



# Town of Georgina



## CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2008



Corporation of the Town of Georgina  
26557 Civic Centre Road, Keswick, Ontario, Canada L4P 3G1  
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# **Town of Georgina**

## **Consolidated Financial Statements**

### **December 31, 2008**

*Adopted by Council on October 26, 2009*

**Council of the Town of Georgina**

**Mayor Robert Grossi**

**Deputy Mayor Danny Wheeler**

**Councillor Margaret Jordan Clark, Ward 1**

**Councillor Ross Jamieson, Ward 2**

**Councillor Dave Szollosy, Ward 3**

**Councillor Ken Hackenbrook, Ward 4**

**Councillor Brad Smockum, Ward 5**

**Chief Administrative Officer**

**Susan Plamondon, B.A., LL.B**

**Corporation of the Town of Georgina**  
**26557 Civic Centre Road, Keswick, Ontario, Canada L4P 3G1**

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Grant Thornton

## Auditors' report

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To the Members of Council, Inhabitants,  
and Ratepayers of the **Corporation of  
The Town of Georgina**

We have audited the consolidated statement of financial position of the **Corporation of the Town of Georgina** as at December 31, 2008 and the consolidated statements of operations, consolidated statement of net financial assets, consolidated statement of cash flows, consolidated operating fund statement, consolidated capital fund statement, and consolidated reserves and reserve funds statement for the year then ended. These consolidated financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Budget figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express any opinion regarding the budget figures.

*Grant Thornton LLP*

Markham, Canada  
October 8, 2009

Chartered Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWN OF GEORGINA****Consolidated Statement of Financial Position**

December 31, 2008

	2008	2007
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 4)	\$ 16,133,985	\$ 10,984,075
Taxes and user charge receivable	7,890,861	6,878,554
Accounts receivable	1,494,000	5,106,213
Other	22,080	18,541
	<b>25,540,926</b>	<b>22,987,383</b>
<b>LIABILITIES</b>		
Long-term liabilities (Note 6)	17,520,970	18,686,496
Deferred revenue (Note 9)	5,530,226	4,549,814
Other current liabilities	3,347,785	3,181,055
Accounts payable	2,470,161	4,056,327
Interest payable on long-term debt	221,908	236,260
Employee future benefits payable (Note 12)	2,409,075	2,145,563
	<b>31,500,125</b>	<b>32,855,515</b>
NET FINANCIAL LIABILITIES	(5,959,199)	(9,868,132)
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	220,379	159,535
<b>NET LIABILITIES</b>	<b>\$ (5,738,820)</b>	<b>\$ (9,708,597)</b>
<b>MUNICIPAL POSITION</b>		
Fund Balances		
Operating fund - Schedule 1	\$ 344,488	\$ 539,950
Capital fund - Schedule 2	621,647	(1,590,425)
Reserves and reserve fund - Schedule 3	13,225,090	12,173,937
	<b>14,191,225</b>	<b>11,123,462</b>
Amounts to be recovered from future revenues (Note 10)	(19,930,045)	(20,832,059)
<b>MUNICIPAL POSITION</b>	<b>\$ (5,738,820)</b>	<b>\$ (9,708,597)</b>

Contingencies and commitments (Notes 11 and 15)

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

# THE CORPORATION OF THE TOWN OF GEORGINA

## Consolidated Statement of Operations and Fund Balance

Year ended December 31, 2008

	2008		2007
	Budget (unaudited)	Actual	Actual
<b>REVENUES</b>			
Taxes available for municipal purposes	\$ 27,174,706	\$ 27,570,113	\$ 25,951,822
User fees and service charges	5,423,002	5,315,998	5,373,478
Government grants	3,292,824	4,774,993	1,265,136
Fines and penalties	769,500	1,003,292	790,181
Licences and permits	698,850	944,438	765,999
Investment income	780,075	737,499	996,709
Revenue from other municipalities	374,700	530,874	408,052
Developer and customer contributions	100,000	350,633	406,516
Other	23,170	230,859	1,201
Developer contributions earned	-	166,800	73,647
Rents and concessions	111,871	130,482	116,980
Donations	8,800	38,293	50,976
<b>Total revenues</b>	<b>38,757,498</b>	<b>41,794,274</b>	<b>36,200,697</b>
<b>EXPENDITURES</b>			
Recreation and cultural services	22,753,072	10,636,740	9,640,719
Protection to persons and property	7,063,576	7,165,120	5,855,116
Transportation services	7,601,091	6,492,905	5,857,226
General government	5,488,290	5,868,233	5,549,007
Environmental services	5,560,470	5,335,115	6,551,084
Planning and development services	1,621,176	1,601,726	1,081,187
Health services	257,638	328,933	97,204
Other	-	263,512	207,763
Social and family services	230,998	193,057	191,578
<b>Total expenditures</b>	<b>50,576,311</b>	<b>37,885,341</b>	<b>35,030,884</b>
<b>NET REVENUE (EXPENDITURES)</b>	<b>(11,818,813)</b>	<b>3,908,933</b>	<b>1,169,813</b>
<b>FINANCING</b>			
Proceeds from sale of debentures	15,339,510	-	-
Principal repayment on long-term debt	(1,165,527)	(1,165,527)	(1,441,220)
Increase in employee future benefits payable	-	263,512	143,696
<b>INCREASE (DECREASE) IN AMOUNTS TO BE RECOVERED</b>	<b>14,173,983</b>	<b>(902,015)</b>	<b>(1,297,524)</b>
<b>NET INCREASE IN NON-FINANCIAL ASSETS</b>	<b>-</b>	<b>60,844</b>	<b>66,225</b>
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>2,355,170</b>	<b>3,067,762</b>	<b>(61,486)</b>
<b>OPENING CONSOLIDATED FUND BALANCE</b>	<b>11,083,513</b>	<b>11,123,463</b>	<b>11,184,948</b>
<b>CLOSING CONSOLIDATED FUND BALANCE</b>	<b>\$ 13,438,683</b>	<b>\$ 14,191,225</b>	<b>\$ 11,123,462</b>

