officer	Page 19
Township Department Summary	Page 20

FINANCIAL SECTION (STATEMENTS)

Message from Treasurer	Page 29
2023 Financial Report	Page 30
2023 Financial Discussion & Analysis	Page 36
Management Report	Page 55
Independent Auditors' Report	Page 58
Consolidated Statement of Financial Position	Page 61
Consolidated Statement of Operations and Accumulated Surplus	Page 62
Consolidated Statement of Changes in Net Financial Assets	Page 63
Consolidated Statement of Cash Flows	Page 64
Notes to the Consolidated Financial Statements	Page 66
Schedule of Segmented Information	Page 92

STATISTICAL INFORMATION

Municipality Statistics	Page 97
Tax Rate Statistics / Information	Page 98
Financial Information	Page 101
Tangible Capital Assets	Page 105
Accumulated Surplus	Page 106
Glossary	Page 107

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2023 Introduction

KING
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Government Finance Officers Association

**Canadian Award
for
Financial Reporting**

Presented to

**The Corporation of the Township of King
Ontario**

For its Annual
Financial Report
for the Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to Township of King for its annual financial report for the fiscal year ended December 31, 2022. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Message from Mayor Pellegrini

On behalf of the Township of King Council, I am pleased to share the Township's 2023 Year End Financial Report. Our community has achieved remarkable progress, as highlighted in the recently released Annual Progress Report for the 2023-2026 Corporate Strategic Plan (CSP). This report showcases the significant strides we have made towards a sustainable and thriving future.

King offers an exceptional urban and rural lifestyle with abundant green spaces, easy access to high quality amenities and protected environmental areas including the Holland Marsh and Oak Ridges Moraine. I am proud to present the year-end financial statements, reflecting King's commitment to transparency, accountability, and responsible governance.

The 2023 Annual Progress Report highlights several key achievements including:

- **Road Improvements and Upgrades:** significant progress on various Road Improvement Program projects including 19th Sideroad from 11th Concession to 10th Concession, Jane Street from Woodchoppers Lane to South Canal Bank Road and Keele Street from Lloydtown-Aurora Rd. to Kettleby Road,
- The **completion** of the **Nobleton Sewer Project**.
- **Park Improvements and Construction:** Projects like Tasca Community Park and Kettle Lake Park were completed.
- **Active Transportation Routes:** King expanded trails, bike lanes and replaced various sidewalks and curbs across King City, Nobleton and Schomberg.

I am thrilled about our progress and look forward to an even brighter future for our remarkable Township.

A handwritten signature in black ink, appearing to read "Steve Pellegrini". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mayor
Steve Pellegrini

Community Profile – “About 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
- Library Services
- Fleet Services

Mayor & Council



Jordan Cescolini
Councillor, Ward 1



David Boyd
Councillor, Ward 2



Jennifer Anstey
Councillor, Ward 3



Steve Pellegrini
Mayor



Mary Asselstine
Councillor, Ward 4



Debbie Schaefer
Councillor, Ward 5



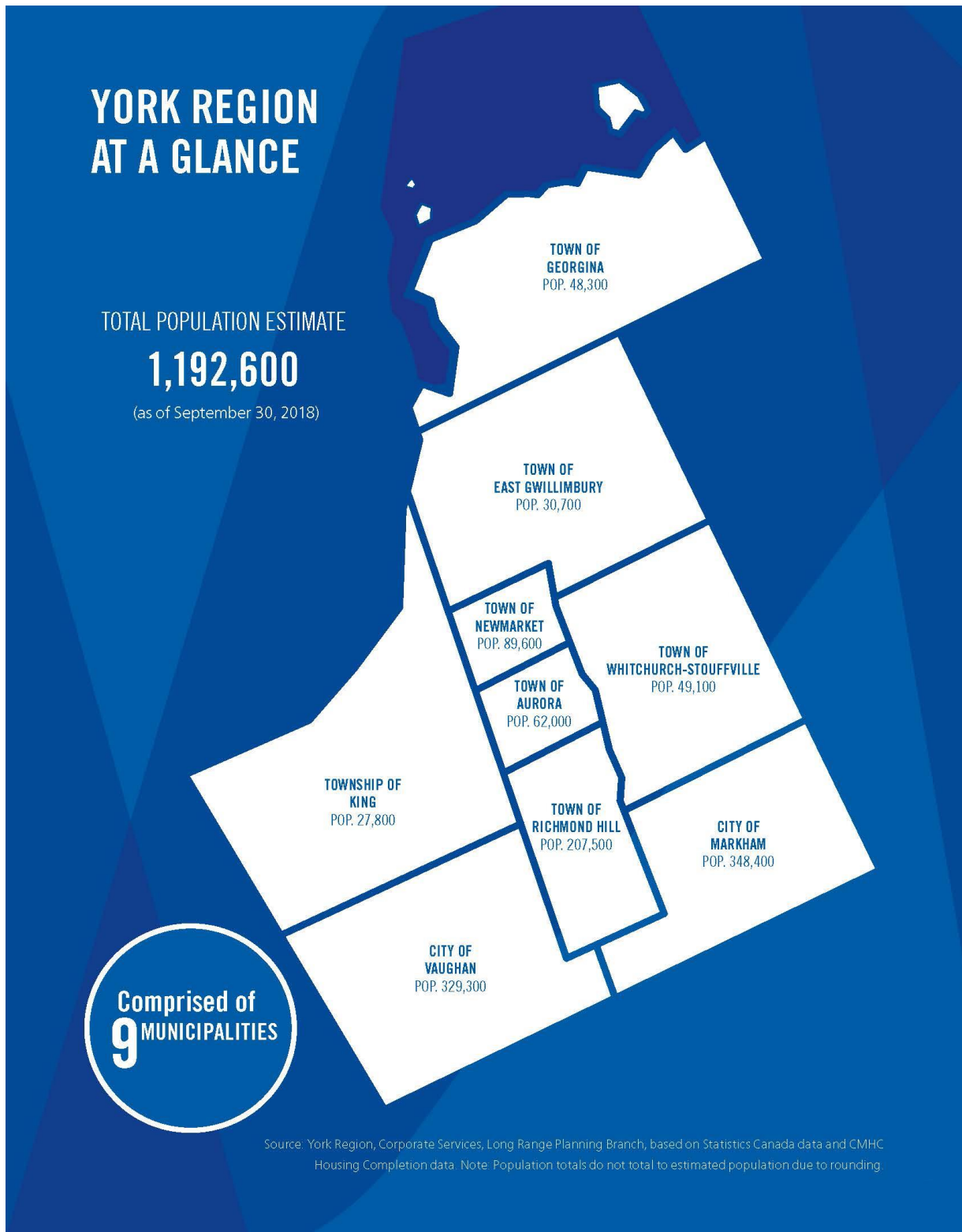
Avia Eek
Councillor, Ward 6

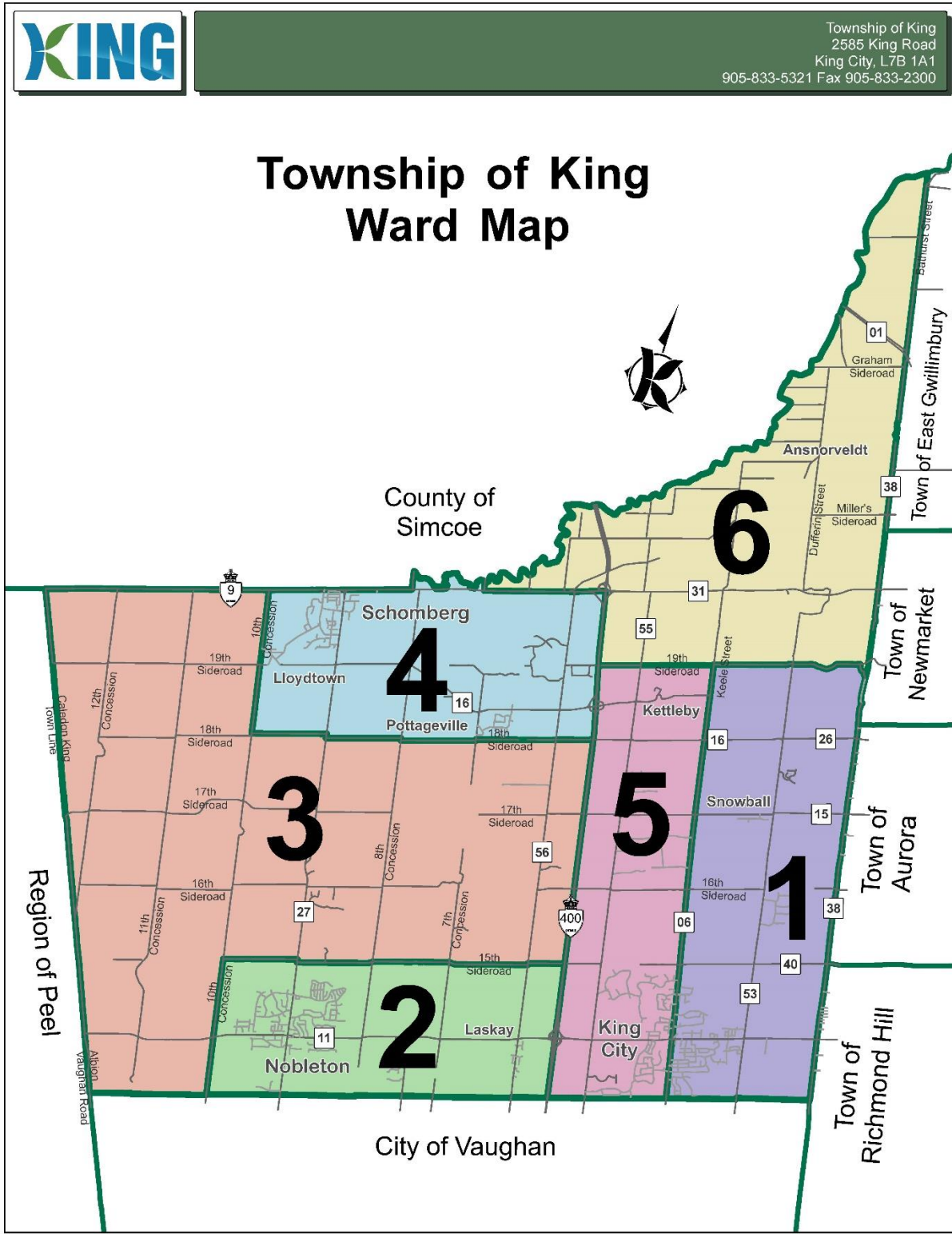
King Township is governed by an elected Mayor and six Councillors, each representing one of the six wards within the Township. As head of Council, the Mayor represents the Township on York Regional Council. Council sets policy and directs the affairs of the municipality with assistance from a staff of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

Legislation dictates municipal elections be held every four years.

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



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.

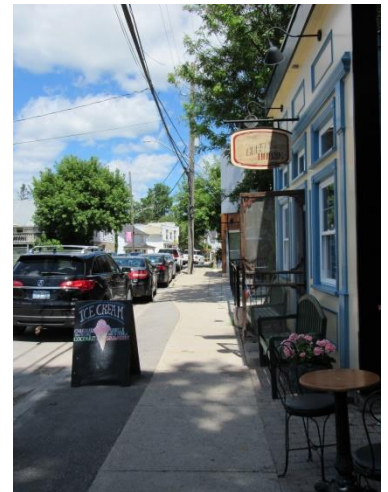
The Township's three main villages, King City, Nobleton and Schomberg, attract businesses and residents seeking to live or locate in rural communities that provide a superb quality of life second to none, close to urban amenities.

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

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

Over the years, many companies have chosen to set up business in King. Today, the Township is home to 1,414 companies from different industries.

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

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.

Business Profile

Main Street Schomberg Public Right of Way (ROW) Pop-Up Patio Program – As a COVID-19 response measure to help restaurants, and in compliance with Provincial and AGCO-regulated permissions, the Township put in place an extended outdoor seating patio application and permitting process for the second year. Two businesses participated in the program in 2020 and four in 2021. This helped create a vibrant Main Street while allowing physical distancing and safe outdoor dining.

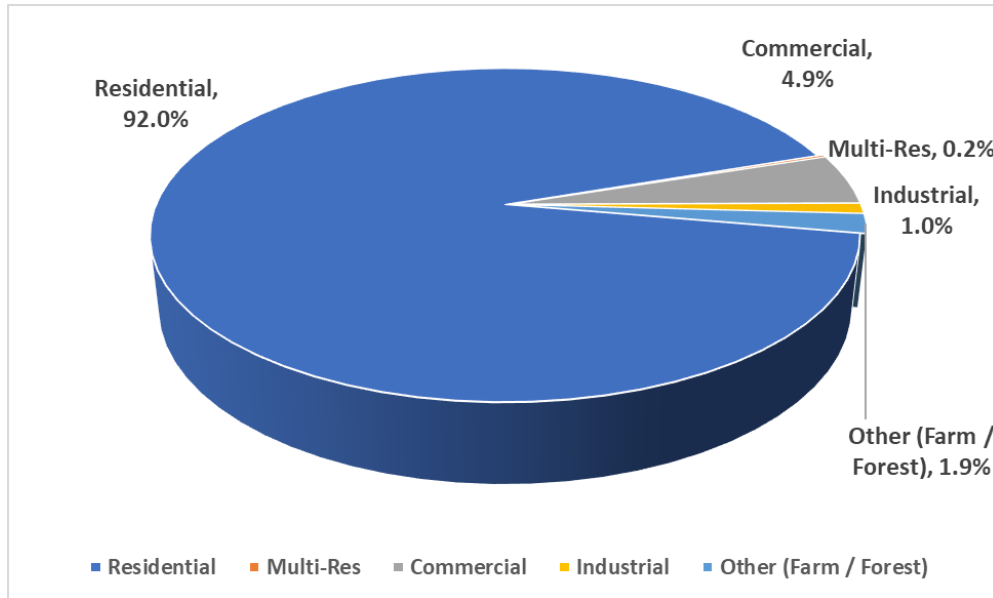


Schomberg Main Street Revitalization Strategy - Council endorsed a Downtown Revitalization Strategy for Main Street in Schomberg in May 2019. The Township secured additional Provincial funding in the second quarter of 2021 to support 65 action items into March 31, 2023. This downtown revitalization plan focuses on Marketing and Promotion, Economic Development, Physical Designs and Improvements and Management and Organization.

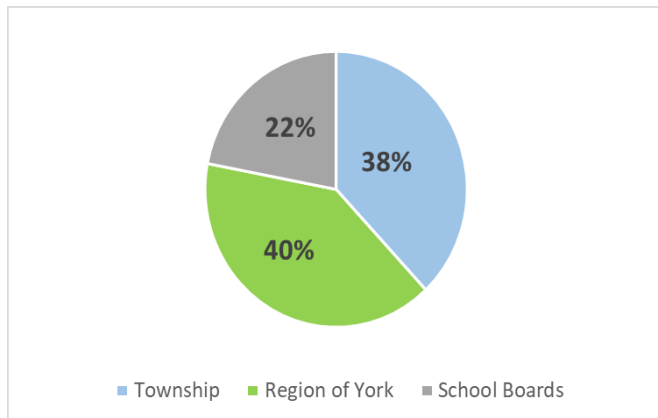


Assessment Value

The Township of King has seen a considerable amount of growth in recent years; however, it is mainly focused in residential areas and a smaller percentage is focused in commercial and industrial areas. Below is the split in the various categories:



The Township collects property taxes on behalf of the Region of York and the School Boards. The split is represented below between the three levels of government.



Public schools with classes from kindergarten through grade twelve are administered by the York Region District School Board and the York Catholic District School Board. A private Catholic high school, St. Thomas of Villanova College, and private JK -12 school, The Country Day School, are also located in the township.



Seneca College owns a campus located in the southeastern portion of King Township, where the College offers various programs.

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Message from the Chief Administrative Officer

Successful completion of King's 2023 year-end financial statements is a testament to the collective efforts and dedication of staff. King maintained financial stability and achieved a surplus in 2023 despite slower growth and its related economic impacts.

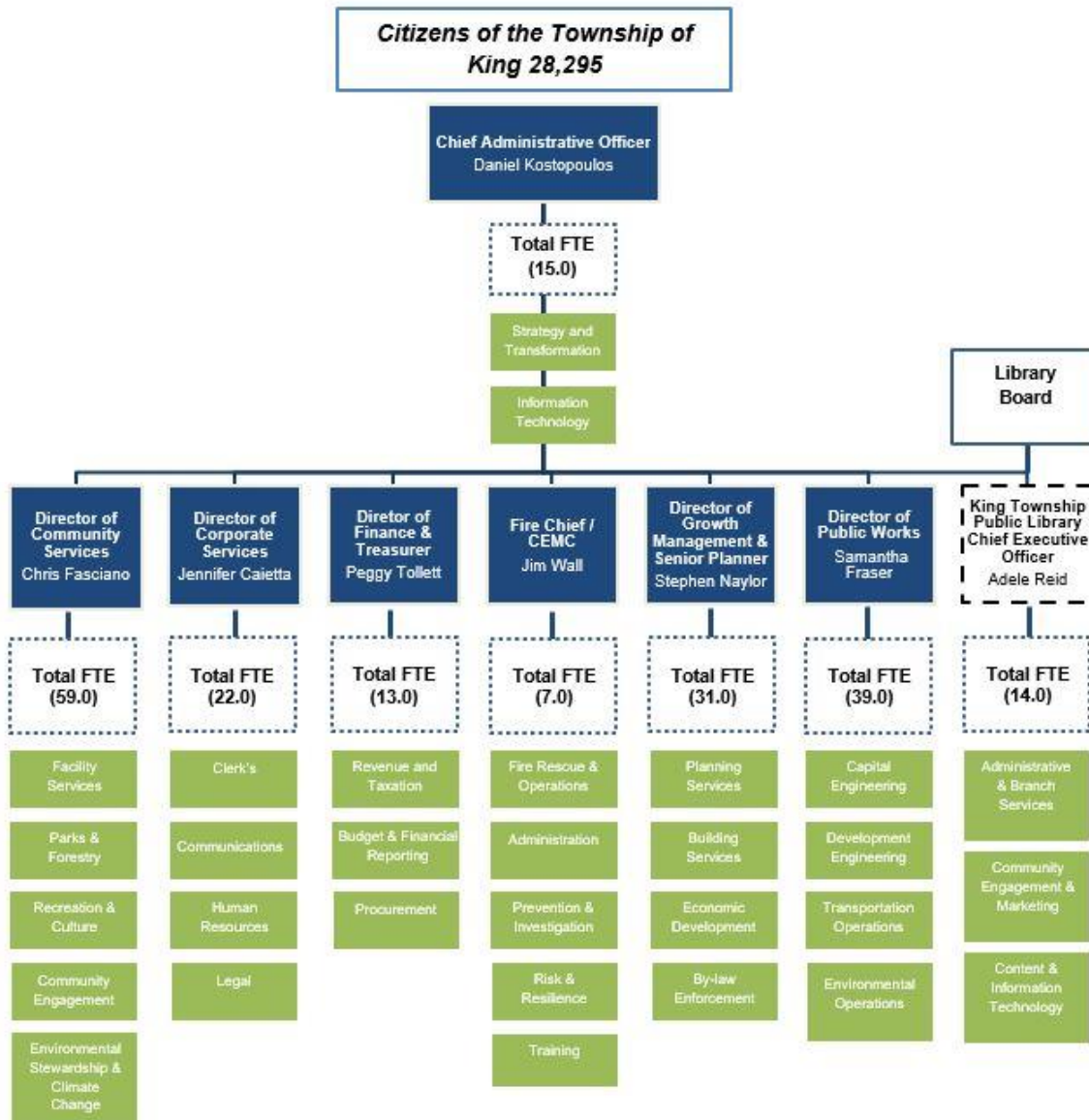
The 2023 Annual Progress Report highlights numerous successes including:

- **A Greener Future:** corporate emissions were reduced by 133 tonnes of carbon dioxide, nearing our annual target, and planted 6,800 trees, shrubs, and wildflowers.
- **Sustainable Asset Management:** a stormwater charge was implemented and completed a comprehensive asset inventory.
- **Complete Communities:** the Enrich King program was launched and public meetings were held for the Official Plan update.
- **Service Excellence:** new digital tools were introduced for residents and improvements in service delivery metrics were made.

The Township of King is committed to providing high-quality programs and services in a cost-effective manner. The Annual Financial Report offers an overview of King's financial position and showcases successes in 2023. All departments play a vital role in these accomplishments, and I extend my gratitude to all staff for their contributions to King's continued success.

A handwritten signature in blue ink, appearing to read 'DK', with a stylized flourish at the end.

Chief Administrative Officer
Daniel Kostopoulos



Total FTE's = 200 (2024 Approved)

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 department head to the Office of the CAO Department, which includes the Information Technology and Strategy and Transformation Divisions.

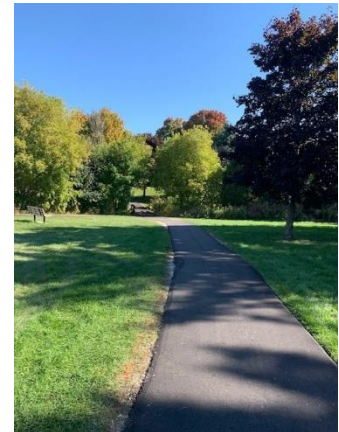
The Office of the CAO is responsible for ensuring that Council directives are coordinated between departments and relevant agencies while guiding operations of the organization in alignment with the vision and values of the Township and Council's priorities as identified in the corporate strategic plan.



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 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*.



Fire & Emergency Services

King Fire & Emergency Services proudly protects an area of 333 square kilometres and a population of over 28,000 residents. Serviced 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 Services

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

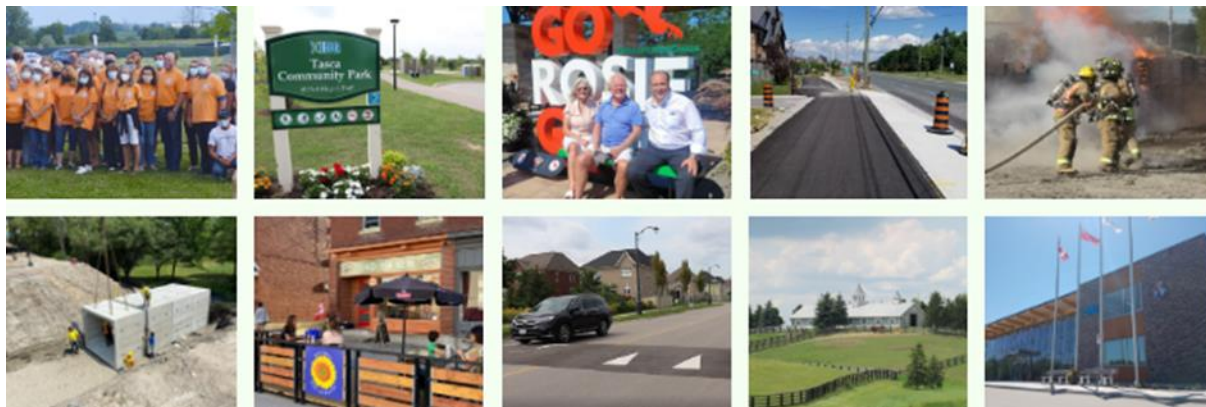
King Township Public Library (KTPL) is a four-branch system that offers both traditional and progressive programs and services as well as a contemporary, innovative multi-format collection. The Library is engaged in the King community, with numerous partnerships, community relationships and presence 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's key functions is to plan, design, approve and execute 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 2022-2024

	2022	2023	2024
DEPARTMENT	APPROVED	APPROVED	APPROVED
OFFICE OF THE CAO			
STRATEGY AND TRANSFORMATION	7	7	7
INFORMATION TECHNOLOGY	7	7	8
TOTAL	14	14	15
COMMUNITY SERVICES			
PARKS AND FORESTRY	10	10	11
FACILITIES	15	18	18
RECREATION AND CULTURE	20	20	20
COMMUNITY ENGAGEMENT	7	7	7
FLEET	3	3	3
TOTAL	55	58	59
CORPORATE SERVICES			
CLERKS	7	7	8
COMMUNICATIONS	2	2	3
HUMAN RESOURCES	4	5	5
SERVICE KING	4	4	4
LEGAL	2	2	2
TOTAL	19	20	22
FINANCE	11	12	13
TOTAL	11	12	13
FIRE AND EMERGENCY SERVICES			
TOTAL	7	7	7
GROWTH MANAGEMENT			
BUILDING	7	7	8
BY-LAW ENFORCEMENT	6	6	6
ECONOMIC DEVELOPMENT	2	2	2
PLANNING / POLICY	11	13	15
TOTAL	26	28	31
LIBRARY (KTPL)			
TOTAL	11	13	14
PUBLIC WORKS			
ENVIRONMENTAL OPERATIONS	9	9	9
DEVELOPMENT ENGINEERING	8	9	9
CAPITAL ENGINEERING	6	6	6
TRANSPORTATION OPERATIONS	14	15	15
TOTAL	37	39	39
TOTAL FULL TIME EQUIVALENTS	180	191	200

Department Summary



2023

Financial Information

KING

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Message from Director of Finance and Treasurer



The Township of King is pleased to present its 2023 Financial Report and Consolidated Financial Statements for the year ended December 31, 2023. This report, prepared in accordance with the Municipal Act, 2001 and Public Sector Accounting Board standards, highlights prudent financial management and a strong commitment to transparency.

In 2023, despite slower growth in planning revenues due to higher interest rates and economic impacts, King achieved a small surplus of \$67,000, which has been allocated to the tax rate stabilization reserve fund. The Township's diversified investment portfolio and supplementary tax revenues helped offset revenue losses.

Key financial highlights for 2023 include:

- Completion of financial policies for accounts receivable and procurement procedures.
- Enhancement of the 10-year capital forecast for budget purposes.
- Implementation of fund manager software for better financial projections.

We also secured modernization funding to upgrade building, planning, permitting and bylaw systems. This new system, to be fully implemented in 2024, will provide an online portal for residents and developers to submit applications, check statuses, and pay fees.

King's overall fiscal strategy is designed to support the goals and objectives of the Corporate Strategic Plan, ensuring long-term financial health and sustainability for the Township.

A handwritten signature in black ink, appearing to read 'P. Tollett'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Director of Finance and Treasurer
Peggy Tollett

The 2023 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 KPMG 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.

KPMG LLP Chartered Accountants were appointed in September 2022 after completing a competitive tender process with other local municipalities within York Region. They have audited the Township's 2023 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 Financial Report provide a high-level overview of the financial position of the Township of King for the fiscal year ended December 31, 2023.

There are five required financial statements which include:

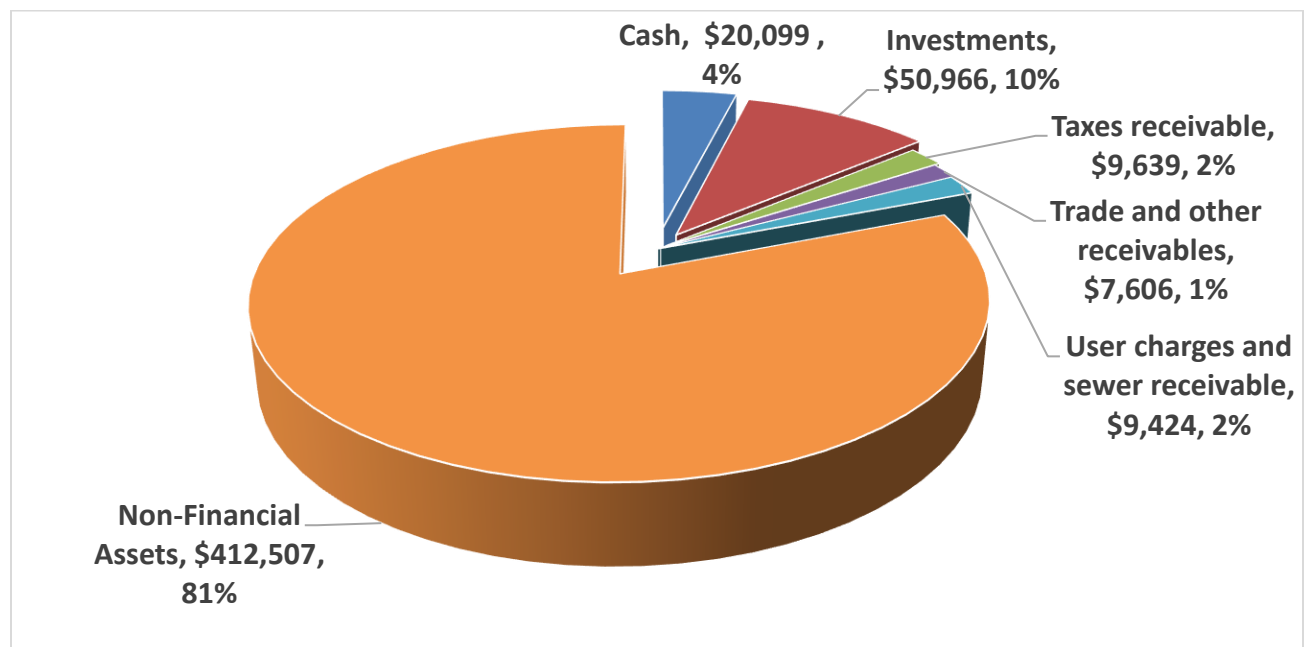
- Consolidated Statement of Financial Position
- Consolidated Statement of Operations and Accumulated Surplus
- Consolidated Statement of Change in Net Financial Assets
- Consolidated Statement of Cash Flows
- Consolidated Statement of Remeasurement Gains and Losses

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, 2023
(In thousands of dollars)

As at December 31, 2023	2023	
What we own (Assets)	\$000's	%
Cash	\$20,099	4%
Investments	50,966	10%
Taxes receivable	9,639	2%
Trade and other receivables	7,606	1%
User charges and sewer receivable	9,424	2%
Non-Financial Assets	412,507	81%
Total	\$510,241	100%



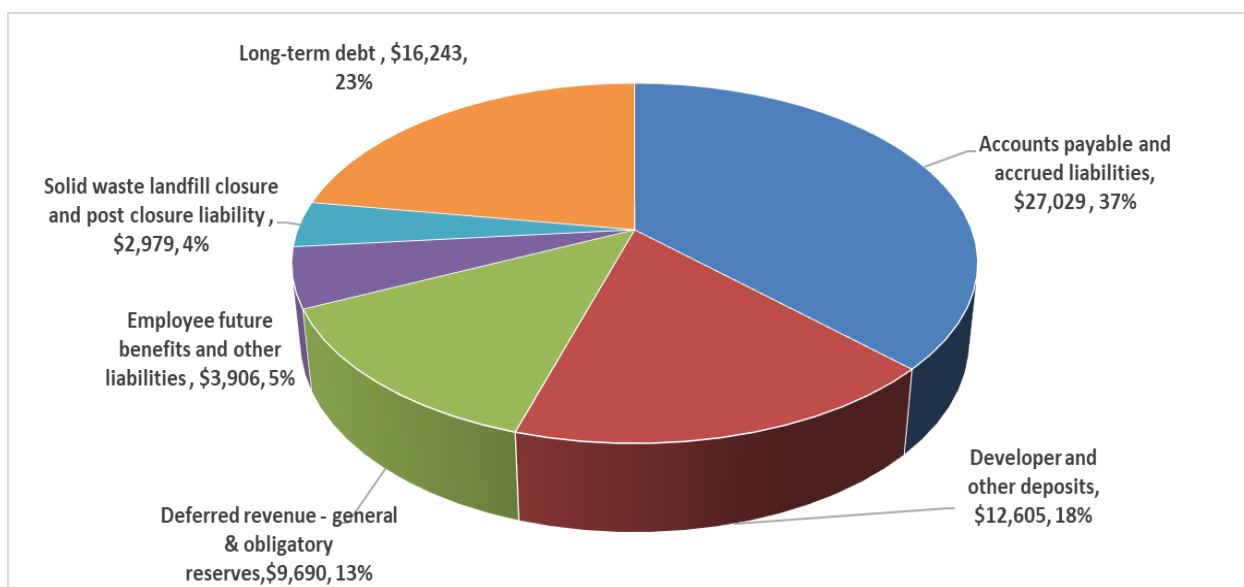
As at December 31, 2023

2023

What we owe (Liabilities)	\$000's	%
Accounts payable and accrued liabilities	\$27,029	38%
Developer and other deposits	12,605	17%
Deferred revenue - general & obligatory reserves	9,690	13%
Employee future benefits and other liabilities	3,906	5%
Solid waste landfill closure and post closure liability	2,979	4%
Long-term debt	16,243	23%
Total	\$72,452	100%

Net Worth		
Accumulated operating surplus	\$(23,368)	-5%
Investment in Tangible Capital Assets	411,653	94%
Reserve and Reserve Funds	49,504	11%
Total	\$437,789	100%

Total Liabilities and Net Worth	\$510,241
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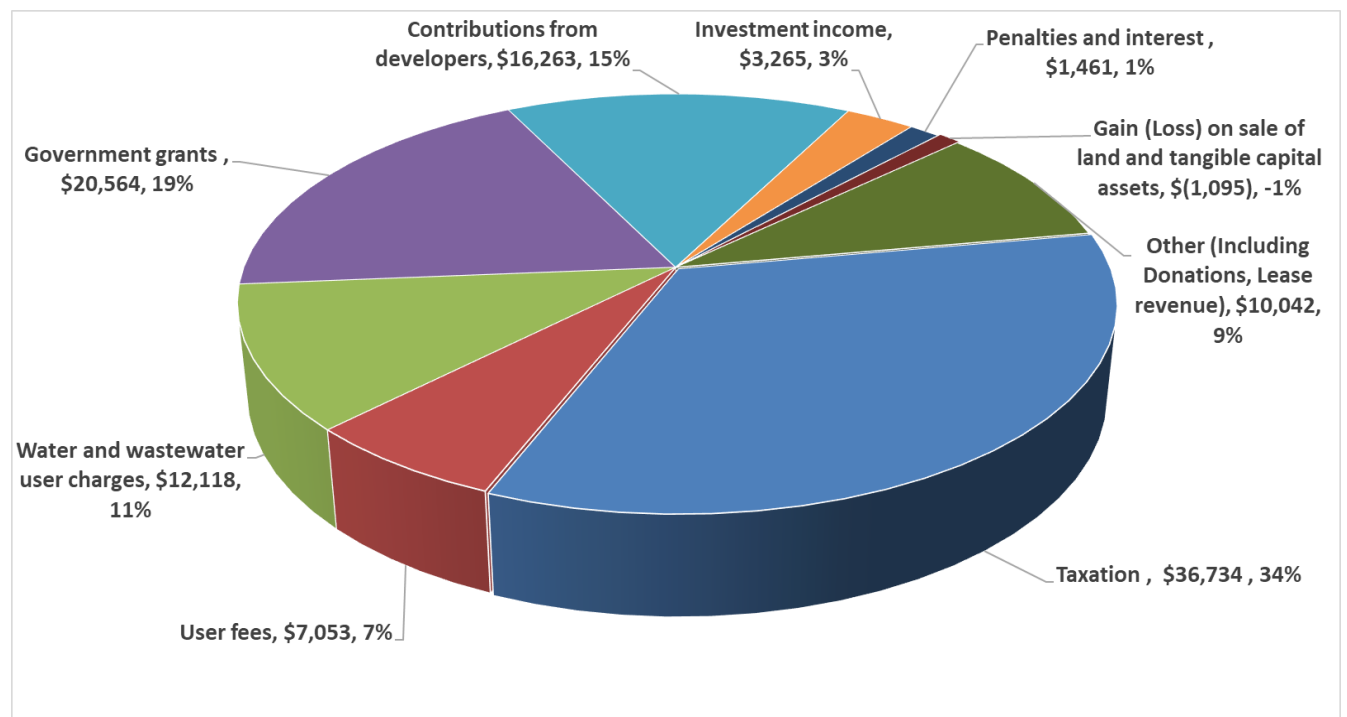


Revenues and Expenses

The following highlights outline the Statement of Operations as at December 31, 2023
(In thousands of dollars)

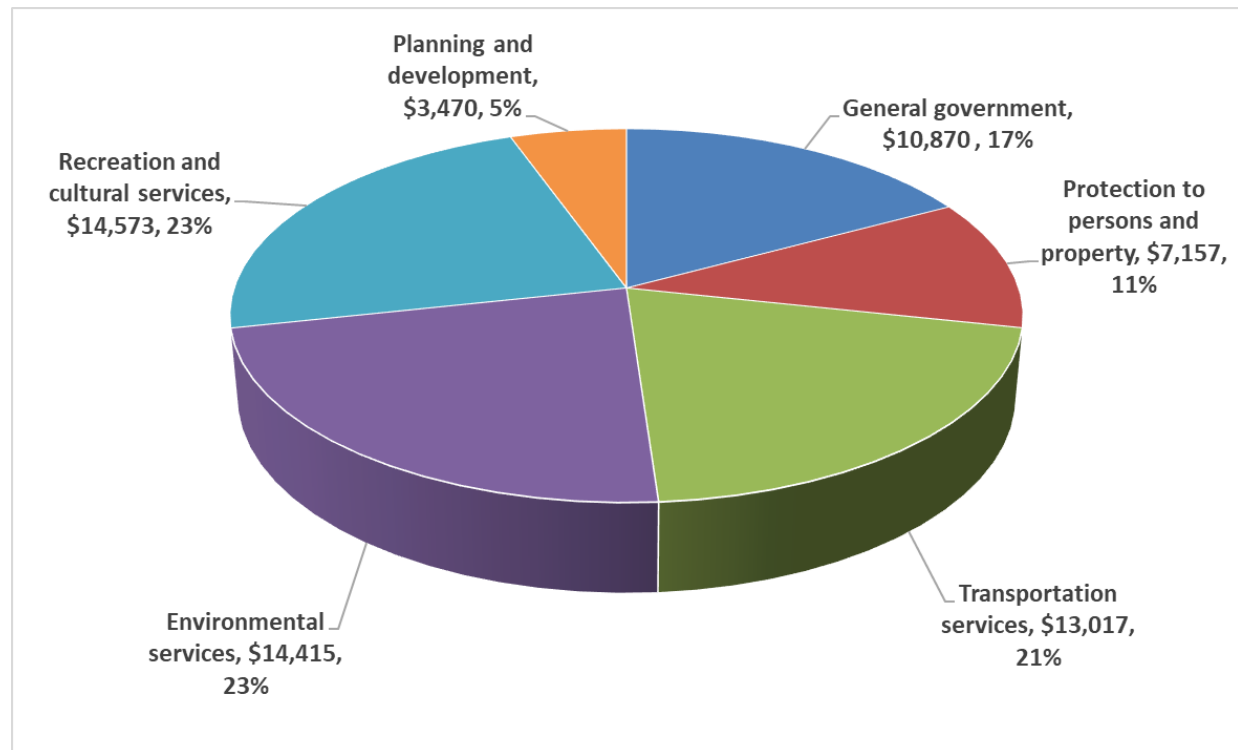
For the year ended December 31, 2023

Where the funding comes from (Revenues)	\$000's	%
Taxation	\$ 36,734	36%
User fees	7,053	7%
Water and wastewater user charges	12,118	11%
Government grants	20,564	19%
Contributions from developers	16,263	15%
Investment income	3,265	3%
Penalties and interest	1,461	1%
Gain (Loss) on sale of land and tangible capital assets	(1,095)	-1%
Other (Including Donations, Lease revenue)	10,042	9%
Total	\$ 106,405	100%



For the year ended December 31, 2023

What the funding was used for (Expenses)	\$000's	%
General government	\$ 10,870	17%
Protection to persons and property	7,157	11%
Transportation services	13,017	20%
Environmental services	14,415	23%
Recreation and cultural services	14,573	24%
Planning and development	3,470	5%
Total	\$ 63,502	100%



In addition to the Financial Discussion and Analysis and the Consolidated Financial Statements, the 2023 Financial Report contains supplementary financial, non-financial and statistical information about the Township. (See Statistical Section).