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

**THE CORPORATION OF THE TOWN OF GEORGINA**

Schedule 1

**Schedule of Operations and Fund Balance - Operating Fund**

Year ended December 31, 2008

	2008		2007
	Budget (unaudited)	Actual	Actual
<b>REVENUES</b>			
Taxes available for municipal purposes	\$ 27,174,706	\$ 27,570,113	\$ 25,951,822
User charges	5,423,002	5,315,998	5,373,478
Fines and penalties	769,500	1,003,292	790,181
Licences and permits	698,850	944,438	765,999
Investment income	780,075	728,987	996,709
Revenue from other municipalities	374,700	526,134	408,052
Government grants	412,916	364,398	508,112
Rents and concessions	111,871	130,482	116,980
Donations	8,800	38,293	25,976
Total revenues	35,754,420	36,622,135	34,937,309
<b>EXPENDITURES</b>			
Recreation and cultural services	7,925,250	8,574,683	7,722,917
Protection to persons and property	6,696,661	6,668,926	5,739,344
General government	4,311,660	4,502,186	4,154,610
Environmental services	4,075,730	4,279,430	4,030,555
Transportation services	4,164,340	4,191,539	3,806,029
Planning and development services	1,471,950	1,377,355	1,009,640
Other	-	263,512	207,748
Social and family services	195,648	193,057	191,578
Health services	40,863	128,933	97,204
Total expenditures	28,882,102	30,179,621	26,959,625
NET REVENUE	6,872,318	6,442,514	7,977,684
<b>FINANCING AND TRANSFERS</b>			
Transfers to Capital Fund	(2,785,755)	(2,966,662)	(2,865,182)
Transfer to Reserves and Reserve Funds	(3,421,036)	(2,830,143)	(3,947,531)
Principal repayment on long-term debt	(1,165,527)	(1,165,527)	(1,441,220)
Increase in employee future benefit payable	-	263,512	143,696
Increase in non-financial assets	-	60,844	66,225
Net financing and transfers	(7,372,318)	(6,637,976)	(8,044,012)
<b>CHANGES IN OPERATING</b>			
FUND BALANCE	(500,000)	(195,462)	(66,328)
<b>OPERATING FUND BALANCE,</b>			
BEGINNING OF YEAR	500,000	539,950	606,278
<b>OPERATING FUND BALANCE,</b>			
END OF YEAR (NOTE 8a)	\$ -	\$ 344,488	\$ 539,950

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



# THE CORPORATION OF THE TOWN OF GEORGINA

Schedule 2

## Schedule of Operations and Fund Balance - Capital Fund

Year ended December 31, 2008

	2008		2007
	Budget (unaudited)	Actual	Actual
<b>REVENUES</b>			
Government grants	\$ 2,879,908	\$ 4,410,595	\$ 757,024
Developer and customer contributions	-	350,633	406,516
Other	23,170	230,859	1,201
Developer contributions earned	100,000	166,800	73,647
Revenue from other municipalities	-	4,740	-
Donations	-	-	25,000
<b>Total revenues</b>	<b>3,003,078</b>	<b>5,163,627</b>	<b>1,263,388</b>
<b>EXPENDITURES</b>			
Transportation services	3,436,751	2,301,366	2,051,197
Recreation and cultural services	14,827,822	2,062,057	1,917,802
General government	1,176,630	1,366,047	1,394,397
Environmental services	1,484,740	1,055,685	2,520,529
Protection to persons and property	366,915	496,194	115,772
Planning and development services	149,226	224,371	71,547
Health services	216,775	200,000	-
Social and family services	35,350	-	-
<b>Total expenditures</b>	<b>21,694,209</b>	<b>7,705,720</b>	<b>8,071,244</b>
<b>NET EXPENDITURES</b>	<b>(18,691,131)</b>	<b>(2,542,093)</b>	<b>(6,807,856)</b>
<b>FINANCING AND TRANSFERS</b>			
Transfers from operating fund	2,785,755	2,966,662	2,865,182
Transfers from (to) reserves and reserve fund	2,156,291	1,787,503	2,135,734
New debt issued	15,339,510	-	-
<b>Net financing and transfers</b>	<b>20,281,556</b>	<b>4,754,165</b>	<b>5,000,916</b>
<b>CHANGES IN CAPITAL FUND BALANCE</b>	<b>1,590,425</b>	<b>2,212,072</b>	<b>(1,806,940)</b>
<b>CAPITAL FUND BALANCE, BEGINNING OF YEAR</b>	<b>(1,590,425)</b>	<b>(1,590,425)</b>	<b>216,515</b>
<b>CAPITAL FUND BALANCE, END OF YEAR (NOTE 8b)</b>	<b>\$ -</b>	<b>\$ 621,647</b>	<b>\$ (1,590,425)</b>

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

**THE CORPORATION OF THE TOWN OF GEORGINA**  
**Schedule of Operations and Fund Balance - Reserves**  
**and Reserve Fund**

Schedule 3

Year ended December 31, 2008

	2008		2007
	Budget (unaudited)	Actual	Actual
<b>REVENUES</b>			
Other	\$ -	\$ -	\$ -
Investment income	-	8,513	-
Total revenues	-	8,513	-
<b>EXPENDITURES</b>			
Other	-	-	15
Net transfers from (to) other funds			
Transfers from operating fund	3,421,036	2,830,143	3,947,531
Transfers to capital fund	(2,156,291)	(1,787,503)	(2,135,734)
Net transfers from (to) other funds	1,264,745	1,042,640	1,811,797
<b>CHANGE IN RESERVES AND</b>			
<b>RESERVE FUND BALANCES</b>	<b>1,264,745</b>	<b>1,051,153</b>	<b>1,811,782</b>
<b>RESERVES AND RESERVE FUND BALANCE,</b>			
<b>BEGINNING OF YEAR</b>	<b>12,173,937</b>	<b>12,173,937</b>	<b>10,362,155</b>
<b>RESERVES AND RESERVE FUND BALANCE,</b>			
<b>END OF YEAR (NOTE 8c)</b>	<b>\$ 13,438,682</b>	<b>\$ 13,225,090</b>	<b>\$ 12,173,937</b>

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

# THE CORPORATION OF THE TOWN OF GEORGINA

## Consolidated Statement of Cash Flows

Year ended December 31, 2008

	2008	2007
<b>OPERATIONS</b>		
Net revenue	\$ 3,908,934	\$ 1,169,813
(Uses) / Sources		
(Increase) / decrease in accounts receivable	3,612,213	601,318
(Increase) / decrease in other assets	(3,539)	(5,037)
(Increase) / decrease in taxes and water receivables	(1,012,307)	(660,334)
Increase / (decrease) in employment future benefits payable	263,512	143,696
Increase / (decrease) in other current liabilities	166,730	(922,019)
Increase / (decrease) in accounts payable	(1,586,166)	1,193,917
Increase / (decrease) on interest on long-term liabilities	(14,352)	(1,629)
Increase / (decrease) in deferred revenue	980,412	577,787
	2,406,503	927,699
Net increase in cash from operations	6,315,437	2,097,512
<b>FINANCING</b>		
Repayment of long-term debt	(1,165,527)	(1,441,220)
Net decrease in cash from financing	(1,165,527)	(1,441,220)
<b>NET CHANGE IN CASH AND TEMPORARY INVESTMENTS</b>	5,149,910	656,292
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	10,984,075	10,327,783
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	\$ 16,133,985	\$ 10,984,075

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

# THE CORPORATION OF THE TOWN OF GEORGINA

## Notes to the Consolidated Financial Statements

December 31, 2008

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The Town of Georgina is a municipality in the 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 legislation.

### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Town of Georgina (the "Town") are the representation of management prepared in accordance with Canadian generally accepted accounting principles for local government as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Significant accounting policies adopted by the Town are as follows:

#### (a) *Basis of consolidation*

##### Reporting Entity

- (i) These consolidated financial statements reflect the assets, liabilities, revenues and expenditures and fund balances of the operating fund, capital fund, reserve funds and reserves and include the activities of all Committees of Council and the following boards, which are accountable for the administration of their financial affairs and resources to the Town, and which are under the control of Council:

Belhaven Community Hall Board  
Egypt Community Hall Board  
Port Bolster Community Hall Board  
Udora Community Hall Board  
Georgina Public Library Board  
Briar Hill Cemetery Board  
Cooke's Cemetery Board  
Georgina Waterworks  
Georgina Water Pollution Control

All material inter-entity transactions and balances are eliminated on consolidation.

- (ii) Accounting for Region and School Board Transactions

Taxation, other revenues, expenditures, assets, and liabilities with respect to the operations of the school boards, and the Region of York are not reflected in the municipal fund balances of these financial statements.

- (iii) Trust Funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity" and the "Trust Fund Statement of Financial Position".

# THE CORPORATION OF THE TOWN OF GEORGINA

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (iv) Reserves and Reserve Fund

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

#### (v) Schedules of Operations - Operating, Capital and Reserves and Reserve Funds

The Schedules of Operations - Operating, Capital, and Reserves and Reserve Funds have been prepared in accordance with Canadian generally accepted accounting principles for local governments. These schedules have been included to provide additional information relevant to the understanding of the financial activities of the Town.

#### (b) Basis of accounting

##### (i) Accrual Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

##### (ii) Capital Assets

The historical cost and accumulated amortization for capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition.

##### (iii) Amounts to be Recovered

Amount to be recovered in future years represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures and other liabilities which will be financed in future years.