FINANCIAL REPORT

The Township of King is pleased to present its 2023 Financial Report and Consolidated Financial Statements, for the year ended December 31, 2023. 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).

The 2023 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 KPMG 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)

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 2023 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 2023 financial statements include:

- An investment in Tangible Capital Assets of \$28.4 million which included but not limited to infrastructure, roads, bridges, recreation facilities, equipment, and vehicles.
- An increase in investments and diversifying the Township portfolio in terms, types of investments, and amounts. (Table 3)
- An increase in site plan deposits of \$2.8 million as development moves forward in 2023 for the various planning applications.
- A reduction in the amount of development charges as the Township only collected \$780 thousand of \$6 million that was projected to be received. This significantly reduced our growth-related capital projects for the future.
- In 2023, we funded \$13.6 million in development charge projects including \$11 million for the Town-Wide Recreation Facility (TWRC), \$812 thousand in park projects, \$200 thousand in various studies, \$233 thousand for Fire and Library, and \$1.3 million in road related projects.

For 2023, the Township adopted the new Asset Retirement Obligation (ARO) accounting standard which included the previously recorded Solid Waste landfill closure costs for 2 sites. The new standard includes the cost of decommissioning certain tangible capital assets with prescribed retirement regulations such as fuel storage tanks, drinking water wells, septic tanks and bed systems, ice rinks with ammonia refrigeration systems and sewage ponds. The Township also recognized a future liability for the estimated cost to remove hazardous materials such as asbestos from any township-owned buildings.

Financial Assets

Table 1:

As at December 31 (\$ millions)	2023	2022 (Restated)	Change in 2023 Increase / (Decrease)
Financial Assets			
Cash	\$20.1	\$11.6	\$8.5
Investments	\$51.0	\$54.5	\$(3.5)
Taxes receivable	\$9.6	\$7.9	\$1.7
Trade and other receivables	\$7.6	\$15.1	\$(7.5)
User charges and sewer receivable	\$9.4	\$10.6	\$(1.2)
Total	\$97.7	\$99.7	\$(2.0)

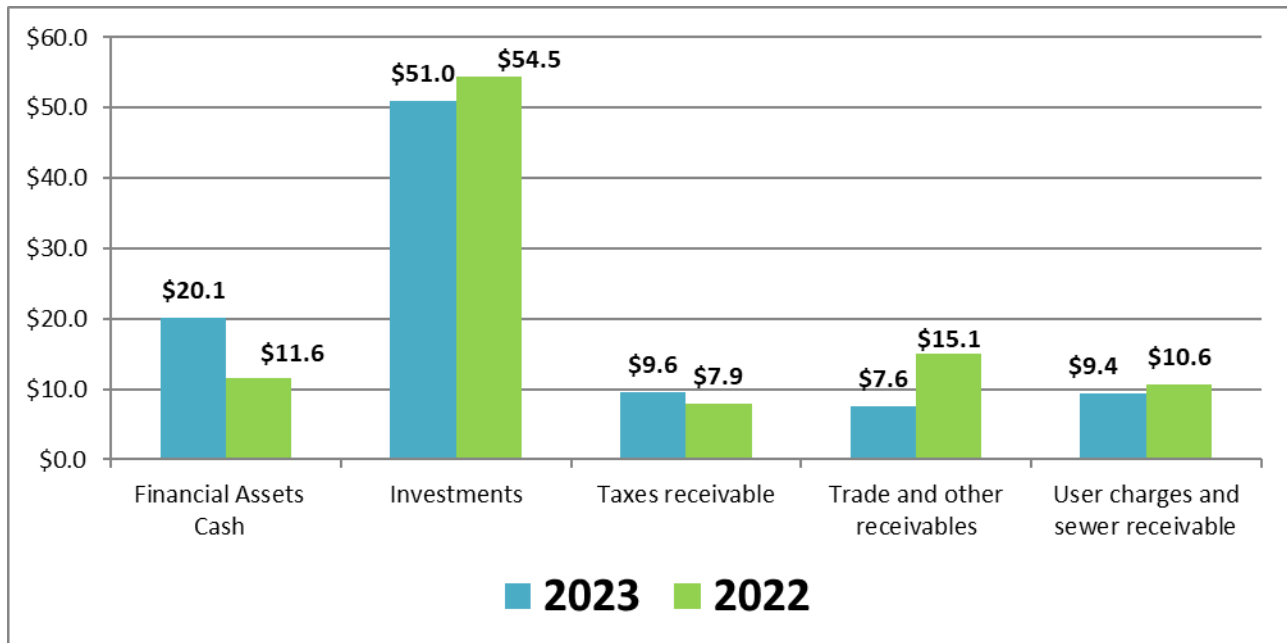
The decrease of \$2 million in financial assets for the Township is mainly attributed to the following:

- \$8.5 million increase in cash mainly to maintenance funding availability to fund large capital projects based on our cashflow projections.
- \$3.5 million decrease in investment as one investment matured in December which transferred to cash.
- Increase of \$1.7 million for taxes receivable with additional billing at year-end for supplementary assessment changes from MPAC and transfers to taxes for Nobleton Sewer connection fee payments.
- Reduction of \$7.5 million in receivables as there was no outstanding grant funding for the Town Wide Recreation Centre (TWRC) as it was received before the end of 2023. In 2022, the funding request of \$7.9 million was submitted late in 2022 and not received until 2023 which is reflect in the larger number for receivables in 2022.
- \$1.2 million decrease to reflect year one of the Nobleton Sewer payments for residents that selected the option to have the capital charge split over 15 years on their tax bill. This is for all contracts within Nobleton from 2010 to current.

2023 MANAGEMENT DISCUSSION AND ANALYSIS



Table 2: Summary of Financial Assets 2023 vs 2022



Investments

The Township diversifies its investment portfolio into different options to strengthen its interest revenue. The Township invests in High Interest Savings Account (HISA), Guaranteed Investment Certificates (GIC'S), Principal Protected Notes, and Callable bonds in a wide range of terms. Below is a summary of the investments, date of purchase, type, maturity date, rate, and amount invested.

Table 3:

Date	Investment Term	Maturity Date	Rate	Amount Invested
16-Aug-23	1 Year GIC Note (Non-Redeemable)	19-Aug-24	5.85%	\$ 10,000,000
09-Sep-23	1 Year GIC Note (Non-Redeemable)	09-Sep-24	5.90%	\$ 550,000
18-Oct-23	1 Year GIC Note (Non-Redeemable)	18-Oct-24	6.11%	\$ 5,000,000
25-Oct-22	Seniors Note 2-year (Redeemable)	26-Oct-24	5.15%	\$ 10,000,000
29-Apr-23	Principial Protected Note - 2-year	02-May-25	5.18%	\$ 5,000,000
02-Jun-23	Fixed Rate Note (RBC) Callable 1-year	02-Jun-25	5.35%	\$ 5,000,000
03-Aug-23	Fixed Rate Note (CIBC) Callable 1-year	04-Aug-25	5.75%	\$ 5,000,000
26-Sep-23	Seniors Note 3 -year Callable 1-year	20-Sep-27	5.00%	\$ 1,833,500
13-Oct-23	Principial Protected Note - 4-year	26-Oct-27	6.00%	\$ 3,500,000
02-Jun-23	Fixed Rate Note (RBC) Callable 1-year	02-Jun-33	5.66%	\$ 5,000,000
	Accrued Interest			\$ 82,950
	Balance as of December 31, 2023			\$ 50,966,450

The fair value adjustment of \$82,950 recognizes the fair value of certain investments under the new accounting standard PS 3450.

Taxes Receivable

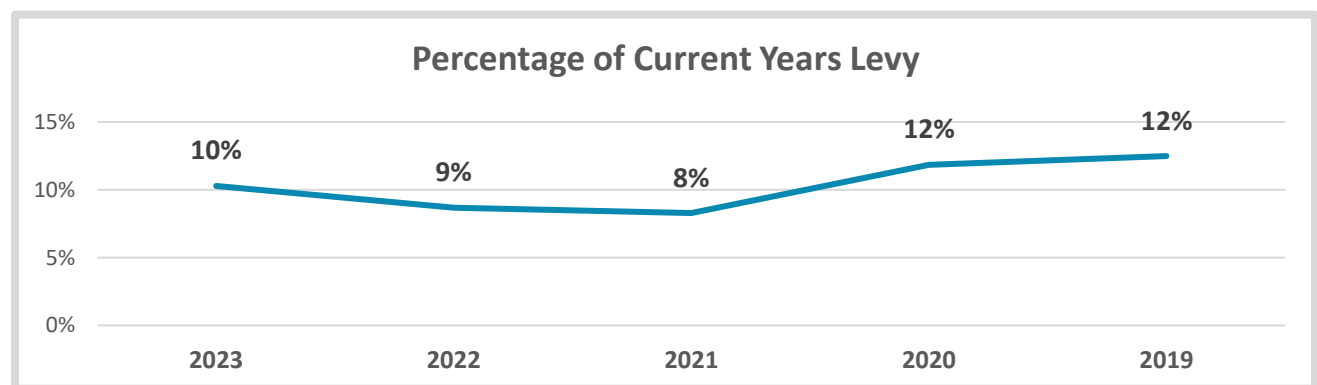
The Township is continuing to implement a tax arrears program to help reduce property taxes outstanding. The program involves communicating with the property owners, offering special payment arrangements and payment plans, notifying mortgage companies, and proactively processing tax sales on eligible 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 2019-2023. We see a slight increase in taxes receivable for 2023 which is mainly due to timing of supplementary billing with assessment changes from MPAC and transfers to taxes due to lack of payment for outstanding invoices from by-law.

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

Table 4:

Taxes Receivable, End of Year	2023	2022	2021	2020	2019
Taxes Receivable	\$9,639,269	\$7,877,777	\$7,225,326	\$10,234,774	\$10,447,877
Total Taxes Levied	\$ 93,727,814	\$ 90,699,749	\$87,209,932	\$86,394,348	\$83,680,260
Percentage of Current Years Levy	10%	9%	8%	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. Staff have seen a slight increase in the taxes arrears and will work on targets to address properties with long standing issues. Staff will continue this approach for future collections to ensure the taxes receivable balance decreases. It is important to note the Township collects on behalf of the York Region and the school boards and must make payments to them on an installment basis regardless if property owners pay or not.

Financial Liabilities

Table 5:

As at December 31 (\$ millions)	2023	2022 (Restated)	Change in 2023 Increase / (Decrease)
Financial Liabilities			
Accounts payable and accrued liabilities	\$27.0	\$14.3	\$12.7
Developer and other deposits	\$12.6	\$9.8	\$2.8
Deferred revenue (General & Obligatory Reserves)	\$9.7	\$23.3	\$(13.6)
Employee future benefits and other liabilities	\$3.9	\$3.5	\$0.4
Asset retirement obligation	\$3.0	\$2.7	\$0.3
Long-term debt	\$16.2	\$19.3	\$(3.1)
Total	\$72.4	\$72.9	\$(0.5)

The Decrease of \$0.5 million in financial liabilities for the Township is mainly attributed to the following:

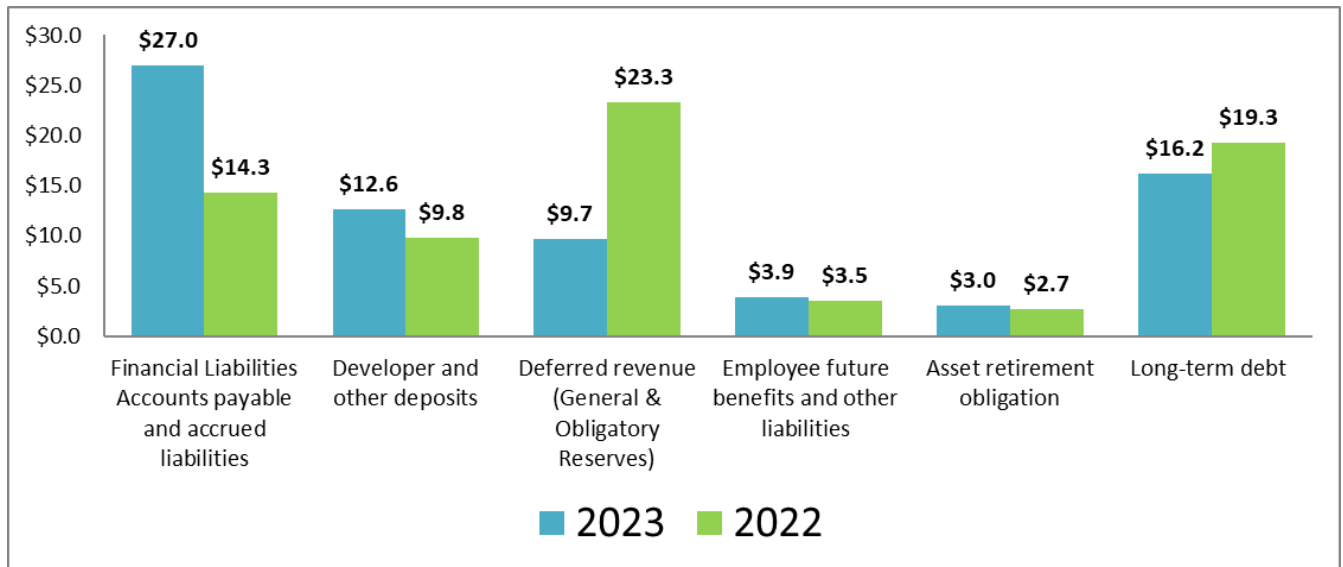
- \$12.7 million increase in accounts payable and accrued liabilities to account for additional accruals for work completed in 2023 related to capital projects and timing of payables related to invoices received. There was a significant increase in holdbacks for the Town-wide Recreation Facility (TWRC) compared to the beginning of the project.
- \$2.8 million in additional site plan deposits received in 2023 related to planning applications currently being constructed.
- \$13.6 million decrease deferred revenue to recognize the funding requirements for capital projects in 2023. In particular funding \$11 million for the Town-Wide Recreation Facility (TWRC), \$812 thousand in park projects, \$200 thousand in various studies, \$233 thousand for Fire and Library, and \$1.3 million in road related projects.
- \$0.4 million from updating the Township's Post-Retirement non-pension benefits and Sick leave benefit by our actuarial review which was completed in 2023 and forecasted for the next 3 years.
- \$0.3 million increase in adopting the new asset retirement obligation (ARO) which originally included Solid Waste landfill closure liabilities for the 2 landfill sites of the Township. The new standard now recognizes an ARO for tangible capital assets with prescribed decommissioning regulations such as fuel storage tanks, drinking water wells, septic tanks and bed systems, ice rinks with ammonia refrigeration systems, and sewage ponds. Also, the Township must recognize a future liability for the estimated cost to remove hazardous materials such as asbestos from any township-owned building.

2023 MANAGEMENT DISCUSSION AND ANALYSIS



- Decrease in the long-term liabilities of \$3.1 million which reflects the payments associated with the Township’s debt servicing payment obligations that have drawn down from the total debt outstanding related to debenture payments to the York Region.

Table 6: Summary of Financial Liabilities 2023 vs 2022



Non-Financial Assets

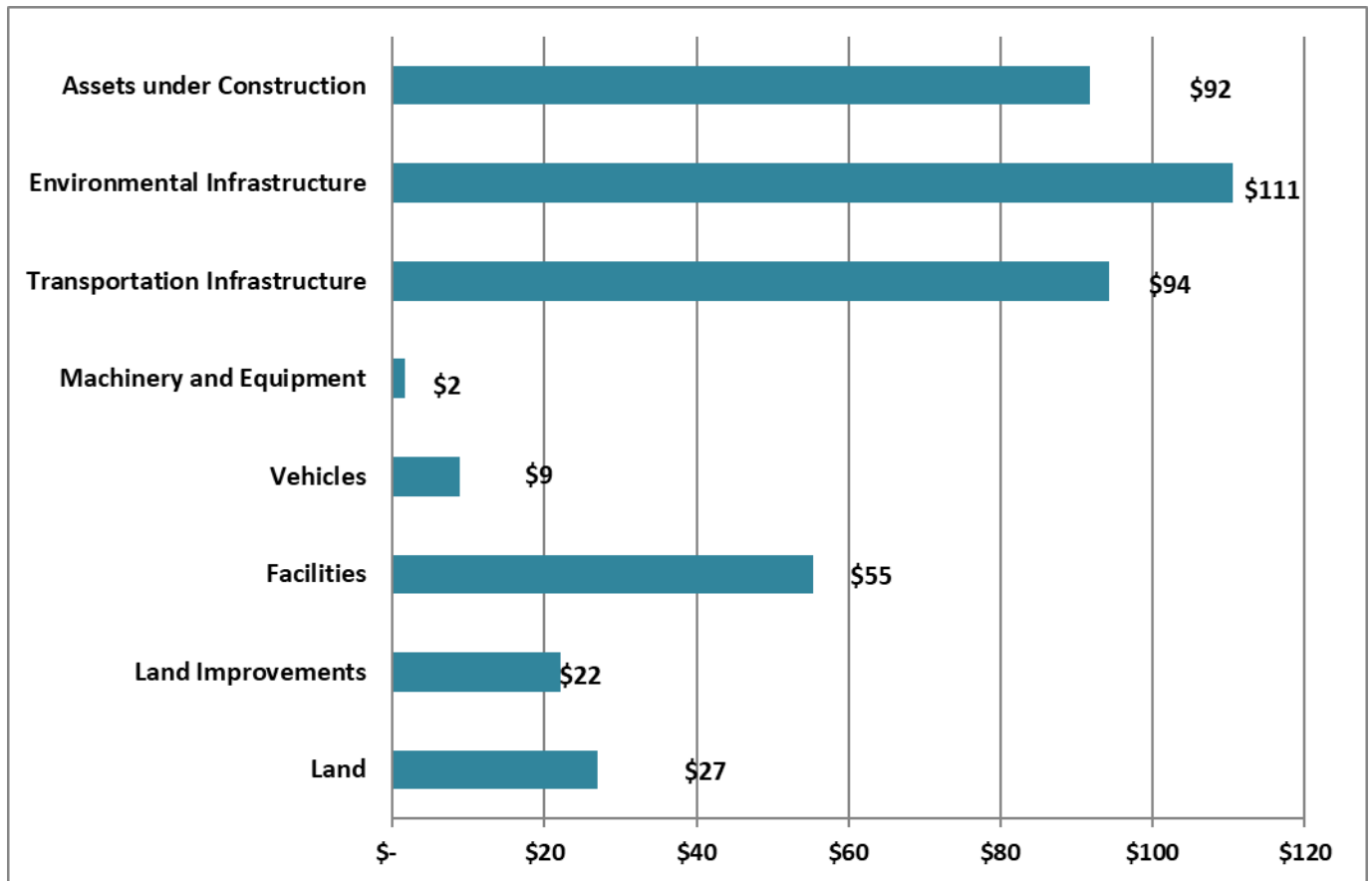
Table 7:

As at December 31 (\$ millions)	2023	2022 (Restated)	Change in 2023 Increase / (Decrease)
Non-Financial Assets			
Tangible capital assets	\$411.7	\$366.9	\$44.8
Inventory held for own use	\$0.1	\$0.1	\$0.0
Prepaid expenses	\$0.7	\$1.0	\$(0.3)
Total	\$412.5	\$368.0	\$44.5

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 \$28.4 million in 2023 plus it has a significant amount of projects in process in particular the new Town-Wide Recreation Facility. The increase in tangible capital assets is net of \$10.9 million amortization expenses.