##### (iv) Deferred Revenue

Deferred revenue represents user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed. The Town receives Development Charges and subdivider contributions under the authority of provincial legislation and Town by-laws. These funds by their nature are restricted in their use, until applied to specific capital works, and are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended. More detailed information is disclosed in Note 9.

# THE CORPORATION OF THE TOWN OF GEORGINA

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (v) Employee Future Benefits

Employee future benefits represent accrued vacation pay and retirees benefits for all eligible Town employees. The present value of the cost of providing the employees with future benefits programs is recognized as employees earn entitlements through service.

#### (vi) Accounting for Property Capping Provisions from the Ontario Fair Assessment System

These financial statements reflect the net effect of the mandatory capping provisions on commercial and industrial properties. The related net amount was recovered from the Region as the capping program is administered on a Region wide basis. There is no related impact on the Consolidated Statement of Financial Activities.

#### (vii) Subdivision Infrastructure

Subdivision streets, lighting, sidewalks, drainage and other infrastructure are required to be provided by subdivision developers. Upon completion they are turned over to the municipality. The Town is not involved in the construction and does not budget for either the contributions from the developer or the capital expenditure.

#### (viii) Local Improvements

The Town records capital expenditures funded by local improvement agreements as they are incurred. Revenues are recognized over the term of the local improvement agreements as they are collected.

#### (ix) Investment Income

Investment income earned on surplus operating funds, capital funds, and reserves are reported as revenue in the period earned. Investment income earned on development charges (obligatory reserve funds) is added to the fund balance and forms part of the deferred revenue balance.

#### (c) *Use of estimates*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

#### (d) *Budget figures*

The approved operating and capital budgets for 2008 are reflected on the Schedule of Operations and Fund Balance – Operating Fund, the Schedule of Operations and Fund Balance - Capital Fund and the Consolidated Statement of Operations. The budgets established for the Capital Fund operations are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable to the current year actual amounts. As well, the Town does not budget for activity within Reserves and Reserve Funds, with the exception being those transactions which affect either the Operating or Capital Funds.

# THE CORPORATION OF THE TOWN OF GEORGINA

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 2. OPERATIONS OF SCHOOL BOARD AND THE REGION OF YORK

Further to note 1 (a) (ii), the taxation and other revenues of the school boards and the Region of York are comprised of the following:

	<u>School Boards</u>	<u>Region of York</u>
Taxation, user charges and grants in lieu	\$ 13,582,005	\$ 25,045,023

### 3. TRUST FUNDS

Trust funds administered by the Town amounting to \$453,442 (2007 - \$441,496) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities.

### 4. CASH AND TEMPORARY INVESTMENTS

This represents a consolidation of cash and temporary investments from the operating fund and the reserve funds (including those funds set aside in respect of deferred revenue as detailed in note 9). The composition is as follows:

	<u>2008</u>	<u>2007</u>
Operating Fund	\$ 10,603,769	\$ 6,434,262
Reserve Funds	5,530,216	4,549,813
	<u>\$ 16,133,985</u>	<u>\$ 10,984,075</u>

### 5. PENSION AGREEMENTS

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions to OMERS are made at rates ranging from 6.5% to 10.7% (2007 – 6% to 9.8%). Contribution rates are dependent on proposed retirement age and the level of earnings.

The amount contributed to OMERS for 2008 was \$950,994 (2007 - \$845,429) for current service and is included as an expenditure on the "Consolidated Statement of Financial Activities."

# THE CORPORATION OF THE TOWN OF GEORGINA

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 6. NET LONG-TERM LIABILITIES

- (a) The balance of net long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	<u>2008</u>	<u>2007</u>
Total long-term liabilities, net of accumulated sinking fund assets, incurred by the Town and outstanding at the end of the year amounted to	<b>\$17,578,018</b>	\$18,754,412
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage loans have been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	<b>(57,048)</b>	(67,916)
<b>Net long-term liabilities, end of year</b>	<b>\$17,520,970</b>	<b>\$18,686,496</b>

- (b) The net long term liabilities, reported in note (a) of this note, are payable at various interest rates ranging from 5.25% to 12% as follows:

	<u>2009 to 2013</u>	<u>2014 to 2018</u>	<u>2019 Onward</u>
(i) From general Municipal revenues	\$ 2,417,000	\$ -	\$ -
(ii) From Benefiting Landowners	3,099,584	3,775,521	8,228,865
	<b>\$ 5,516,584</b>	<b>\$ 3,775,521</b>	<b>\$ 8,228,865</b>

The long term liabilities have been incurred to finance various capital projects.

- (c) Approval of either the Ontario Municipal Board or the Town Council for those projects after January 1, 1993 has been obtained for the long term liabilities reported in (a) and issued in the name of the Town. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (d) The Town is contingently liable for long-term liabilities with respect to tile drainage loans. The total amount outstanding as at December 31, 2008 is \$57,048 (2007 - \$67,916) and is not recorded on the Consolidated Statement of Financial Position.



# THE CORPORATION OF THE TOWN OF GEORGINA

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 7. CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for net long-term liabilities which are reported on the Consolidated Statement of Financial Activities are as follows:

	<u>2008</u>	<u>2007</u>
Principal, net of sinking fund interest	\$ 1,165,527	\$ 1,441,220
Interest	886,240	1,051,292
	<u>\$ 2,051,767</u>	<u>\$ 2,492,512</u>

### 8. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

The consolidated fund balance on the Consolidated Statement of Operations totaling \$14,191,225 (2007 - \$11,123,462) at the end of the year is comprised of the following:

(a) Operating fund balance:

	<u>2008</u>	<u>2007</u>
Reduction in general area taxation - Town	\$ 344,488	\$ 539,950
	<u>\$ 344,488</u>	<u>\$ 539,950</u>

(b) Capital fund balance:

	<u>2008</u>	<u>2007</u>
Acquisition of tangible capital assets to be recovered through reserves and reserve funds	\$ (4,533,074)	\$ (4,818,716)
Funds available for the acquisition of tangible capital assets	5,154,721	3,228,291
	<u>\$ 621,647</u>	<u>\$ (1,590,425)</u>

**THE CORPORATION OF THE TOWN OF GEORGINA**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2008**

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**8. MUNICIPAL FUND BALANCE AT THE END OF THE YEAR (continued)**

(c) Reserves and reserve fund:

	<u>2008</u>	<u>2007</u>
Reserves and reserve fund for specific purposes		
For working capital	\$ 694,116	\$ 694,116
For contingencies	1,575,498	1,435,498
For insurance claims	117,187	283,444
For current purposes	1,838,154	1,999,694
For capital purposes	9,000,135	7,761,185
<b>Total reserves and reserve fund</b>	<b>\$ 13,225,090</b>	<b>\$ 12,173,937</b>

**9. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS**

Continuity of deferred revenue is as follows:

	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 4,549,814	\$ 3,972,027
Developer contributions collected	991,443	495,656
Other contributions	155,769	155,778
	<b>5,697,026</b>	<b>4,623,461</b>
Less amounts recognized as revenue for capital operations	<b>166,800</b>	<b>73,647</b>
<b>Balance, end of year</b>	<b>\$ 5,530,226</b>	<b>\$ 4,549,814</b>

# THE CORPORATION OF THE TOWN OF GEORGINA

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 9. DEFERRED REVENUE – OBLIGATORY RESERVE FUNDS (continued)

A requirement of PSAB is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded. The balances in obligatory reserve funds of the Town are summarized below:

	2008	2007
Development charges	\$ 4,967,893	\$ 4,144,960
Parkland	468,470	314,138
Total	\$ 5,436,363	\$ 4,459,098
<hr/>		
Other deferred revenue	93,853	90,716
	\$ 5,530,216	\$ 4,549,814

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### 10. AMOUNTS TO BE RECOVERED

Amounts to be recovered are comprised of the following:

	2008	2007
Long-term liabilities	\$ 17,520,970	\$ 18,686,496
Employee future benefits payable	2,409,075	2,145,563
	\$ 19,930,045	\$ 20,832,059

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### 11. CONTINGENCIES

The Town is subject to a number of legal proceedings. Although, the amount of its exposure with respect to these matters cannot be determined, the Town's management believes that the ultimate disposition of these matters will not have a material impact on its consolidated financial position. No amount has been recorded in these financial statements related to any liability which may arise relative to these legal proceedings.

# THE CORPORATION OF THE TOWN OF GEORGINA

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 12. EMPLOYEE FUTURE BENEFITS

Under the provisions of certain employee benefits plans, an employee who has achieved the appropriate factor as determined by Ontario Municipal Employee Retirement System (OMERS), is eligible for a retirement pension from OMERS, and is under the age of 65 will be provided with Extended Health coverage (drug, vision and dental plan). The Town contributes 100% of the insurance premium obligated under this plan.

The estimated liability of employee future benefits is based on an actuarial update conducted as at December 31, 2008. The value of this benefit liability is estimated at \$1,048,271 (2007 - \$987,467) and is reported on the Consolidated Statement of Financial Position along with accrued vacation liability disclosed in paragraph (b).

#### (a) *Health and dental costs*

The main assumptions employed for the valuations are as follows:

The present value as at December 31, 2008, of the post employment benefit liability was determined using a discount rate of 5.0%.

Health and dental costs were assumed to increase at a weighted average increase of 2.0% in 2008 and thereafter.

The accrued benefits liability as at December 31, 2008 is as follows:

	2008	2007
Accrued benefits liability, beginning of the year	\$ 987,467	\$ 916,859
Current period interest and benefit cost	74,931	83,784
Benefits paid for the period	(14,127)	(13,176)
Accrued benefits liability, end of the year	1,048,271	987,467

(b) Accrued vacation liability as at December 31, 2008	1,360,804	1,158,096
	\$ 2,409,075	\$2,145,563

# THE CORPORATION OF THE TOWN OF GEORGINA

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 13. CLASSIFICATION OF EXPENDITURES BY OBJECT

The Consolidated Statement of Operations presents the expenditures by function; the following classified those same expenditures by object:

	<u>2008</u>	<u>2007</u>
Salaries, wages and employee benefits	\$ 18,682,526	\$ 16,208,475
Operating materials and supplies	3,175,972	2,957,767
Contracted services	7,012,789	6,370,790
Rents and financial expenses	144,124	137,120
External transfers to others	277,970	234,196
Debt service	886,240	1,051,292
Tangible capital assets	7,705,720	8,071,244
Total expenditures by object	<u>\$ 37,885,341</u>	<u>\$ 35,030,884</u>

### 14. INSURANCE COVERAGE

The Town is self insured for insurance claims up to \$5,000 for any individual claim and for any number of claims arising out of a single occurrence.