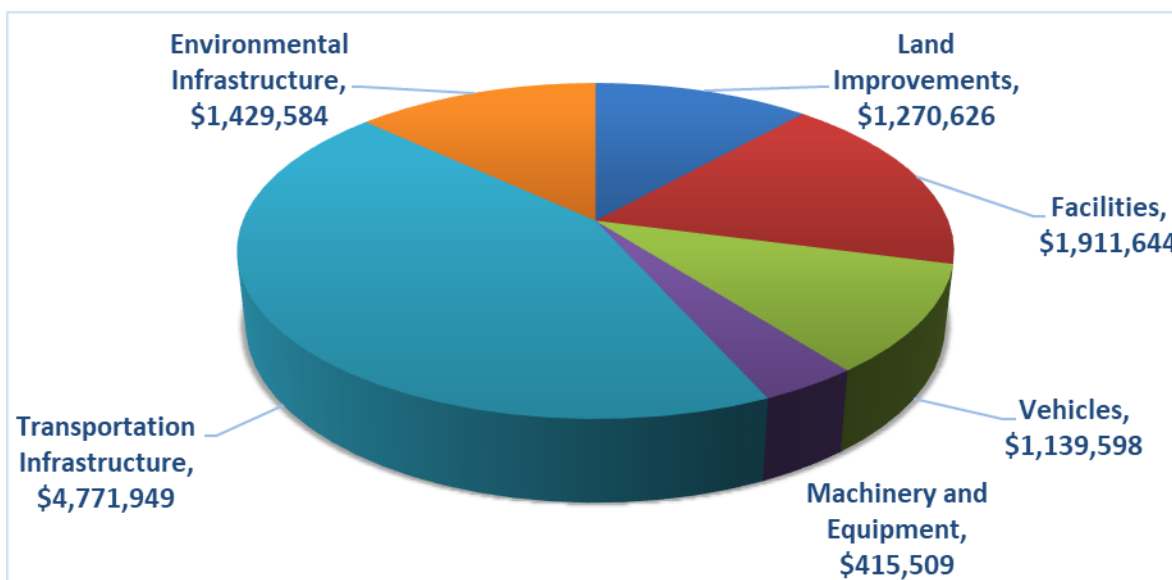
The following table represents the Net Book Value (NBV) of assets in millions:

Table 8: Total NBV \$411.7 million



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

Table 9: Total Amortization is \$10.9 million



For 2023, the Township recognized \$28.4 million in Tangible Capital Assets. Below are some high-level projects for reference and is not the full list of projects recognized in the 2023 year-end.

Table 10:

Additions for 2023	Value \$ (millions)
• Nobleton Sewer Phase 3	\$9.4
• Various Road Improvements	\$4.8
• Bridges & Culverts	\$2.1
• Park Improvements – Tasca Community Park, OSIN Park, Genview, and Kettle Lake Park.	\$2.9
• Public Works Grader	\$0.5
• Water replacement infrastructure	\$2.5

The Township’s sustainable funding source for capital offsets the projected amortization expenses of approximately \$10.9 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 and funding for infrastructure repair and replacement in the amount of \$7.3 million in 2023 and forecasted to increase \$0.5 million per year in the 10-year plan. The new asset management plan in 2024 will outline the amount to be increased for future funding of all core and non-core assets to ensure sufficient funding is identified for Township infrastructure.

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

2023 MANAGEMENT DISCUSSION AND ANALYSIS



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.



Table 11:

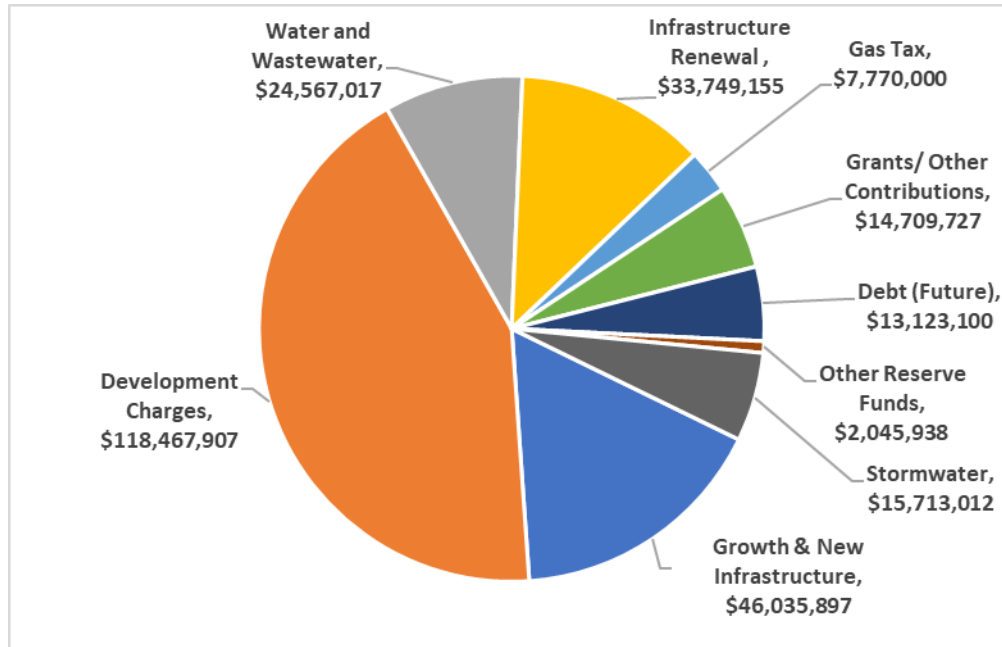
The forecasted 10-year capital forecast totals \$276,181,753 (2023-2032). The table below details projected spending by department then by asset type:

Department	2023	2024	2025	2026	2027	2028-2032	Total
11 Office of CAO	140,000	100,000	100,000	100,000	100,000	500,000	\$ 1,040,000
13 Finance		75,000				75,000	\$ 150,000
14 Fire & Emergency Services	461,000	387,820	2,613,860	1,075,467	1,055,379	5,882,358	\$ 11,475,884
15 Public Works	12,314,298	16,485,898	15,309,595	16,369,227	20,561,552	113,062,722	\$ 194,103,292
16 Community Services	19,278,907	9,579,348	8,663,750	9,313,714	4,295,337	12,410,162	\$ 63,541,218
17 Library	24,400	997,304	1,329,170	1,530,013	253,413	367,059	\$ 4,501,359
18 Growth Management Services	270,000	390,000	200,000	60,000	200,000	250,000	\$ 1,370,000
Total Capital Projects	32,488,605	28,015,370	28,216,375	28,448,421	26,465,681	132,547,301	\$ 276,181,753

Asset Type	2023	2024	2025	2026	2027	2028-2032	Total
Information Technology	140,000	100,000	100,000	100,000	100,000	500,000	1,040,000
Studies	534,500	882,500	915,000	110,000	531,000	1,620,000	4,593,000
Fleet	1,469,000	1,820,136	3,896,360	4,327,571	1,262,866	7,049,554	19,825,487
Facilities	18,329,727	8,974,500	6,078,481	3,165,981	3,520,000	41,950,000	82,018,689
Equipment	193,400	122,304	68,189	159,032	178,413	621,059	1,342,397
Roads & Engineering	8,110,298	12,506,100	6,626,420	8,880,122	15,162,890	40,667,341	91,953,171
Water	2,100,000	215,000	1,230,830	1,537,000	1,955,000	11,179,170	18,217,000
Stormwater	150,000	933,830	1,357,345	981,565	1,006,512	12,633,760	17,063,012
Waste Water	900,000	700,000	1,900,000	2,220,000	150,000	6,773,417	12,643,417
Parks	561,680	1,761,000	6,043,750	6,967,150	2,599,000	9,553,000	27,485,580
Total	32,488,605	28,015,370	28,216,375	28,448,421	26,465,681	132,547,301	276,181,753

Table 12:

In relation to the table above, the funding sources forecasted for the capital projects totaling \$276,181,753 for 2023 to 2032 is reflected in below:



Accumulated Surplus

Table 13:

As at December 31 (\$ millions)	2023	2022 (Restated)	Change in 2023 Increase / (Decrease)
Financial Assets	\$97.7	\$99.7	\$(2.0)
Financial Liabilities	\$72.4	\$72.9	\$(0.5)
Net Financial Assets	\$25.3	\$26.8	\$(1.5)
Non- Financial Assets	\$412.5	\$368.0	\$44.5
Total Net Assets	\$437.8	\$394.8	\$43.0
Accumulated Surplus - End of Year	\$437.8	\$394.8	\$43.0

The 2023 accumulated surplus change is equal to the 2023 annual surplus from operations from the statement of operations. In 2023, the Township's change represents an increase of \$43.0 million to the accumulated surplus at the end of December 31, 2023. Details are provided in the financial statements under note 14 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 2023 year with a surplus of \$67 thousand due revenue shortfalls in recreation facilities, programming, and planning applications. Staff took steps earlier in the year to reduced spending where possible, delayed staffing recruitment to gap vacancies to offset any loss of revenues and still have an overall positive year-end result.

Some highlights for the 2023 Statement of Operations include:

- An increase in user fees from 2022 to 2023 however, still below its targeted budget for facility rentals, fitness memberships, ice rentals, and the closure of the outdoor pool. Overall, an unfavourable variance of \$293 thousand in revenues as compared to budget.
- Decrease in planning applications compared to budget of \$362 thousand unfavourable variance due to developer delays moving forward with application amidst the high-interest rate environment and uncertainty around new housing regulations.
- Additional legal fees over budget of \$206 thousand in consulting and legal fees relating to significant OLT matters relating to Countryside Zoning By-Law appeals, Official Plan appeals, and several development application appeals that are non-recoverable.
- Savings in overall in utilities, mainly from hydro savings across the facilities of \$115 thousand.
- Over \$2.9 million in investment revenue which was allocated to reserve funds and to offset the overall 2023 variance.
- Increase in tax supplementary revenue of \$161 thousand which was offset by tax adjustments for taxes for \$127 thousand.
- Additional revenue for penalties for late payment of \$198 thousand over budget due to the increase in tax arrears.
- Significant savings in waste and recycle management of \$200 thousand due to less tonnage produced compared to previous years.
- The Township was able to secure additional \$2.6 million in funding for water nitrification flushing compensation from the Region of York from 2018-2022 which was allocated towards the water reserve fund.

A detailed reporting of the fund basis operating budget deficit will be provided in a separate report as part of the year-end process in Report (FIN-2024-08).

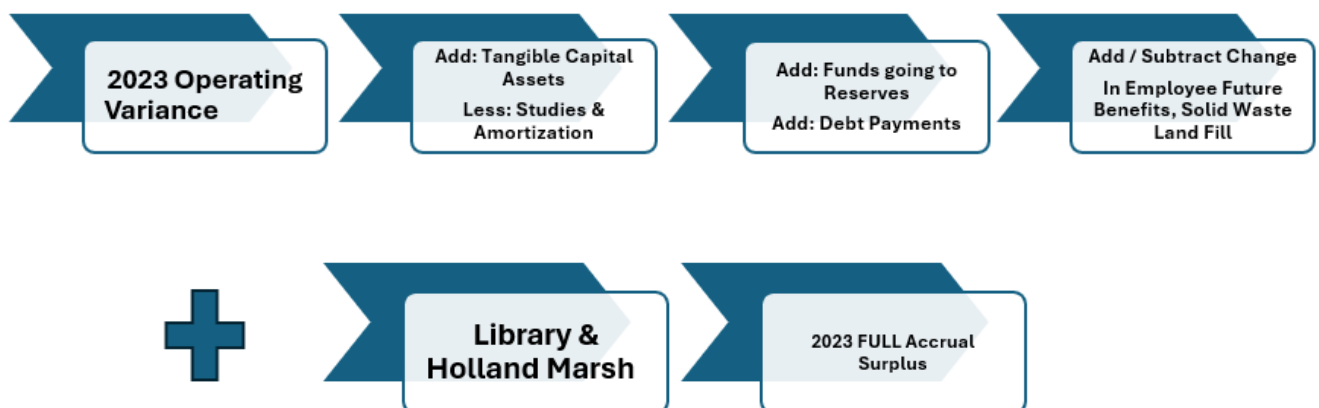
Conversion to Full Accrual Accounting

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, 2023 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 surplus of \$67 thousand to the actual full accrual surplus of \$42.9 million:

Table 14:

Tangible Capital Asset (TCA) Adjustments	
• Tangible Capital Asset Amortization	(\$10,938)
• 2023 Tax Levy Funded Capital Program	\$34,684
• Capital Budget Items not considered Tangible Capital Assets	(\$1,345)
• Net Book Value loss on Disposal of Tangible Capital Assets	(\$1,103)
	\$21,298
Surplus after accounting for TCA	\$21,365
Other Full Accrual Adjustments	
• Transfers to Reserves not considered an expense	\$27,856
• Transfers from Reserves not considered revenue	(\$4,302)
• Long term debt (external) not considered as expenditures	(\$1,753)
• Change in Employee Future Benefits Liability	(\$139)
• Change in Solid Waste Landfill Closure and Post Closure Liability	(\$340)
• Consolidation of Library Board and Holland Marsh	\$216
	\$21,538
2023 Full Accrual Surplus	\$42,903



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 2023, the Township’s net outstanding debt is \$16.2 million.

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

Table 15:

By-law	Purpose / Description	Issue Date	Maturity Date	Interest Rate	Type	2023	2022
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	2015-06-15	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	2011-07-04	2026-07-06	3.80%	Serial	1,200,000	1,600,000
2019-21	For the King Roads project in the amount of \$6,100,000. This is a sinking fund debenture.	2019-04-18	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.	2019-04-18	2029-04-18	2.65%	Sinking Fund	10,000,000	10,000,000
2022-19	For the construction of sewer works in the community of Nobleton, in the amount of \$4,500,000, with annual principle payments of \$300,000	2023-07-15	2037-07-15	4.45%	Serial	4,200,000	4,500,000
	Long-Term Liabilities					27,500,000	28,200,000
	Less: Sinking Fund Assets					(11,257,114)	(8,926,891)
	Net Long-Term Liabilities					16,242,886	19,273,109

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.

2022-19 – Sewer Works in Nobleton

This debenture was issued in 2023 for the construction of sewer works (phase 3) in the community of Nobleton, in the amount of \$4.5 million. This is a traditional serial debenture with a principal payment of \$300,000 a year plus interest of 4.45% for a maturity date of July 15, 2037.

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 16:

Year	Principal	Interest	Total
2024	2,746,809	808,669	3,555,478
2025	2,746,809	701,521	3,448,330
2026	2,204,290	594,971	2,799,261
2027	1,804,290	570,190	2,374,480
2028	1,804,290	557,187	2,361,477
2029-2037	4,936,398	784,541	5,720,939
TOTAL	16,242,886	4,017,079	20,259,965

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.

The ARL statement report indicates that the Township has a debt limit of \$12,576,213 million. The current amount utilized is \$3,349,829 which represents 6.39% for 2022. The chart below includes the 2022 – 2032 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 than a full year starting in 2023 for a 15-year term and estimated 4.45% interest.

Non-Material Leases are fixed payments over a term that the Township has agreements with which include leases for the photocopiers. The amount is not material, however, is \$28 thousand per year from 2019-2023. These are financing agreements that the Township has entered which are calculated as part of the ARL.

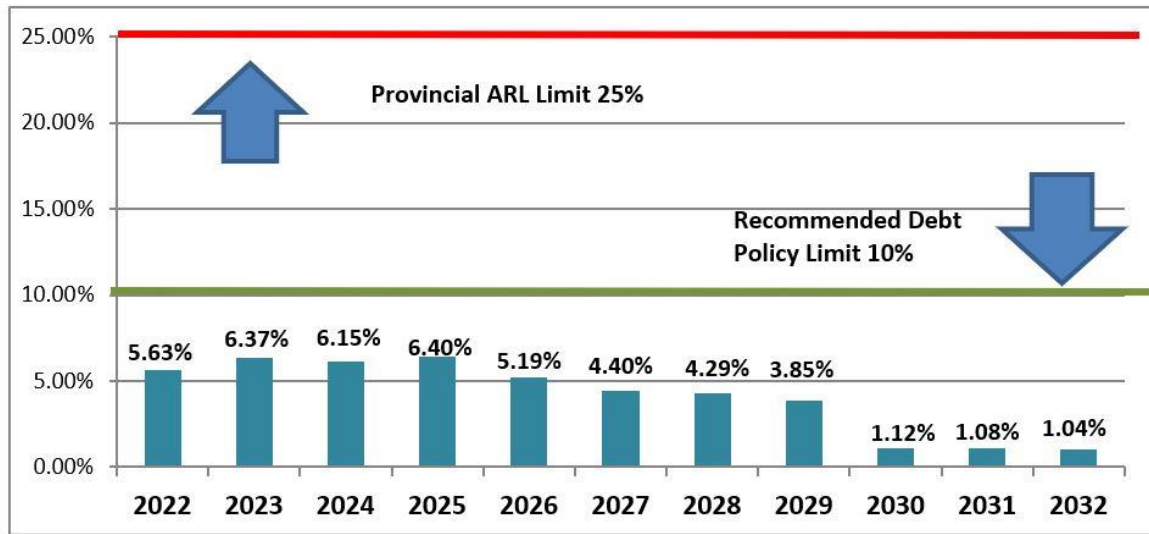
Debt Forecast

Based on debt financing the Township’s current debt limit is 6.37%. Below represents the forecasted projected debt limit for the remaining debentures not including any additional forecasted debt requirements.

The Bar Chart below entitled *Forecast: Total Debt (2022-2032)* illustrates current principal repayment requirements together with forecast principal repayment requirements (post 2023) by the municipality based on the Township’s 2024 capital plan.

Table 17:

Forecast: Total Debt 2022-2032



The chart above includes 2022-19 Nobleton Sewer Phase 3, for the construction of sewer works in the amount of \$4.5 million. This is a traditional serial debenture with a principal payment of \$300,000 a year plus interest of 4.45% for a maturity date of July 15, 2037. The payments are funded by benefiting property owners as part of the Nobleton Sewer Phase 3 project.

The projections also include an estimated debenture for 2025 for the Town Wide Recreation Centre of \$5 million at a rate of 5.33% amortized at 10 years. This will be confirmed based on development charges collected and whether the debt will be required to bring the development charge reserve for parks and recreation to a positive balance.

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. **TRANSPARENCY** – Providing regular reporting to Council and posting information relative to finance policies, reserves, and bylaws online.
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. **RELIABLE** – Maintaining public confidence and being accountable. Providing citizens with the best value for money while maintaining current service levels.

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.

Management Report

May 27, 2024

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 KPMG 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.



Daniel Kostopoulos

Chief Administrative Officer



Peggy Tollett, CPA, CGA

Director of Finance / Treasurer



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THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of The Corporation of Township of King (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations, its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter - Comparative Information

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated and corrected.