The Town has made reserve provisions for self insurance for claims under \$5,000 which as at December 31, 2008 amounted to \$117,187 (2007 – \$283,444). These are reported on the "Consolidated Statement of Financial Activities" under Reserve Funds.

Claim costs during the year was \$nil (2007 - \$nil).

The Town is a member of the Ontario Municipal Insurance Exchange which became a licensed group for liability insurance coverage of October 1, 1996. Contributions have been made to the fund for claims in excess of \$5,000 and under \$50,000,000. These contributions have been reported as expenditures on the Consolidated Statements of Operations. The contribution for the year was \$559,676 (2007- \$394,195).

### 15. COMMITMENTS

The Town has entered into lease agreements for office and related equipment. The estimated payments under these agreements are as follows:

2009	\$ 88,592
2010	70,750
2011	52,111
2012	50,710
2013	16,903
	<u>\$ 279,066</u>

# THE CORPORATION OF THE TOWN OF GEORGINA

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 15. COMMITMENTS (continued)

The Canadian Actors Equity Association is the beneficiary of a standby letter of credit in the amount of \$60,000. The standby letter of credit provides for security for payment of the liabilities of the Lake Simcoe Arts Foundation (Red Barn Theatre) to the beneficiary. The standby letter of credit expired in March 2009.

### 16. TANGIBLE CAPITAL ASSETS

Effective January 1, 2007, the Town adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook comes into effect on January 1, 2009.

During 2008, the Town continued to work towards compliance with the new recommendations for accounting for tangible capital assets. As of December 31, 2008, the Town has not yet completed a listing of assets and values. The accumulation of data is currently underway and is expected to be completed by December 31, 2009.

### 17. SEGMENTED INFORMATION

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

Town services are provided by departments and their activities are reported. The following departments have been separately disclosed in the segmented information, along with a description of their services.

(a) *Fire and Emergency Services*

This department is responsible for maintaining and enhancing public safety through emergency management planning, prevention and public education programs, enforcement and emergency response.

(b) *Protective Inspection and Control*

Services include Building Inspection, Municipal Law Enforcement, Animal Control, Weed Control and Fence Viewers and Livestock.

(c) *Roads, Bridges, Sidewalks and Public Works*

The Public Works department is responsible for the Town's infrastructure. This includes the safety and maintenance of the Town's roads, sidewalks, bridges, street lights, traffic control devices, and the school crossing guard program.

(d) *Water, Wastewater and Solid Waste*

This segment consists of water, wastewater and solid waste. Its responsibilities include the distribution of drinking water and the collection of waste water. It also includes the collection of household waste and recycling.

# THE CORPORATION OF THE TOWN OF GEORGINA

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 17. SEGMENTED INFORMATION (continued)

(e) *Leisure Programs, Events and Cultural Services*

This segment includes all leisure programs, activities, events and cultural services to its residents.

(f) *Facilities, Parks and Open Spaces*

This segment includes all leisure facilities (including arenas, pool, youth centres and community halls), parks and open spaces. Cemetery management is also included as it is not considered material enough to warrant a separate segment.

(g) *Library Services*

The Library serves the members of the public in their leisure, informational and cultural quests. Library Services reports to the Library Board and is therefore a separate segment.

(h) *Planning and Development*

The Town creates plans for Georgina's future. It manages urban development for business interest, environmental concerns, heritage matters and local neighbourhoods.

(i) *Corporate Governance and Management*

All support staff and services are included here such as Town Council, Office of the CAO, Municipal Treasurer, Finance, Treasury, Information Technology, Purchasing, Clerks and Human Resources.

(j) *Taxation Revenue*

The Town's primary source of funding for its operations is achieved through property taxes levied against property owners.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and the amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

**THE CORPORATION OF THE TOWN OF GEORGINA**  
**Segment Disclosures - Operating Funds**  
**Year Ended December 31, 2008**

	Fire and Emergency Services		Protective Inspection and Control		Roads, Bridges Sidewalks and Public Works		Water, Wastewater Solid Waste	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>REVENUES</b>								
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	-	-	13,131	10,510	-	-	-	-
User fees and service charges	27,076	53,031	61,738	56,034	193,397	213,779	2,646,894	2,712,907
Licences, permits and rent	79,780	77,356	910,320	730,295	-	-	-	-
Fines and penalties	-	0	188,303	111,294	-	-	600	450
Other	2,000	500	297,326	290,266	-	-	179,659	123,492
<b>Total revenues</b>	<b>108,856</b>	<b>130,887</b>	<b>1,470,818</b>	<b>1,198,399</b>	<b>193,397</b>	<b>213,779</b>	<b>2,827,153</b>	<b>2,836,849</b>
<b>EXPENDITURES</b>								
Salaries and wages	4,002,329	3,379,865	1,707,497	1,544,319	2,440,177	2,153,092	1,051,662	954,250
Interest on long term debt	-	-	-	-	-	-	745,586	871,910
Materials	196,022	196,578	105,944	87,949	1,077,152	1,037,596	423,367	357,805
Contracted services	222,037	229,632	367,299	243,962	784,689	566,606	1,859,202	1,819,899
Rents and financial	14,770	15,066	51,408	39,473	8,783	8,735	23,351	19,691
External transfers	-	500	1,620	2,000	57,000	47,000	-	-
<b>Total expenditures</b>	<b>4,435,158</b>	<b>3,821,641</b>	<b>2,233,768</b>	<b>1,917,703</b>	<b>4,367,801</b>	<b>3,813,029</b>	<b>4,103,168</b>	<b>4,023,555</b>
<b>NET REVENUE (EXPENDITURES)</b>	<b>\$ (4,326,302)</b>	<b>\$ (3,690,754)</b>	<b>\$ (762,950)</b>	<b>\$ (719,304)</b>	<b>\$ (4,174,404)</b>	<b>\$ (3,599,250)</b>	<b>\$ (1,276,015)</b>	<b>\$ (1,186,706)</b>

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



**THE CORPORATION OF THE TOWN OF GEORGINA**  
**Segment Disclosures - Operating Funds**  
**Year Ended December 31, 2008**

	Leisure Programs, Events and Cultural Services		Facilities, Parks and Open Spaces		Library Services		Planning and Development	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>REVENUES</b>								
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	24,005	55,000	2,755	112,276	1,517,389	1,424,969	12,000	3,609
User fees and service charges	183,361	190,470	1,847,182	1,769,732	76,079	74,858	124,782	160,023
Licences, permits and rent	4,364	979	37,281	30,023	-	-	300	300
Fines and penalties	-	-	-	-	26,283	23,948	-	-
Other	6,976	5,039	87,544	12,556	2,906	2,859	-	-
<b>Total revenues</b>	<b>218,706</b>	<b>251,488</b>	<b>1,974,762</b>	<b>1,924,587</b>	<b>1,622,657</b>	<b>1,526,634</b>	<b>137,082</b>	<b>163,932</b>
<b>EXPENDITURES</b>								
Salaries and wages	949,646	852,152	3,129,624	2,811,340	1,059,984	884,839	957,083	787,631
Interest on long term debt	140,654	179,382	-	-	-	-	-	-
Materials	138,695	128,251	798,000	741,785	228,610	252,564	15,697	12,579
Contracted services	415,145	359,640	1,569,651	1,422,015	222,372	207,445	398,575	204,429
Rents and financial	7,700	4,377	27,326	24,676	1,766	1,558	-	-
External transfers	1,650,782	1,509,584	10,000	6,502	-	-	6,000	5,000
<b>Total expenditures</b>	<b>3,302,622</b>	<b>3,033,386</b>	<b>5,534,601</b>	<b>5,006,318</b>	<b>1,512,732</b>	<b>1,346,406</b>	<b>1,377,355</b>	<b>1,009,639</b>
<b>NET REVENUE (EXPENDITURES)</b>	<b>\$ (3,083,916)</b>	<b>\$ (2,781,898)</b>	<b>\$ (3,559,839)</b>	<b>\$ (3,081,731)</b>	<b>\$ 109,925</b>	<b>\$ 180,228</b>	<b>\$ (1,240,273)</b>	<b>\$ (845,707)</b>

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

**THE CORPORATION OF THE TOWN OF GEORGINA**  
**Segment Disclosures - Operating Funds**  
**Year Ended December 31, 2008**

	Corporate Governance and Management		Taxation Revenue		Elimination		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>REVENUES</b>								
Taxation	\$	\$	\$	\$	\$	\$	\$	\$
Grants	248,401	248,332	-	-	(1,453,282)	(1,346,584)	364,399	508,112
User fees and service charges	155,489	142,643	-	-	-	-	5,315,998	5,373,477
Licences, permits and rent	42,876	44,027	-	-	-	-	1,074,921	882,980
Fines and penalties	788,102	654,488	-	-	-	-	1,003,288	790,180
Other	717,005	1,023,853	-	-	-	(27,827)	1,293,416	1,430,738
<b>Total revenues</b>	<b>1,951,873</b>	<b>2,113,343</b>	<b>25,570,113</b>	<b>25,951,822</b>	<b>(1,453,282)</b>	<b>(1,374,411)</b>	<b>36,622,135</b>	<b>34,937,309</b>
<b>EXPENDITURES</b>								
Salaries and wages	3,060,168	2,804,987	-	-	-	-	18,358,170	16,172,475
Interest on long term debt	-	-	-	-	-	-	886,240	1,051,292
Materials	124,187	114,255	-	-	-	(27,827)	3,107,674	2,901,535
Contracted services	1,173,819	1,145,399	-	-	-	-	7,012,789	6,199,027
Rents and financial	77,318	79,776	-	-	-	-	212,422	193,352
External transfers	5,850	10,194	-	-	(1,453,282)	(1,346,584)	277,970	234,196
Other	-	-	-	-	-	-	324,356	207,748
<b>Total expenditures</b>	<b>4,441,342</b>	<b>4,154,611</b>	<b>-</b>	<b>-</b>	<b>(1,453,282)</b>	<b>(1,374,411)</b>	<b>30,179,621</b>	<b>26,959,625</b>
<b>NET REVENUE (EXPENDITURES)</b>	<b>\$ (2,489,469)</b>	<b>\$ (2,041,268)</b>	<b>\$ 25,570,113</b>	<b>\$ 25,951,822</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,442,514</b>	<b>\$ 7,977,684</b>