Note 2 explains the reason for the restatement and correction and also explains the adjustments that were applied to restate and correct certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter - Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate and correct certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



Page 3

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 28, 2024

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31	2023	2022 (Restated - Note 2)
Financial Assets		
Cash (Note 4)	20,098,845	11,621,145
Investments (Note 5)	50,966,450	54,500,000
Taxes receivable (Note 6)	9,639,269	7,877,777
Trade and other receivables (Note 7)	7,605,746	15,064,364
User charges and sewer receivable (Note 8)	9,424,396	10,602,565
	<u>97,734,706</u>	<u>99,665,851</u>
Financial Liabilities		
Accounts payable and accrued liabilities	27,028,884	14,297,109
Developer and other deposits	12,604,603	9,852,065
Deferred revenue (Note 9)	9,690,061	23,251,591
Employee future benefits and other liabilities (Note 10)	3,906,414	3,549,157
Asset retirement obligation (Note 11)	2,979,352	2,639,036
Long-term debt (Note 12)	16,242,886	19,273,109
	<u>72,452,200</u>	<u>72,862,067</u>
Net Financial Assets	<u>25,282,506</u>	<u>26,803,784</u>
Non-Financial Assets		
Tangible capital assets (Note 13)	411,652,694	366,926,002
Inventory held for own use	107,640	98,351
Prepaid expenses	746,918	975,914
	<u>412,507,252</u>	<u>368,000,267</u>
Total Net Assets	<u>437,789,758</u>	<u>394,804,051</u>
Accumulated Surplus - End of Year (Note 14)	<u>437,789,758</u>	<u>394,804,051</u>
Accumulated Surplus is comprised of:		
Accumulated operating surplus	437,706,808	394,804,051
Accumulated remeasurement gains (losses)	82,950	-
	<u>437,789,758</u>	<u>394,804,051</u>

Commitments (Note 22), Contingencies (Note 23)

Approved by



Mayor



Treasurer

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

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31	2023 Budget (Note 20)	2023 Actual	2022 Actual (Restated - Note 2)
Revenues			
Taxation (Note 17)	41,300,219	36,734,441	35,671,022
User fees	6,066,385	7,052,858	6,915,773
Water and wastewater user charges	13,214,422	12,117,619	11,315,413
Government grants (Note 21)	676,748	20,563,781	11,510,664
Contributions from developers (Note 18)	-	16,262,580	11,811,535
Investment income	1,464,000	3,265,101	1,442,300
Penalties and interest	1,245,000	1,461,190	1,283,612
(Loss)/Gain on disposal of tangible capital assets	-	(1,094,513)	48,608
Other	3,403,834	10,042,146	16,439,876
	67,370,608	106,405,203	96,438,803
Expenses (Note 26)			
General government	11,005,961	10,869,685	9,832,568
Protection services	6,700,471	7,157,315	7,313,098
Transportation services	13,153,403	13,016,634	12,427,275
Environmental services	14,867,276	14,415,121	12,249,298
Recreation and cultural services	18,577,417	14,573,450	12,487,949
Planning and development	3,876,505	3,470,241	3,937,764
	68,181,033	63,502,446	58,247,952
Annual Surplus from Operations	(810,425)	42,902,757	38,190,851
Accumulated Surplus - Beginning of Year	394,804,051	394,804,051	362,475,078
Adjustment on adoption of the asset retirement obligation standard (Note 2)	-	-	(516,980)
Prior period adjustment (Note 2)	-	-	(5,344,898)
Accumulated Surplus - Beginning of Year, as restated	394,804,051	394,804,051	356,613,200
Accumulated Surplus - End of Year (Note 14)	393,993,626	437,706,808	394,804,051

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	2023 Budget (Note 20)	2023 Actual	2022 Actual
Annual Surplus from Operations	(810,425)	42,902,757	38,190,851
Acquisition of tangible capital assets (net of changes in construction in progress)	(33,947,528)	(56,768,460)	(34,013,091)
Amortization of tangible capital assets	10,750,001	10,938,910	9,928,553
Proceeds on disposal of tangible capital assets	-	-	-
Loss/(Gain) on disposal of tangible capital assets	-	1,102,858	2,343
	(23,197,527)	(44,726,692)	(24,082,195)
Inventory held for own use	-	(9,289)	83,754
Change in prepaid expenses	-	228,996	(710,830)
(Decrease)/Increase in Net Financial Assets (Debt) excluding net remeasurement gains and (losses)	(24,007,952)	(1,604,228)	13,481,580
Net remeasurement gains (losses)	-	82,950	-
Change in Net Financial Assets (Debt)	-	(1,521,278)	13,481,580
Net Financial Assets - Beginning of Year	26,803,784	26,803,784	13,905,652
Adjustment on adoption of the asset retirement obligation standard (Note 2)	-	-	(583,448)
Net Financial Assets - Beginning of Year, as restated	26,803,784	26,803,784	13,322,204
Net Financial Assets - End of Year	2,795,832	25,282,506	26,803,784

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	2023	2022
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus from operations	42,902,757	38,190,851
Items not involving cash		
Amortization of tangible capital assets	10,938,910	9,928,553
Loss on disposal of tangible capital assets	1,102,858	2,343
	<u>54,944,525</u>	<u>48,121,747</u>
Changes in non-cash working capital items (Note 16)	9,715,358	(13,512,242)
Capital Activities		
Acquisition of tangible capital assets (net of changes in construction in progress)	(56,768,460)	(34,013,091)
	<u>(56,768,460)</u>	<u>(34,013,091)</u>
Investing Activities		
Purchase of short-term investments	(40,883,500)	(54,500,000)
Proceeds on redemption of short-term investments	44,500,000	-
Financing Activities		
Sinking fund contributions	(2,330,223)	(2,218,788)
Principal repayment on long-term debt	(700,000)	(400,000)
Debenture proceeds	-	4,500,000
	<u>(3,030,223)</u>	<u>1,881,212</u>
Net Change in Cash	8,477,700	(52,022,374)
Cash - Beginning of Year	11,621,145	63,643,519
Cash - End of Year	<u>20,098,845</u>	<u>11,621,145</u>

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

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the year ended December 31	2023	2022
Accumulated remeasurement gains, beginning of the year	-	-
Unrealized gains (losses) attributable to:		
Investments	82,950	-
Accumulated remeasurement gains, end of the year	82,950	-

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, 2023

The Corporation of the Township of King (the "Township") is a lower-tier municipality located in the Regional Municipality of York, Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Consolidation

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

The Township follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or 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. A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, is recognised as income in the period in which it is receivable.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

ii) Revenue Recognition (continued)

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.

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.

iii) Expenses

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Interest expense is recognized as incurred. Expenses paid in the current period attributable to future benefits received are classified as prepaid expenses in the Township's non-financial assets.

Government transfer payments to other public sector entities are recognized in the year that the transfer is authorized, and all eligibility criteria have been met by the recipient. Any transfers paid in advance are deemed to have met all eligibility criteria.

iv) 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.

v) Property Taxes and Related Revenues

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.

vi) Assets

The assets standard provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events from which future economic benefits are to be obtained. For the year ended December 31, 2023, all material assets have been disclosed and reported within this definition.

vii) Cash

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

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

viii) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations.

ix) 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	20-90 years
Vehicles	8-20 years
Machinery and equipment	3-80 years
Transportation infrastructure	7-75 years
Environmental infrastructure	20-100 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.

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

x) Contractual Rights and Obligations

Contractual rights reflect future rights to economic resources arising from contracts and/or agreements that will result in both an asset and revenue in future fiscal periods.

Contractual obligations represent obligations, which will result in liabilities upon the completion of agreed upon terms specified in contracts and/or agreements in future fiscal periods.

xi) Contingent Assets and Liabilities

Contingent assets and contingent liabilities arise from circumstances when the Township is uncertain whether it has an asset and/or liability on the date of the Statements. The existence of the asset and/or liability is ultimately dependent upon the occurrence or nonoccurrence of a future event that is outside of the Township's control.

For the year ended December 31, 2023, the Township is not aware of any contingent assets. However, disclosure regarding the Township's contingent liabilities can be found in Note 23.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

xii) Deferred Revenue - General

Funds received in advance to conduct certain programs, or in the completion of specific work pursuant to legislation, regulation or agreement are recorded as deferred revenue. Deferred revenue also includes user charges and fees collected for services not yet rendered. Revenue is recognized in the fiscal period in which the related expenses are incurred or services are performed.

xiii) 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.

xiv) 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.

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.

xv) Asset Retirement Obligation

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

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

The liability for the closure and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the Township has also been recognized based on estimated future expenses on closure of the site and post-closure care. Lastly, a liability for the decommissioning of various capital assets has also been recognized based on estimated future expenses. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised annually.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

xv) Asset Retirement Obligation (continued)

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in (ix).

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liability are recognized in the Consolidated Statement of Operations and Accumulated Surplus at the time of remediation.

xvi) Long-Term Debt

Long-term debt is recorded net of related sinking fund balances.

xvii) 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.

xviii) 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.

xix) Financial Instruments

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

Unrealized changes in fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Consolidated Statement of Operations and Accumulated Surplus.

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

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Consolidated Statement of Operations and Accumulated Surplus and any unrealized gain or loss is adjusted through the Consolidated Statement of Remeasurement Gains and Losses.

When the asset is sold, the unrealized gains and losses previously recognized in the Consolidated Statement of Remeasurement Gains and Losses are reversed and recognized in the Consolidated Statement of Operations and Accumulated Surplus.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

xx) Budget Figures

The approved operating and capital budgets for 2023 are reflected on the Consolidated Statement of Operations and Accumulated Surplus and on the Consolidated Statement of Change in Net Financial Assets. The Capital budget is on a project-oriented basis, the costs of which may be carried but over one or more years and, therefore, may not be comparable with the current year actual amounts. The budget presented in these financial statements has been reconciled to the approved budgets to reflect the accrual basis of accounting in Note 20.

xxi) 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.

xxii) Related Party Transaction

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties also include key management personnel, such as Township Councillors, as well as their close family members.

PS 2200 - Related Party Disclosure, requires the Township to disclose circumstances in which the entity enters into transactions with its related parties at a value different from that which would have been arrived at if the parties were unrelated (i.e. not at arm's length) and these transactions are considered to have a significant financial impact on the Township's consolidated financial statements. In the event qualifying transactions are identified, the Township would disclose the nature of relationships with all involved parties, type of related party transaction, and amounts recognized in the consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF KING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

2. CHANGE IN ACCOUNTING POLICIES AND CORRECTION OF ERROR

PS 3280 – Asset Retirement Obligations:

On January 1, 2022, the Township adopted Public Accounting Standard PS 3280 – *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing *Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability*. The standard was adopted on the modified retrospective basis at the date of adoption.

The Township removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of PS3280 on January 1, 2022, using the modified retrospective method. The liability represents the required closure and post-closure care for the two landfill sites owned by the Township. The landfill sites were purchased in 1969 and 1981 and are no longer in use. The liability for the closure and post-closure costs of the landfills was measured as of the most recent valuation date being December 31, 2023. The discount rate used in the most recent valuation is 2.20% per annum.

On January 1, 2022, the Township recognized additional asset retirement obligations relating to buildings owned by the Township that contain asbestos. The Township also recognized an asset retirement obligation for tangible capital assets with prescribed decommissioning regulations that the Township owns such as: fuel storage tanks, drinking water wells, septic tanks and bed systems, ice rinks with ammonia refrigeration systems, and sewage ponds. There is no accretion expense to report for the year ended December 31, 2022.

As at January 1, 2022, the Township's adoption of this standard resulted in a decrease to opening accumulated of \$516,980 as follows:

- Landfill obligation:
 - A decrease of \$2,406,561 to Landfill Liability to remove the liability recognized to date under the old standard, and in its place, an asset retirement obligation in the amount of \$2,055,588.
- Asbestos obligation:
 - An increase of \$482,198 to the tangible capital assets, representing the original estimate of the obligation as of the date of purchase and an accompanying increase of \$466,617 to accumulated amortization.
 - An asset retirement obligation in the amount of \$482,198, representing the liability calculated upon adoption of the standard.
 - A decrease to Opening Accumulated Surplus of \$466,617, as a result of the recognition of the liability and accompanying increase in depreciation expense since the date of purchase.
- Decommissioning of assets obligation:
 - An increase of \$101,250 to tangible capital assets, representing the original estimate of the obligation as of the date of purchase and an accompanying increase of \$50,363 to accumulated amortization.
 - An asset retirement obligation in the amount of \$101,250, representing the liability calculated upon adoption of the standard.
 - A decrease of Opening Accumulated Surplus of \$50,363, as a result of the recognition of the liability and accompanying increase in depreciation expense since the date of purchase.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

2. CHANGE IN ACCOUNTING POLICIES AND CORRECTION OF ERROR (CONTINUED)

PS 1201 - Financial Statement Presentation, PS - 3450 Financial Instruments, PS - 2601 Foreign Currency Translation, PS - 3041 Portfolio Investments.

On January 1, 2023, the Township of King adopted Public Accounting Standards 1201 Financial Statement Presentation, 3450 Financial Instruments, 2601 Foreign Currency Translation, and 3041 Portfolio Investments. The standards were adopted prospectively from the date of adoption and were required to be implemented concurrently. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

PS 3450, Financial Instruments – PS 3450 Financial Instrument establishes standards on how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments (such as receivables, payables, and equity instruments) and derivative financial instruments (such as financial options, futures and forwards, interest rate swaps and currency swaps). The Township's investments in Principal Protected Notes (PPN) meet the requirements of a financial instrument that has an embedded derivative included in the financial instrument. The standards allow for the financial instruments that contain one or more embedded derivatives; the Township may designate the entire hybrid (combined) instrument carried at fair value. This designation is irrevocable. The Township has made an election for the PPN to report the combined instrument at fair value. Any unrealized gains and losses are reported through a new statement called consolidated statement of remeasurement gains and losses. Unrealized gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity.

In accordance with the provisions of this new standard, the Township reflected the following adjustments as at January 1, 2023:

An increase of \$82,950 to net surplus and an increase of \$82,950 to accumulated remeasurement gains/(losses) due to the unrealized gain of the Township's investments previously measured at amortized cost being remeasured at fair value.

Prior period adjustment

During 2023, management discovered a financial statement error that caused an overstatement of tangible capital assets in the amount of \$5,344,898 as at December 31, 2022.

The error related to disposals of tangible capital assets from prior periods that had not been properly recorded in prior period.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

2. CHANGE IN ACCOUNTING POLICIES AND CORRECTION OF ERROR (CONTINUED)

The effect of the restatement for the adoption of new accounting standards and the correction of an error in the period period are as follows:

	As previously reported	Period period adjustment	Adoption of new accounting standards	As restated
<i>Consolidated statement of financial position:</i>				
Solid waste landfill closure and post closure at January 1, 2022	\$ (2,406,561)	\$ -	\$ 2,406,561	\$ -
Asset retirement obligation at December 31, 2022	-	-	(2,639,036)	(2,639,036)
Net Financial assets at December 31, 2022	27,387,232	-	(583,448)	26,803,784
Tangible capital assets at December 31, 2022	372,210,586	(5,344,898)	60,314	366,926,002
Non-Financial Assets at December 31, 2022	373,284,851	(5,344,898)	60,314	368,000,267
Total Net Assets at December 31, 2022	400,672,083	(5,344,898)	(523,134)	394,804,051
Accumulated Surplus - End of Year at December 31, 2022	400,672,083	(5,344,898)	(523,134)	394,804,051
<i>Consolidated statement of operations and accumulated surplus:</i>				
Accumulated Surplus - Beginning of the year at January 1, 2022	\$ 362,475,078	\$ (5,344,898)	\$ (516,980)	\$ 356,613,200
Total expenses at December 31, 2022	58,241,798	-	6,154	58,247,952
Annual Surplus from Operations at December 31, 2022	38,197,005	-	(6,154)	38,190,851
Accumulated Surplus - End of year at December 31, 2022	400,672,083	(5,344,898)	(523,134)	394,804,051

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

3. FUTURE ACCOUNTING PRONOUNCEMENTS

These standards and amendments were not effective for the year ended December 31, 2023, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

Standards applicable for fiscal years beginning on or after April 1, 2023 (the Township's December 31, 2024 year-end):

(1) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s.

(2) PS 3400, Revenue, establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the Township satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when the Township:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the Township's financial results.

(3) Public Sector Guideline 8 Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction.

4. CASH

The Township has an available bank operating credit line in the amount of \$5,000,000. Outstanding indebtedness bears interest at prime less 0.75%. At year end the Township has not utilized any amount under this credit facility (2022 - \$Nil).

The Township also has an available demand installment loan in the amount of \$3,000,000. Outstanding indebtedness bears interest at prime less 0.75%. At year end, the Township has not utilized any amount under this credit facility (2022 - \$Nil).

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

5. INVESTMENTS

Fair value measurement hierarchy

All financial instruments must be classified in accordance with the significant of the inputs used in making fair value measurements. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable.

- i) Level 1 - valuation can be based on quoted prices in active markets for identical assets and liabilities.
- ii) Level 2 - valued using quoted prices for similar assets and liabilities, quoted prices in markets are not active, or models using inputs that are observable.
- iii) Level 3 - values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy of investment assets at December 31 is as follows:

	Level	2023	2022
Investments			
Fixed income	1	42,383,500	54,500,000
Principal protected notes*	2	8,582,950	-
		50,966,450	54,500,000

*The principal protected notes are measured at fair value and include \$ 82,950 of unrealized gains.

6. TAXES RECEIVABLE

	2023	2022
Taxes receivable	9,735,734	7,974,242
Allowance for doubtful accounts	(96,465)	(96,465)
	9,639,269	7,877,777

7. TRADE AND OTHER RECEIVABLES

	2023	2022
Accounts receivable	7,638,358	15,096,976
Allowance for doubtful accounts	(32,612)	(32,612)
	7,605,746	15,064,364

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

8. USER CHARGES AND SEWER RECEIVABLE

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.

In March 2022, Council for the Township of King approved By-law 2022-12, 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 \$9.4M, of which \$5.1M was to be funded from developer contributions, and \$4.3M from the existing benefitting landowners. This amount was spread over the total number of landowners, 197, to be serviced in the village and each benefitting landowner was assessed a lump sum amount of \$23,500. 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 \$2,180 per residential unit equivalent.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

9. DEFERRED REVENUE

	Balance at December 31, 2022	Contributions Received and Interest Income	Revenue Recognized	Balance at December 31, 2023
Obligatory Reserve Funds				
Development charges	19,575,844	1,824,874	(16,262,580)	5,138,138
Cash-in-lieu of Parkland Reserve Fund	-	216,581	1,873,669	2,090,250
Gas Tax/Canada Community Building Fund	475,881	837,344	(758,843)	554,382
	20,051,725	2,878,799	(15,147,754)	7,782,770
General				
Deferred facility rentals	734,572	1,057,976	(1,006,623)	785,925
Deferred revenue	2,465,294	273,942	(1,617,870)	1,121,366
	3,199,866	1,331,918	(2,624,493)	1,907,291
	23,251,591	4,210,717	(17,772,247)	9,690,061

10. 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.

	2023	2022
Accrued post-retirement non-pension benefits	981,714	939,403
Vested sick leave benefits	1,877,370	1,780,182
Vacation payable	1,047,330	829,572
	3,906,414	3,549,157

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

10. EMPLOYEE FUTURE BENEFITS AND OTHER LIABILITIES (CONTINUED)

The actuarial results for each of the plans as at December 31, 2023 are as follows:

	Post Retirement Non-Pension Benefits	Vested Sick Leave Benefits	Total 2023	Total 2022
Accrued benefit liability, beginning of year	939,403	1,780,182	2,719,585	2,485,217
Current service cost	61,568	124,104	185,672	228,783
Interest cost	33,929	46,556	80,485	69,713
Benefit payments	(42,406)	(29,168)	(71,574)	(62,770)
Amortization of actuarial (gain)/loss	(10,780)	(44,304)	(55,084)	(1,358)
Accrued benefit liability, end of year	981,714	1,877,370	2,859,084	2,719,585
Unamortized actuarial (gain)/loss	(194,035)	(708,868)	(902,903)	-
Accrued benefit obligation, end of year	787,679	1,168,502	1,956,181	2,719,585

The amortization of actuarial gains for the current year is in the amount of \$55,084 (2022 - \$1,358).

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, 2023.

The assumptions used in the January 1, 2023 actuarial valuation and the projections for fiscal 2024 and 2025 were:

Interest (discount) rate

The rate used to discount future benefits is assumed to be 4.40% 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 2.60% 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 4.00% for 2023, increasing to 5.30% in 2029 and then decreasing by 0.90% over the next 10 years and remain at 4.00% thereafter (2022 - 4.20%).

Dental costs

Dental costs were assumed to be at a rate of 4.00% for 2023 increasing to 5.30% in 2029 and then decreasing by 0.90% over the next 10 years and remain at 4.00% thereafter (2022 - 4.50%).

Expected Average Remaining Service Life

The Township amortizes the amount of actuarial (gains)/losses over the Expected Average Remaining Service Life which is 17 to 19 years (2022 - over the valuation period of 3 years).

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

11. ASSET RETIREMENT OBLIGATION

The Township's asset retirement obligation consists of several obligations as follows:

a) Landfill obligation

The Township owns and operates two landfill sites. The liability for the closure of operational sites and post-closure care has been recognized under *PS 3280 – Asset Retirement Obligation*. The costs were based upon the most recent actuarial valuation prepared on December 31, 2023. The landfills are both closed and post-closure care is estimated to be required for 15 to 25 years from the date of valuation. These costs were discounted to December 31, 2023 using a discount rate of 2.20% per annum.

b) Asbestos obligation

The Township owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of *PS3280 – Asset retirement obligations*, the Township recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at January 1, 2022. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

c) Decommissioning of assets obligation

The Township owns and operates various assets including fuel storage tanks, drinking water wells, septic tanks and bed systems, ice rinks with ammonia refrigeration systems and a sewage pond, where the decommissioning process is regulated under legislation. Following the adoption of *PS3280 – Asset retirement obligations*, the Township recognized an obligation relating to the decommissioning of these assets as estimated at January 1, 2022. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to decommission the various assets in accordance with current legislation.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

11. ASSET RETIREMENT OBLIGATION (CONTINUED)

The transition and recognition of asset retirement obligations involved an accompanying increase to the Facilities, Machinery & Equipment, and Land Improvement assets and the restatement of prior year balances (see note 2a).

Changes to the asset retirement obligation in the year are as follows:

	Landfill closure	Asbestos removal	Decommissioning of assets	Balance at December 31, 2023
Asset Retirement Obligation				
Opening balance	2,055,588	482,198	101,250	2,639,036
Accretion expense	340,316	-	-	340,316
Closing balance	2,395,904	482,198	101,250	2,979,352

	Landfill closure	Asbestos removal	Decommissioning of assets	Balance at December 31, 2022
Asset Retirement Obligation				
Opening balance	-	-	-	-
Adjustment on adoption of the asset retirement obligation standard (Note 2)	2,406,561	482,198	101,250	2,990,009
Opening balance, as restated	2,406,561	482,198	101,250	2,990,009
Accretion expense	(350,973)	-	-	(350,973)
Closing balance	2,055,588	482,198	101,250	2,639,036

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

12. 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:

	2023	2022
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:	1,200,000	1,600,000
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
By law 2022-19 - long-term debt, issued in 2022 for the construction of sewer works (phase 3) in the community of Nobleton, in the amount of \$4,500,000. The long-term debt has an interest rate of 4.45% and a maturity date of July 15, 2037. At the end of the year, the outstanding principal amount of the liability is:	4,200,000	4,500,000
Long-term liabilities	27,500,000	28,200,000
Less: sinking fund assets	(11,257,114)	(8,926,891)
Net long-term liabilities	16,242,886	19,273,109

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

12. 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
2024	2,746,809	808,669	3,555,478
2025	2,746,809	701,521	3,448,330
2026	2,204,290	594,971	2,799,261
2027	1,804,290	570,190	2,374,480
2028	1,804,290	557,187	2,361,477
2029 - 2037	4,936,398	784,541	5,720,939
	16,242,886	4,017,079	20,259,965

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 \$914,909 (2022 - \$647,344) 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 \$4,906,916 (2022 - \$4,245,833).
- (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 \$2,405,975 (2022 - 1,773,569).
- (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 \$3,944,222 (2022 - 2,907,490).

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

13. TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Facilities	Vehicles	Machinery and Equipment	Transportation Infrastructure	Environmental Infrastructure	Assets under Construction	Total 2023
Cost									
Balance, beginning of year	26,969,746	28,761,452	74,172,282	16,444,980	3,260,589	155,962,035	122,097,735	63,533,707	491,202,526
Additions during the year	-	2,941,888	1,181,955	2,251,836	585,462	16,318,721	5,197,376	28,291,222	56,768,460
Disposals/transfers during the year	-	(3,695)	(656,886)	(758,881)	(168,889)	(4,666,186)	(508,244)	-	(6,762,781)
Balance, end of year	26,969,746	31,699,645	74,697,351	17,937,935	3,677,162	167,614,570	126,786,867	91,824,929	541,208,205
Accumulated Amortization									
Balance, beginning of year	-	8,286,758	17,946,195	8,977,350	1,471,589	72,807,542	14,787,090	-	124,276,524
Amortization during the year	-	1,270,626	1,911,644	1,139,598	415,509	4,771,949	1,429,584	-	10,938,910
Accumulated amortization on disposal	-	(3,695)	(462,961)	(711,956)	(168,889)	(4,268,920)	(43,502)	-	(5,659,923)
Balance, end of year	-	9,553,689	19,394,878	9,404,992	1,718,209	73,310,571	16,173,172	-	129,555,511
Net Book Value of Tangible Capital Assets	26,969,746	22,145,956	55,302,473	8,532,943	1,958,953	94,303,999	110,613,695	91,824,929	411,652,694

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

13. TANGIBLE CAPITAL ASSETS (CONTINUED)

	Land	Land Improvements	Facilities	Vehicles	Machinery and Equipment	Transportation Infrastructure	Environmental Infrastructure	Assets under Construction	Total 2022 (Restated - Note 2)
Cost									
Balance, beginning 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	488,437,567
Adjustment on adoption of the asset retirement obligation standard (Note 2)	-	5,000	544,448	-	34,000	-	-	-	583,448
Prior period adjustment (Note 2)	(1,245,769)	2,489,100	(638,787)	(5,711,634)	433,721	(24,321,224)	(2,713,760)	4,453	(31,703,900)
Balance, beginning of year, restated	26,969,746	20,360,655	68,789,345	15,818,344	3,131,431	149,356,371	117,475,582	55,415,641	457,317,115
Additions during the year	-	8,400,797	5,382,937	626,636	256,838	6,605,664	4,622,153	8,118,066	34,013,091
Disposals/transfers during the year	-	-	-	-	(127,680)	-	-	-	(127,680)
Balance, end of year	26,969,746	28,761,452	74,172,282	16,444,980	3,260,589	155,962,035	122,097,735	63,533,707	491,202,526
Accumulated Amortization									
Balance, beginning of year	-	7,191,999	15,543,535	13,234,770	1,117,971	88,793,899	14,433,156	-	140,315,330
Adjustment on adoption of the asset retirement obligation standard (Note 2)	-	800	516,180	-	-	-	-	-	516,980
Prior period adjustment (Note 2)	-	285,512	234,751	(5,307,769)	57,044	(20,692,787)	(935,753)	-	(26,359,002)
Balance, beginning of year, restated	-	7,478,311	16,294,466	7,927,001	1,175,015	68,101,112	13,497,403	-	114,473,308
Amortization during the year	-	808,447	1,651,729	1,050,349	421,911	4,706,430	1,289,687	-	9,928,553
Accumulated amortization on disposal	-	-	-	-	(125,337)	-	-	-	(125,337)
Balance, end of year	-	8,286,758	17,946,195	8,977,350	1,471,589	72,807,542	14,787,090	-	124,276,524
Net Book Value of Tangible Capital Assets	26,969,746	20,474,694	56,226,087	7,467,630	1,789,000	83,154,493	107,310,645	63,533,707	366,926,002

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

13. TANGIBLE CAPITAL ASSETS (CONTINUED)

a) Assets under construction:

Assets under construction having a value of \$91,824,929 (2022 - \$63,533,707) 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.

c) Capitalization of interest:

No interest was capitalized in 2023 (2022 - \$Nil)

14. ACCUMULATED SURPLUS

	2023	2022
General purposes	(190,865)	3,018,117
King Township Library Board Annual Surplus	(36,492)	(16,638)
Holland Marsh Drainage System Joint Municipal Services Board	190,266	42,269
Unfunded		
Employee benefits and post-employment liabilities	(3,906,414)	(3,549,157)
Asset retirement obligation liability	(2,979,352)	(2,055,588)
Invested in Tangible Capital Assets	411,652,694	372,210,586
Less: Amount financed by long-term debt	(16,242,886)	(19,273,109)
Interest on long-term debt	(201,517)	(123,229)
Reserve Funds (Note 15)	49,504,324	50,418,832
Accumulated Surplus, as previously stated	437,789,758	400,672,083
Adjustment on adoption of the asset retirement obligation standard (Note 2)	-	(523,134)
Prior period adjustment (Note 2)	-	(5,344,898)
Accumulated Surplus, as restated	437,789,758	394,804,051

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

15. RESERVE FUNDS

	2023	2022
Reserve funds set aside by Council:		
Reserve funds For Existing Infrastructure Stability (Rehabilitation & Replacement)	20,910,280	20,263,833
Reserve funds for New Infrastructure	12,188,349	17,537,797
Reserve funds for Stabilization & Contingencies	7,387,551	10,725,769
Reserve funds for Special Purposes	8,255,332	1,225,273
Library Board Managed Reserve funds	762,812	666,160
	49,504,324	50,418,832

16. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2023	2022
Increase in taxes receivable	(1,761,492)	(652,451)
Decrease (Increase) in trade and other receivables	7,458,618	(8,199,206)
Decrease (Increase) in user charges receivable and sewer receivable	1,178,169	(2,790,946)
(Increase) Decrease in inventory held for own use	(9,289)	83,754
Decrease (Increase) in prepaid expenses	228,996	(710,830)
Increase (Decrease) in accounts payable and accrued liabilities	12,731,775	(4,771,170)
Increase in developer and other deposits	2,752,538	1,375,885
(Decrease) Increase in deferred revenue	(13,561,530)	2,207,064
Increase in employee future benefits and other liabilities	357,257	296,631
Increase (Decrease) in asset retirement obligation	340,316	(350,973)
	9,715,358	(13,512,242)

17. TAXATION

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

	2023	2022
Taxation revenue	93,727,844	90,699,749
Amount levied and remitted to Regional Municipality of York	(37,526,934)	(35,758,962)
Amount levied and remitted to School Boards	(19,466,469)	(19,269,765)
Net taxation	36,734,441	35,671,022

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

18. CONTRIBUTIONS FROM DEVELOPERS

	2023	2022
Subdivision assumptions	-	5,512,333
Developer credits for King City East Spine Servicing	2,771,769	-
Development charges revenue recognized for Township Infrastructure	13,490,811	6,299,202
	16,262,580	11,811,535

19. PENSION AGREEMENTS

The Ontario Municipal Employees Retirement System (OMERS) provides pension services to more than half a million active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2023. The results of the valuation disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets at that date of \$131,983 million indicating an actuarial funding deficit of \$4,202 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 2023 were \$1,716,558 (2022 - \$1,435,671).

20. BUDGET RECONCILIATION

The authority of Council is required before monies can be spent by the Township. Approvals are given in the form of an annually approved budget. The budget approved by the Council on February 6, 2023 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.

	2023
Budgeted surplus (deficit) for the year, as approved by Council	
Operating	10,419,392
Capital	(33,947,528)
Total budgeted deficit for the year, as approved by Council	(23,528,136)
Add:	
Capital expenditures carried forward from previous years	33,947,528
Less:	
Amortization	(10,750,001)
Increase in landfill liability	(340,317)
Increase in post-retirement benefits	(139,499)
Budgeted deficit for the year, per statement of operations	(810,425)

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

21. GOVERNMENT GRANTS

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

	2023	2022
Federal grants	9,426,308	5,306,317
Provincial grants	10,986,402	6,204,347
Other	151,071	-
	20,563,781	11,510,664

22. COMMITMENTS

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

23. CONTINGENCIES

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

24. INSURANCE COVERAGE

The Township is self-insured for insurance claims up to \$50,000 for any individual claim and for any number of claims arising out of a single occurrence. Outside insurance coverage is in place for claims in excess of \$50,000 to a maximum of \$5,000,000 per claim occurrence. The Township has not made any provisions for self-insurance claims under \$50,000 in the reserves. Claim costs during the year amounted to \$77,006 (2022 - \$135,675).

During the year the Township's total paid premiums was \$765,497 (2022 - \$675,662), which has been reported as an expense in the consolidated statement of operations.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

25. FINANCIAL INSTRUMENT RISKS AND UNCERTAINTIES

The Township is exposed to various risks through its financial instruments. The following analysis provides a measure of the Township's risk exposure and concentrations as at December 31, 2023.

Financial risk management

The Township manages its investments according to its cash needs and in such a way to maximize investment income. The Township is not involved in any hedging relationships through its operations.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Township's main credit risks relate to its taxes receivable, trade and other receivables and user charges and sewer receivables. Allowances for doubtful accounts are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the Consolidated Statement of Financial Position are net of these allowances for doubtful accounts.

Liquidity risk

Liquidity risk relates to the risk that the Township will encounter difficulty in meeting its obligations associated with financial liabilities. The Township is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, developer and other deposits and long-term debt. The Township monitors its cash balance and cash flows generated from operations to meet its liquidity requirements.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Township is mainly exposed to interest rate risk.

i. Foreign Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Township is not exposed to any significant currency risk.

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Township is exposed to interest rate risk on its investments. The Township manages its interest rate risk by maintaining a mix of fixed income investments which meet the criteria outline in the Investment Policy.

iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Township is not exposed to other price risks.

Changes in risk

There have been no significant changes in the Township's risk exposures from the 2022 fiscal year.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

26. SEGMENTED INFORMATION

The Township is a diversified municipal government that provides a wide range of services to its citizens. For management reporting purposes, the Township's operations and activities are organized functionally based on services provided.

A description of the services area for segmented information is as follows:

General government

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

Protection services

Protection services include fire, building permit and inspection services and protective inspection and control.

Transportation services

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control and street lighting.

Environmental services

This function is responsible for providing water and sanitary sewer services to the Township as well as maintaining a storm sewer system. The solid waste and recycling program includes curbside collection of recyclables, organics, yard waste and garbage.

Recreation and cultural services

The recreation and cultural services function provides parks, indoor and outdoor recreational facilities and programs and cultural and library services.

Planning and development

The planning and development function manages planning and zoning, commercial, industrial and residential development within the Township.

Certain allocation methodologies are employed in the preparation of the segmented financial information. Taxation, payments-in-lieu of taxes and investment income are allocated to the segments based on the actual expenses. User charges and other revenue have been allocated to the segment that generated the revenue. Government grants have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2023

	General government	Protection services	Transportation services	Environmental services	Recreation and cultural services	Planning and development	Total 2023
Revenue							
Taxation	6,249,370	4,136,623	7,620,114	8,269,584	8,451,164	2,007,586	36,734,441
Fees and user charges	181,153	1,946,390	1,926,132	12,388,778	2,278,341	449,683	19,170,477
Grants	2,095,929	-	788,843	144,199	17,408,813	125,997	20,563,781
Other revenue	8,202,658	825,244	5,237,366	895,799	14,088,539	686,898	29,936,504
	16,729,110	6,908,257	15,572,455	21,698,360	42,226,857	3,270,164	106,405,203
Expenses							
Salaries and benefits	5,478,316	4,132,285	3,515,920	1,634,070	6,243,535	1,833,126	22,837,252
Amortization on tangible capital assets	776,683	570,408	5,210,886	1,548,773	2,766,544	65,616	10,938,910
Materials and supplies	3,892,241	2,111,631	1,697,858	6,956,761	2,916,401	724,894	18,299,786
Contracted services	523,695	342,991	2,247,070	3,818,215	595,634	846,605	8,374,210
Interest on debt	198,750	-	344,900	371,259	-	-	914,909
Other expenses	-	-	-	86,043	2,051,336	-	2,137,379
	10,869,685	7,157,315	13,016,634	14,415,121	14,573,450	3,470,241	63,502,446
Net Surplus (Deficit)	5,859,425	(249,058)	2,555,821	7,283,239	27,653,407	(200,077)	42,902,757

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2022

	General government	Protection services	Transportation services	Environmental services	Recreation and cultural services	Planning and development	Total 2022
Revenue							
Taxation	6,022,098	4,479,011	7,724,994	7,388,526	7,644,653	2,411,740	35,671,022
Fees and user charges	173,855	2,865,456	1,135,870	11,409,494	1,877,830	768,681	18,231,186
Grants	2,048,531	200	1,018,356	154,914	8,064,162	224,501	11,510,664
Other revenues	8,133,149	774,285	7,597,677	5,967,771	7,851,431	701,618	31,025,931
	16,377,633	8,118,952	17,476,897	24,920,705	25,438,076	4,106,540	96,438,803
Expenses							
Salaries and benefits	4,818,755	3,715,688	3,334,893	1,531,070	5,262,487	1,515,901	20,178,794
Amortization on tangible capital assets	661,948	574,414	5,141,892	1,405,014	2,081,091	64,190	9,928,549
Materials and supplies	3,495,301	2,498,752	1,745,149	7,004,566	2,720,480	737,287	18,201,535
Contracted services	657,814	524,244	1,860,441	2,120,728	465,227	1,620,386	7,248,840
Interest on debt	198,750	-	344,900	103,694	-	-	647,344
Other expenses	-	-	-	84,226	1,958,664	-	2,042,890
	9,832,568	7,313,098	12,427,275	12,249,298	12,487,949	3,937,764	58,247,952
Net Surplus (Deficit)	6,545,065	805,854	5,049,622	12,671,407	12,950,127	168,776	38,190,851

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2023 Statistics

KING
king.ca

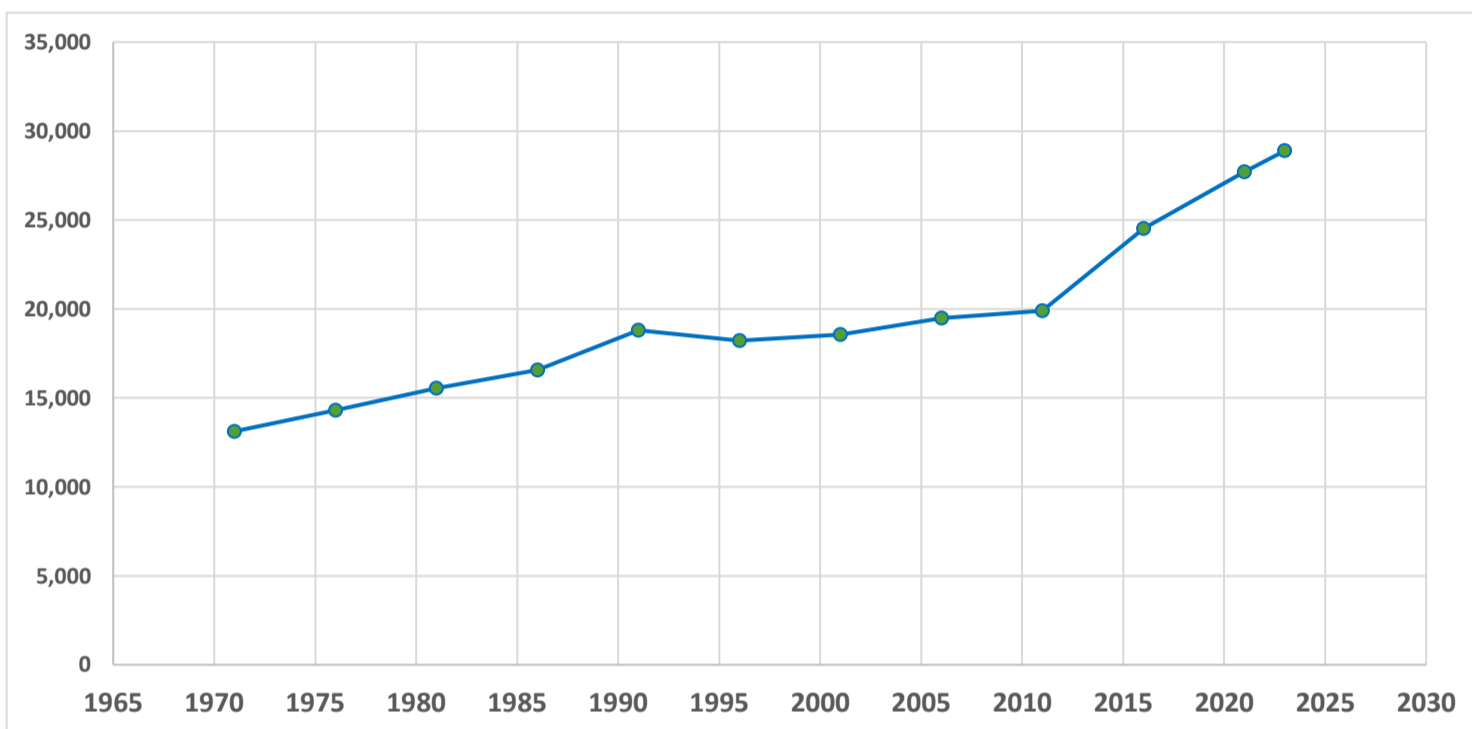
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FISCAL YEAR	2023	2022	2021	2020	2019
Population	28,889	28,295	27,713	27,700	26,308
Property Accounts (Residential / Commercial / Industrial)	10,578	10,463	10,404	10,336	9,923

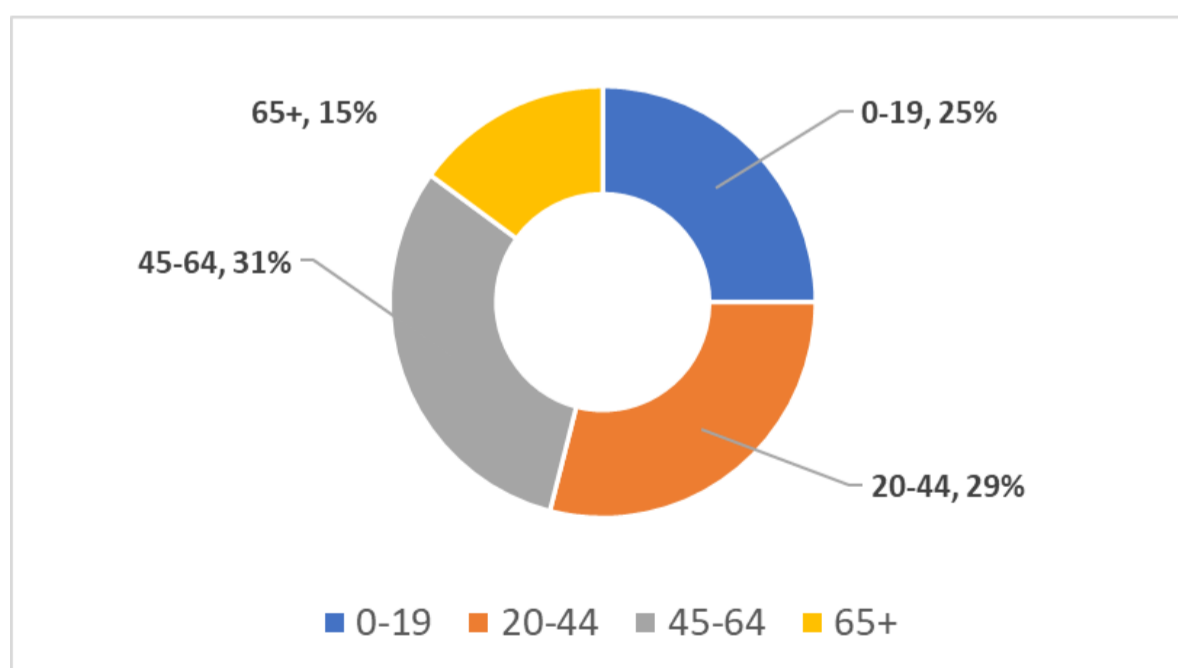
* Information pulled from the FIR / MPAC. 2019 was an average between 2018 & 2020

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 2021-2023 by 4.2%



Year	Population
1971	13,120
1976	14,297
1981	15,553
1986	16,573
1991	18,791
1996	18,223
2001	18,553
2006	19,487
2011	19,899
2016	24,512
2021	27,713
2023	28,889

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.