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

**THE CORPORATION OF THE TOWN OF GEORGINA**  
**Segment Disclosures - Capital Fund**  
**Year Ended December 31, 2008**

	Fire and Emergency Services		Protective Inspection and Control		Roads, Bridges Sidewalks and Public Works		Water, Wastewater Solid Waste	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>REVENUES</b>								
Government Grants	\$ -	\$ -	\$ -	\$ -	\$ 1,571,075	\$ 728,575	\$ 589,833	\$ -
Developer/customer contributions	-	-	1,000	-	13,436	-	210,966	328,206
Developer contributions earned	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	4,813
<b>Total revenues</b>	-	-	1,000	-	1,584,511	728,575	800,799	333,019
<b>EXPENDITURES</b>								
Contracted services	12,450	13,179	87,742	-	1,932,630	1,914,880	771,136	1,807,955
Consultants	-	-	-	-	27,119	-	54,059	139,904
Vehicle/equipment purchases	396,002	86,360	-	-	201,959	83,208	185,641	425,606
Land Acquisition	-	4,625	-	-	-	-	44,849	0
Other	-	-	-	11,608	139,658	53,109	-	147,064
<b>Total expenditures</b>	408,452	104,164	87,742	11,608	2,301,366	2,051,197	1,055,685	2,520,529
	\$ (408,452)	\$ (104,164)	\$ (86,742)	\$ (11,608)	\$ (716,855)	\$ (1,322,622)	\$ (254,886)	\$ (2,187,510)

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

**THE CORPORATION OF THE TOWN OF GEORGINA**  
**Segment Disclosures - Capital Fund**  
**Year Ended December 31, 2008**

	Leisure programs, events and cultural services		Facilities, Parks and Open Spaces		Library Services		Planning and Development	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>REVENUES</b>								
Government Grants	\$ -	\$ -	\$ -	\$ 22,449	\$ -	\$ -	\$ 1,526,029	\$ -
Developer/customer contributions	420	-	-	-	-	-	-	-
Developer contributions earned	-	-	166,800	73,647	-	-	-	-
Donations	-	-	-	25,000	-	-	-	-
Other	32,100	-	4,740	6,000	-	-	100,000	-
<b>Total revenues</b>	<b>32,520</b>	<b>-</b>	<b>171,540</b>	<b>127,096</b>	<b>-</b>	<b>-</b>	<b>1,626,029</b>	<b>-</b>
<b>EXPENDITURES</b>								
Contracted services	320,272	56,409	1,019,483	1,142,716	1,661	7,883	80,000	1,606
Consultants	87,385	-	40,051	75,804	-	-	136,457	69,941
Vehicle/equipment purchases	45,272	-	397,960	256,043	19,492	16,132	7,914	-
Land Acquisition	-	-	-	-	-	-	-	-
Other	23,700	-	106,781	362,456	-	359	-	-
<b>Total expenditures</b>	<b>476,629</b>	<b>56,409</b>	<b>1,564,275</b>	<b>1,837,019</b>	<b>21,153</b>	<b>24,374</b>	<b>224,371</b>	<b>71,547</b>
	<b>\$ (444,109)</b>	<b>\$ (56,409)</b>	<b>\$ (1,392,735)</b>	<b>\$ (1,709,923)</b>	<b>\$ (21,153)</b>	<b>\$ (24,374)</b>	<b>\$ 1,401,658</b>	<b>\$ (71,547)</b>

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

**THE CORPORATION OF THE TOWN OF GEORGINA**  
**Segment Disclosures - Capital Fund**  
**Year Ended December 31, 2008**

	Corporate Governance and Management		Consolidated	
	2008	2007	2008	2007
<b>REVENUES</b>				
Government Grants	\$ 723,658	\$ -	\$ 4,410,595	\$ 751,024
Developer/customer contributions	124,811	-	350,633	328,206
Developer contributions earned	-	-	166,800	73,647
Donations	-	-	-	25,000
Other	98,759	74,698	235,599	85,511
<b>Total revenues</b>	<b>947,228</b>	<b>74,698</b>	<b>5,163,627</b>	<b>1,263,388</b>
<b>EXPENDITURES</b>				
Contracted services	831,031	570,375	5,056,405	5,515,003
Consultants	16,383	38,848	361,454	324,497
Vehicle/equipment purchases	204,552	160,780	1,458,792	1,028,129
Land Acquisition	-	-	44,849	4,625
Other	514,081	624,394	784,220	1,198,990
<b>Total expenditures</b>	<b>1,566,047</b>	<b>1,394,397</b>	<b>7,705,720</b>	<b>8,071,244</b>
<b>NET REVENUE (EXPENDITURES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,542,093)</b>	<b>\$ (6,807,856)</b>

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



For information regarding the Town of Georgina's 2008 Consolidated Financial Statements, contact:

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Administrative Services Department  
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Rebecca Mathewson, CGA  
Director of Administrative Services and Treasurer

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