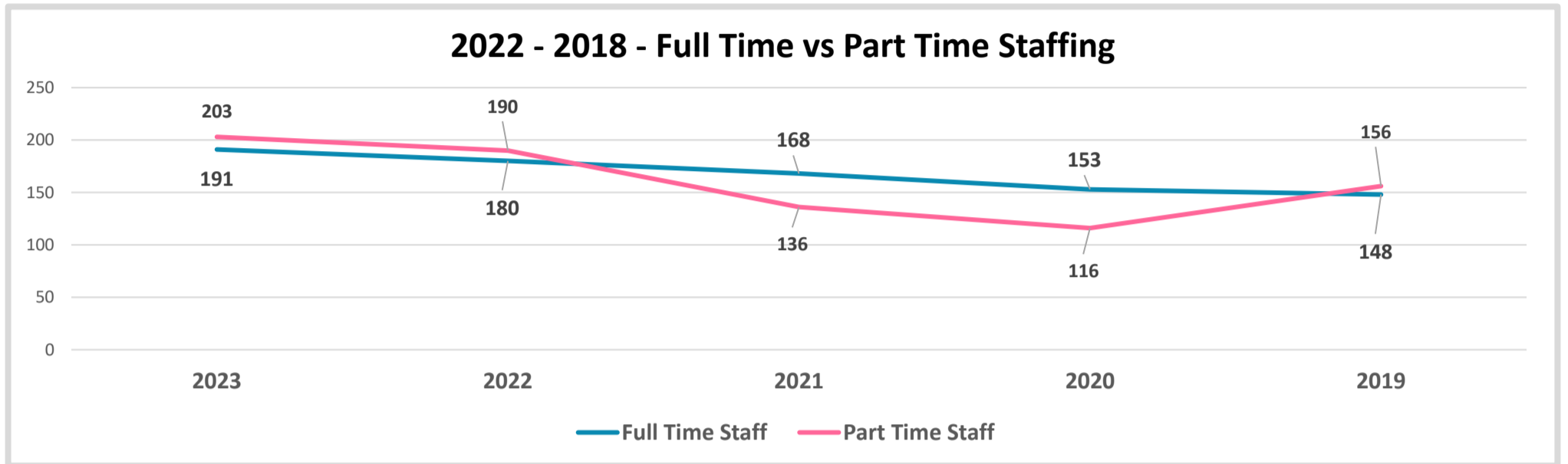


(Based on statistics Canada and the BMA Municipal Study)



Staffing Levels	2023	2022	2021	2020	2019
Full Time Staff	191	180	168	153	148
Part Time Staff	203	190	136	116	156

*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	2023	2022	2021	2020	2019
Township	0.327122	0.311662	0.311325	0.318392	0.328370
Region	0.348892	0.336958	0.326425	0.321619	0.336549
School	0.153000	0.153000	0.153000	0.153000	0.161000
Total Residential and Farm Rate	0.829014	0.801620	0.790750	0.793011	0.825919

Commercial	2023	2022	2021	2020	2019
Township	0.435759	0.415165	0.414716	0.424130	0.420117
Region	0.464759	0.447530	0.434831	0.428429	0.430581
School	0.880000	0.880000	0.880000	0.896686	0.931834
Total Commercial Rate	1.780518	1.742695	1.729547	1.749245	1.782532

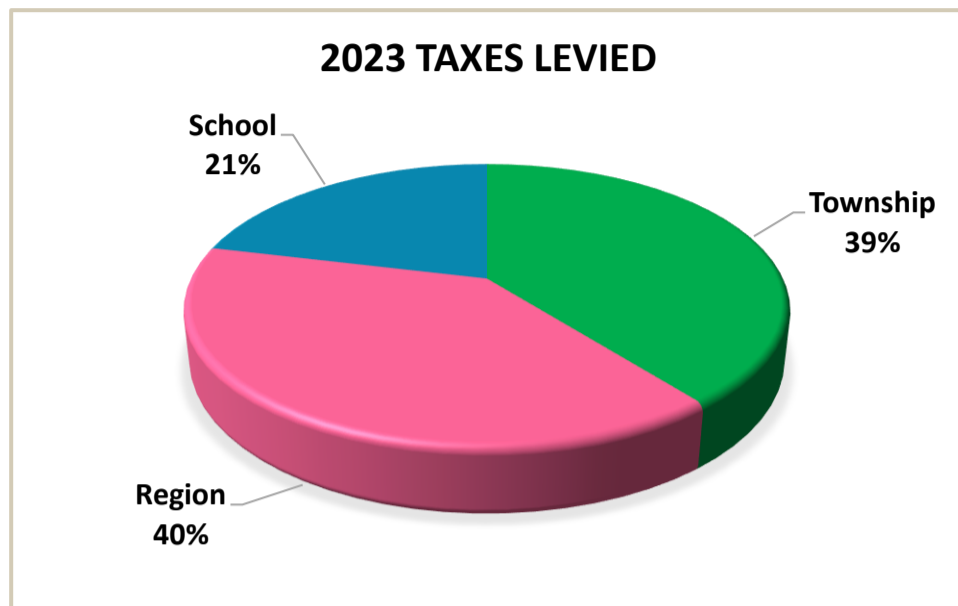
Industrial	2023	2022	2021	2020	2019
Township	0.537527	0.512130	0.511569	0.523182	0.515672
Region	0.573299	0.552046	0.536382	0.528484	0.528517
School	0.880000	0.880000	0.880000	0.980000	1.030000
Total Industrial Rate	1.990826	1.944176	1.927951	2.031666	2.074189

TAX INFORMATION	2023	2022	2021	2020	2019
Taxes Levied					
Township	36,734,411	\$ 35,671,022	\$ 34,067,696	\$ 34,345,419	\$ 33,031,389
Region	37,526,934	35,758,962	34,178,803	33,134,375	32,316,446
School	19,466,469	19,269,765	18,963,433	18,914,554	18,332,425
Total	\$ 93,727,814	\$ 90,699,749	\$ 87,209,932	\$ 86,394,348	\$ 83,680,260

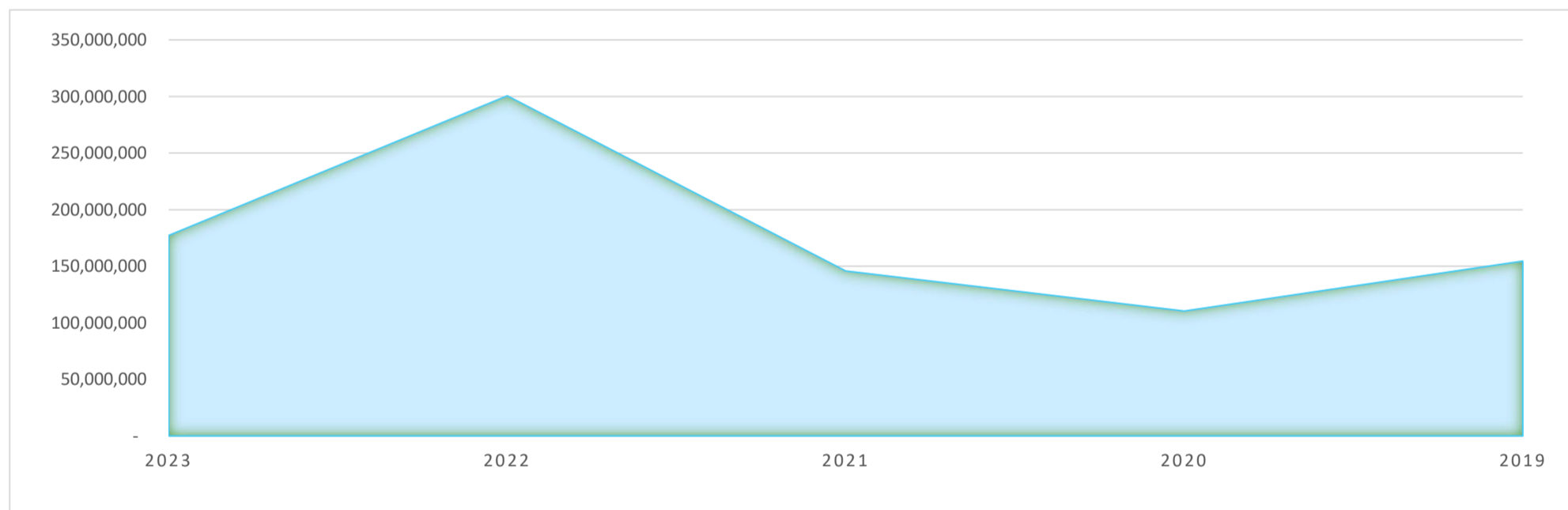
Principle Corporate Tax payers

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



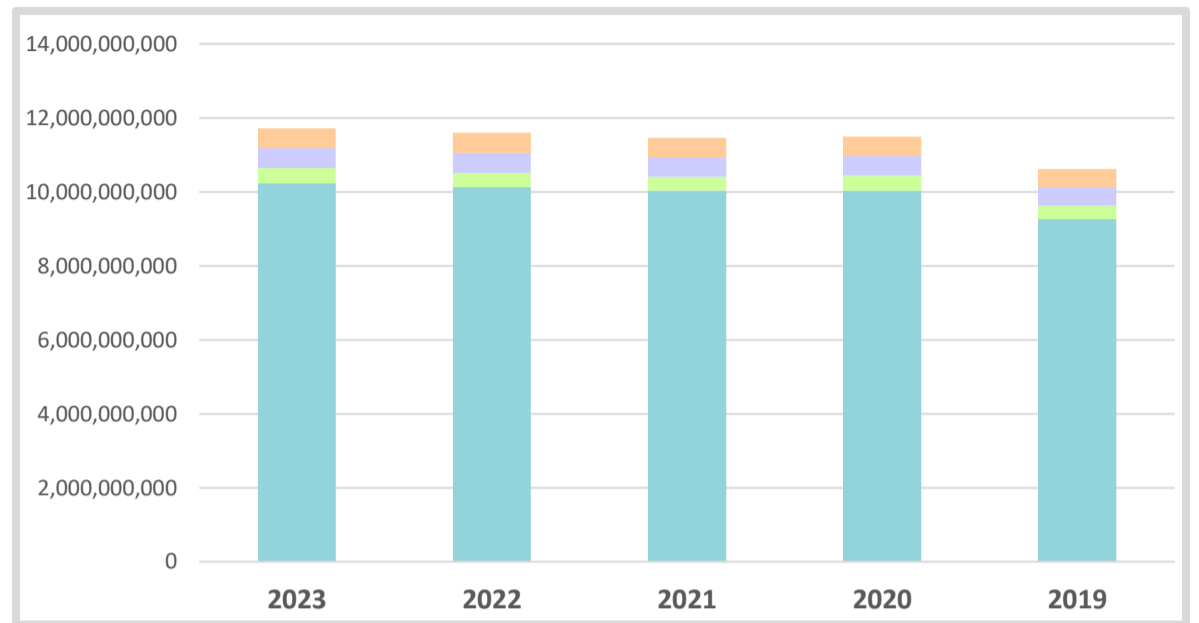
New Construction	2023	2022	2021	2020	2019
Value of construction (based on permits issued)	177,336,526	300,600,839	145,843,659	110,281,623	154,502,944



Assessment Value by Class	2023	2022	2021	2020	2019
Farmland	596,184,872	618,084,484	635,059,327	635,059,327	581,634,145
Residential	9,581,420,609	9,462,391,895	9,344,114,537	9,347,427,537	8,631,974,733
Managed Forest	31,621,300	32,881,100	30,260,100	30,260,100	25,667,040
Multi-Residential	15,710,000	15,710,000	15,710,000	15,710,000	15,442,209
Commercial	416,329,594	375,306,996	380,495,911	415,561,411	371,250,950
Industrial	74,896,200	72,524,500	75,018,400	75,767,400	72,652,532
Pipeline	31,314,000	31,251,000	31,121,000	31,121,000	30,237,895
Exempted	534,766,981	545,939,381	524,427,381	524,427,381	493,526,669
Total Assessment	11,282,243,556	11,154,089,356	11,036,206,656	11,075,334,156	10,222,386,173



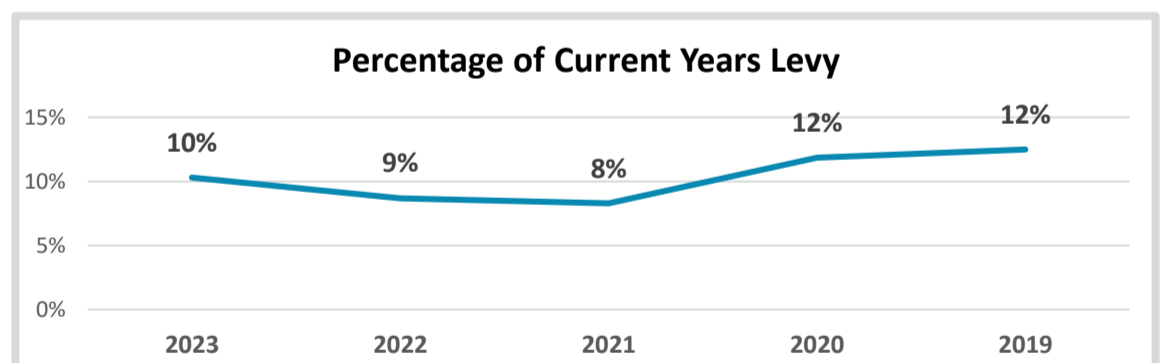
Total Assessment by Major Class (2023 - 2019)	
Farmland, Residential, Managed Forest, Multi-Residential	
Commercial	
Industrial / Pipeline	
Exempted	



Taxes Collected	2023	2022	2021	2020	2019
Township Collection	\$ 33,969,968	\$ 31,986,152	\$ 31,779,144	\$ 31,592,283	\$ 29,955,653
Taxes transferred to the Region	36,230,671	34,479,670	33,320,489	31,912,485	30,701,780
Taxes transferred to the School Boards	19,197,628	18,973,817	21,378,591	18,715,830	17,853,015
Total	\$ 89,398,267	\$ 85,439,639	\$ 86,478,224	\$ 82,220,598	\$ 78,510,448

Taxes Receivable, End of Year	2023	2022	2021	2020	2019
Taxes Receivable	\$9,639,269	\$7,877,777	\$7,225,326	\$10,234,774	\$10,447,877
Total Taxes Levied	\$ 93,727,814	\$ 90,699,749	\$87,209,932	\$86,394,348	\$83,680,260
Percentage of Current Years Levy	10%	9%	8%	12%	12%

Trend of Tax Receivables (Arrears)



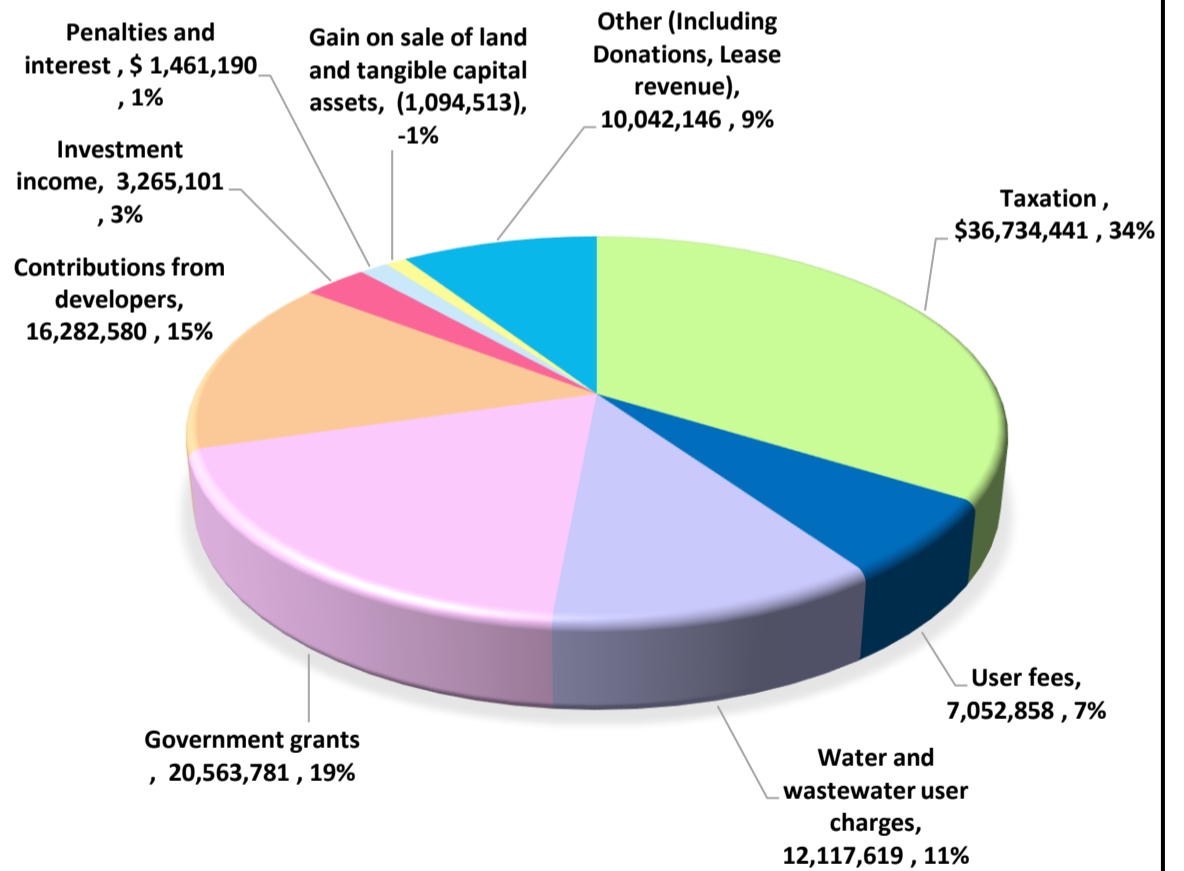


FINANCIAL INFORMATION

REVENUES	2023	2022	2021	2020	2019
Taxation	\$ 36,734,441	\$ 35,671,022	\$ 34,067,696	\$ 34,345,419	\$ 33,031,389
User fees	7,052,858	6,915,773	3,072,649	2,770,494	6,069,728
Water and wastewater user charges	12,117,619	11,315,413	10,928,012	10,732,111	9,183,439
Government grants	20,563,781	11,510,664	3,799,950	4,124,580	2,749,899
Contributions from developers	16,282,580	11,811,535	61,549,422	8,648,507	19,132,037
Investment income	3,265,101	1,442,300	525,150	737,992	1,038,334
Penalties and interest	1,461,190	1,283,612	1,281,693	1,397,017	1,540,305
Gain on sale of land and tangible capital assets	(1,094,513)	48,608	20,930	10,564	105,588
Other (Including Donations, Lease revenue)	10,042,146	16,439,876	6,753,492	4,893,641	5,059,189
Total	\$ 106,425,203	\$ 96,438,803	\$ 121,998,994	\$ 67,660,325	\$ 77,909,908

**Revenue by Type
(2023)**

2023 REVENUE

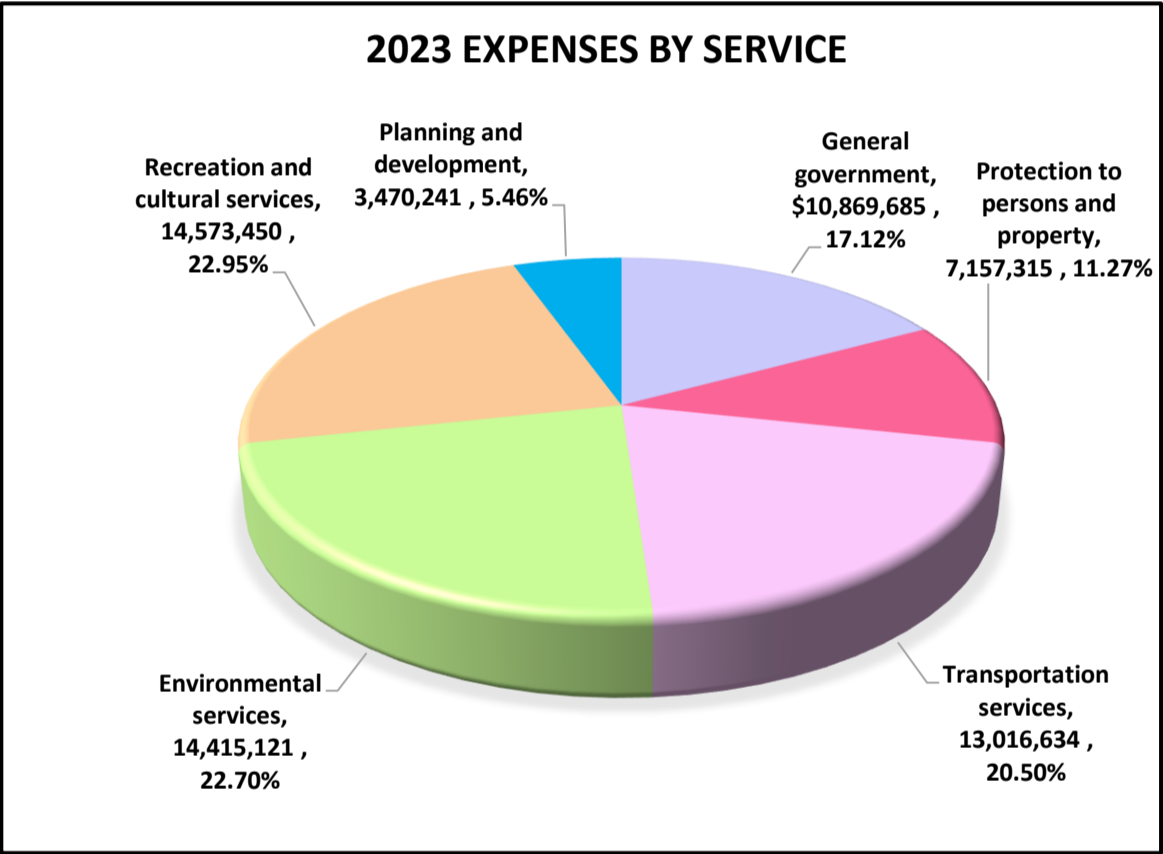




FINANCIAL INFORMATION

EXPENSES	2023	2022	2021	2020	2019
General government	\$ 10,869,685	\$ 10,286,714	\$ 7,871,884	\$ 7,505,777	\$ 6,701,605
Protection to persons and property	7,157,315	7,313,098	6,599,396	5,825,701	6,140,332
Transportation services	13,016,634	12,612,971	11,142,718	11,152,218	11,309,693
Environmental services	14,415,121	12,063,603	12,833,616	11,370,519	9,281,805
Recreation and cultural services	14,573,450	12,481,794	10,095,609	9,542,113	10,901,413
Planning and development	3,470,241	3,483,618	2,029,528	2,858,831	2,282,815
Total	\$ 63,502,446	\$ 58,241,798	\$ 50,572,751	\$ 48,255,159	\$ 46,617,663

Expense by Service (2023)

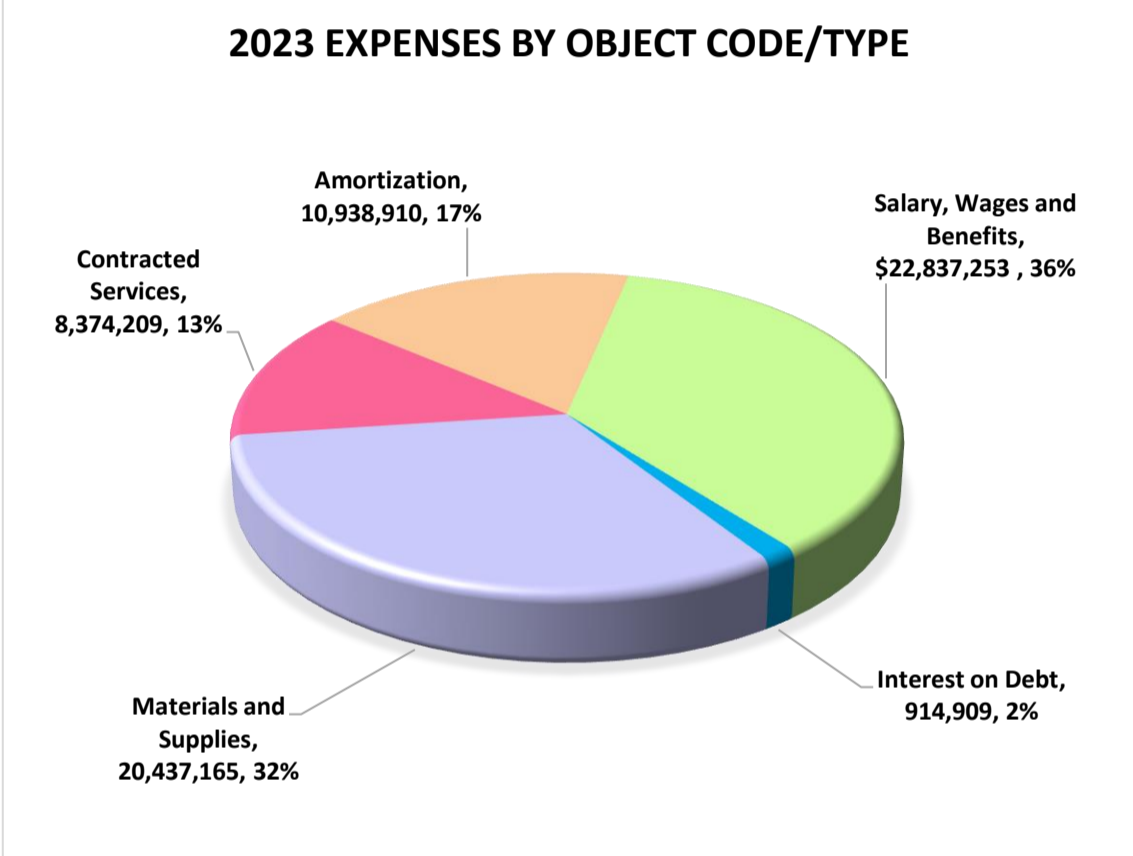


Restated



EXPENSES BY OBJECT	2023	2022	2021	2020	2019
Salary, Wages and Benefits	\$ 22,837,253	\$ 20,178,794	\$ 19,830,255	\$ 18,775,875	\$ 18,611,535
Interest on Debt	914,909	647,344	654,736	678,015	604,161
Materials and Supplies	20,437,165	20,244,424	10,078,222	8,133,777	7,854,826
Contracted Services	8,374,209	7,248,840	11,482,858	13,041,451	12,129,202
Amortization	10,938,910	9,928,550	8,526,680	7,626,041	7,417,777
Total	\$ 63,502,446	\$ 58,247,952	\$ 50,572,751	\$ 48,255,159	\$ 46,617,663

Expense by Object Code or Type (2023)





Long-Term Liabilities	2023	2022	2021	2020	2019
Gross Long-Term Debt	\$ 16,242,886	\$ 19,273,109	\$17,391,897	\$19,960,251	\$22,587,033
<i>Per Capita</i>	562.25	681.15	627.57	720.59	858.56
Interest on Long-Term Debt	\$ 914,909	\$ 647,344	\$ 654,736	\$ 678,015	\$ 604,161
<i>Per Capita</i>	31.67	22.88	23.63	24.48	22.96

Sources of Debt Repayment

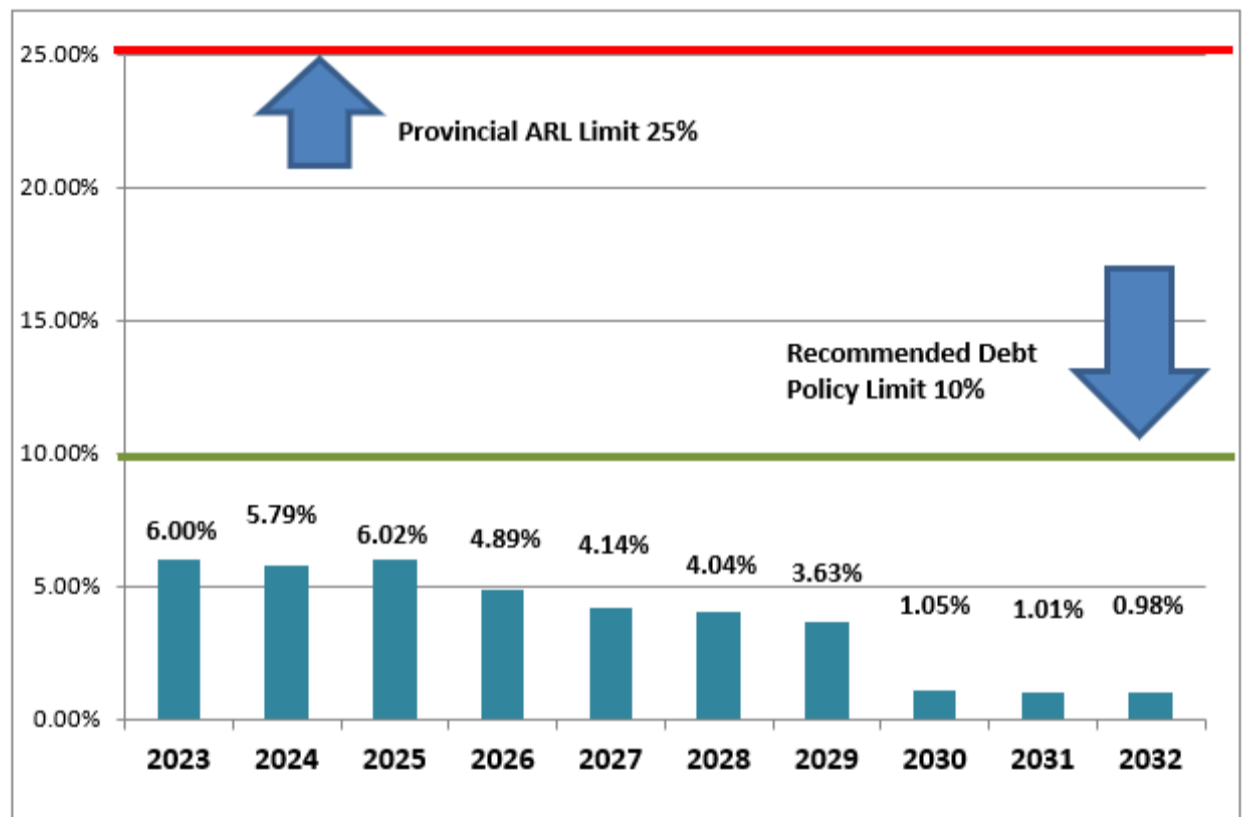
Debt Retirement Fund*	\$2,046,809	\$2,046,809	\$2,046,809	\$2,046,809	\$882,718
Tax Supported				5,844	6,105,514
Water / Wastewater Reserve Funds	700,000	400,000	400,000	400,000	400,000
Total Debt Repayment Funds	\$ 2,746,809	\$ 2,446,809	\$ 2,446,809	\$ 2,452,653	\$ 7,388,232

*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	13,440,510	12,851,683	11,521,477	10,571,486	7,777,247
ARL as a % of Net Revenues	4.56%	4.40%	4.86%	4.87%	15.95%
Net Revenue	\$ 60,221,675	\$ 55,596,106	50,304,850	50,367,612	46,320,846

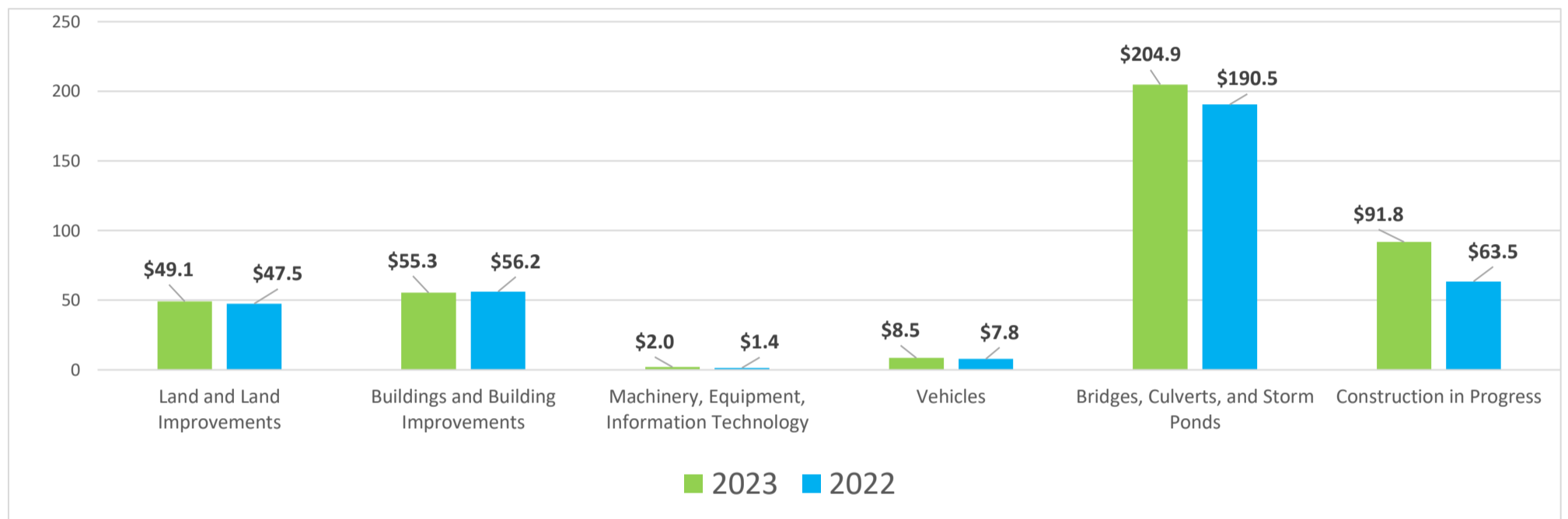
Forecasted Annual Debt Repayment (2023 - 2032)





Tangible Capital Asset		*Restated*				
Net Book Value	2023	2022	2021	2020	2019	
Land and Land Improvements	\$ 49,115,702	\$ 47,444,441	\$ 38,890,072	\$ 38,734,070	\$ 38,686,363	
Buildings and Building Improvements	55,302,473	56,226,089	53,340,150	43,938,329	23,649,824	
Machinery, Equipment, Information Technology	1,958,953	1,428,995	1,541,287	1,132,507	959,796	
Vehicles	8,532,943	7,845,023	8,295,208	6,370,975	6,986,927	
Bridges, Culverts, and Storm Ponds	204,917,694	190,452,209	190,639,879	148,902,270	146,486,294	
Construction in Progress	91,824,929	63,533,707	55,415,641	39,043,265	48,774,448	
Total	\$ 411,652,694	\$ 366,930,464	\$ 348,122,237	\$ 278,121,416	\$ 265,543,652	

2023 vs 2022 (In millions)



Restated



Tangible Capital Asset Cost	2023	2022	2021	2020	2019
Assets - Beginning of Year	\$ 491,202,526	\$ 457,317,115	\$410,098,515	\$390,076,905	\$359,096,200
Additions	56,768,460	34,013,091	78,531,571	20,216,303	31,793,332
Disposals and Transfers	(6,762,781)	(127,680)	(192,519)	(194,693)	(812,627)
Assets - End of Year	\$ 541,208,205	\$ 491,202,526	\$ 488,437,567	\$ 410,098,515	\$ 390,076,905

Tangible Capital Asset Amortization					
Accumulated Amortization - Beginning of Year	\$ 124,276,524	\$ 114,473,308	\$131,977,099	\$124,533,253	\$117,822,514
Amortization during the year	10,938,910	9,928,553	8,526,680	7,626,041	7,417,777
Accumulated Amortization on disposal	(5,659,923)	(125,337)	(188,449)	(182,195)	(707,038)
Accumulated Amortization - End of Year	\$ 129,555,511	\$ 124,276,524	\$ 140,315,330	\$ 131,977,099	\$ 124,533,253

Net Book Value of Tangible Capital Assets	\$ 411,652,694	\$ 366,926,002	\$ 348,122,237	\$ 278,121,416	\$ 265,543,652
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Net Financial Assets					
Net Financial Assets - Beginning of Year	\$ 26,803,784	\$ 13,322,204	\$12,710,139	\$5,783,535	\$(1,668,204)
Net Financial Assets	(1,521,278)	13,481,580	1,195,513	6,926,604	7,451,739
Net Financial Assets - End of Year	\$ 25,282,506	\$ 26,803,784	\$ 13,905,652	\$ 12,710,139	\$ 5,783,535

Accumulated Surplus & Tangible Capital Assets					
Accumulated Surplus - Beginning of Year	\$ 394,804,051	\$ 356,613,200	\$291,048,835	\$271,643,669	\$240,351,424
Annual Surplus	\$ 42,985,707	38,190,851	71,426,243	19,405,166	31,292,245
Accumulated Surplus - End of Year	\$ 437,789,758	\$ 394,804,051	\$ 362,475,078	\$ 291,048,835	\$ 271,643,669



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.

ARO – Asset Retirement 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.



2023

KING

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