



# TOWN OF GEORGINA

## CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2009



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, 2009

***Adopted by Council on December 6, 2010***

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

# Contents

|                                                              | <b>Page</b> |
|--------------------------------------------------------------|-------------|
| Auditors' Report                                             | 1           |
| Consolidated Statement of Financial Position                 | 2           |
| Consolidated Statement of Operations and Accumulated Surplus | 3           |
| Consolidated Statement of Change in Net Debt                 | 4           |
| Consolidated Statement of Cash Flows                         | 5           |
| Notes to the Consolidated Financial Statements               | 6 - 20      |
| Tangible Capital Assets – Schedule 1                         | 21 - 22     |
| Segment Disclosures – Schedule 2                             | 23 - 25     |



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, 2009 and the consolidated statements of operations and accumulated surplus, cash flows and change in net debt 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, 2009 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  
November 29, 2010

Chartered Accountants  
Licensed Public Accountants

**The Corporation of the Town of Georgina**  
**Consolidated Statement of Financial Position**

December 31

|                                                   | <u>2009</u>               | <u>2008</u>               |
|---------------------------------------------------|---------------------------|---------------------------|
|                                                   |                           | (Restated, see<br>Note 1) |
|                                                   | \$                        | \$                        |
| <b>Financial assets</b>                           |                           |                           |
| Cash and temporary investments (Note 7)           | <b>18,632,066</b>         | 16,133,985                |
| Taxes receivable                                  | <b>7,009,289</b>          | 6,151,705                 |
| Water and sewer charges receivable                | <b>1,789,913</b>          | 1,739,156                 |
| Accounts receivable (Note 8)                      | <b>1,969,497</b>          | 1,494,000                 |
| Other                                             | <b>19,811</b>             | 22,080                    |
|                                                   | <u><b>29,420,576</b></u>  | <u>25,540,926</u>         |
| <b>Financial liabilities</b>                      |                           |                           |
| Accounts payable and accrued liabilities (Note 9) | <b>9,014,074</b>          | 6,039,854                 |
| Deferred revenue (Note 11)                        | <b>5,837,449</b>          | 5,530,226                 |
| Employee future benefits payable (Note 12)        | <b>2,494,214</b>          | 2,409,075                 |
| Long-term debt (Note 13)                          | <b>16,302,960</b>         | 17,520,970                |
|                                                   | <u><b>33,648,697</b></u>  | <u>31,500,125</u>         |
| <b>Net debt</b>                                   | <u><b>(4,228,121)</b></u> | <u>(5,959,199)</u>        |
| <b>Non-financial assets</b>                       |                           |                           |
| Prepaid expenses                                  | <b>55,114</b>             | 220,379                   |
| Tangible capital assets (Note 14 and Schedule 1)  | <b>340,959,050</b>        | 342,132,875               |
|                                                   | <u><b>341,014,164</b></u> | <u>342,353,254</u>        |
| <b>Accumulated surplus (Note 16)</b>              | <u><b>336,786,043</b></u> | <u>336,394,055</u>        |

Commitments and contingencies (Note 17)

**The Corporation of the Town of Georgina**  
**Consolidated Statement of Operations and Accumulated Surplus**  
Year ended December 31

|                                               | <b>2009</b>       |                    | <b>2008</b>            |
|-----------------------------------------------|-------------------|--------------------|------------------------|
|                                               | <b>Budget</b>     | <b>Actual</b>      | <b>Actual</b>          |
|                                               | (unaudited)       |                    | (Restated, see Note 1) |
|                                               | \$                | \$                 | \$                     |
| <b>Revenues</b>                               |                   |                    |                        |
| Taxation available for municipal purposes     | 28,510,990        | <b>28,756,306</b>  | 27,570,113             |
| User fees and service charges                 | 5,192,170         | <b>5,280,722</b>   | 5,315,998              |
| Government grants and contributions           | 1,524,830         | <b>1,693,246</b>   | 4,774,993              |
| Fines, penalties and interest                 | 956,550           | <b>1,103,063</b>   | 1,003,292              |
| Licenses and permits                          | 1,040,850         | <b>729,881</b>     | 944,438                |
| Investment income                             | 263,100           | <b>298,501</b>     | 737,499                |
| Revenue from other municipalities             | 559,520           | <b>536,627</b>     | 530,874                |
| Developer and customer contributions          | 182,500           | <b>369,029</b>     | 350,633                |
| Other                                         | 117,450           | <b>121,289</b>     | 230,859                |
| Developer contributions earned                | 62,000            | <b>64,580</b>      | 166,800                |
| Rents and concessions                         | 177,500           | <b>135,657</b>     | 130,482                |
| Donations                                     | 40,090            | <b>74,708</b>      | 38,293                 |
| <b>Total revenues</b>                         | <b>38,627,550</b> | <b>39,163,609</b>  | <b>41,794,274</b>      |
| <b>Expenditures</b>                           |                   |                    |                        |
| Recreation and cultural services              | 8,989,829         | <b>9,277,334</b>   | 9,641,280              |
| Protection to persons and property            | 7,529,101         | <b>7,556,166</b>   | 7,028,959              |
| Transportation services                       | 8,381,218         | <b>9,264,859</b>   | 8,328,402              |
| General government                            | 5,912,251         | <b>4,945,521</b>   | 5,323,972              |
| Environmental services                        | 6,799,071         | <b>5,874,499</b>   | 6,706,266              |
| Planning and development services             | 1,473,070         | <b>1,303,662</b>   | 1,601,726              |
| Health services                               | 149,401           | <b>148,431</b>     | 335,024                |
| Social and family services                    | 231,679           | <b>239,569</b>     | 231,933                |
| Loss on disposal of tangible capital assets   | -                 | <b>81,454</b>      | -                      |
| Other                                         | -                 | <b>80,126</b>      | 263,513                |
|                                               | <b>39,465,620</b> | <b>38,771,621</b>  | <b>39,461,075</b>      |
| <b>Annual (deficit) surplus</b>               | <b>(838,070)</b>  | <b>391,988</b>     | <b>2,333,199</b>       |
| <b>Accumulated surplus, beginning of year</b> |                   | <b>336,394,055</b> | <b>334,060,856</b>     |
| <b>Accumulated surplus, end of year</b>       |                   | <b>336,786,043</b> | <b>336,394,055</b>     |

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

**The Corporation of the Town of Georgina**  
**Consolidated Statement of Change in Net Debt**  
Year ended December 31

|                                             | <u>2009</u>               | <u>2008</u>        |
|---------------------------------------------|---------------------------|--------------------|
|                                             | <u>\$</u>                 | <u>\$</u>          |
| <b>Annual surplus</b>                       | <b><u>391,988</u></b>     | <u>2,333,199</u>   |
| Acquisition of tangible capital assets      | <b>(7,295,017)</b>        | (6,667,020)        |
| Loss on disposal of tangible capital assets | <b>81,454</b>             | -                  |
| Amortization of tangible capital assets     | <b><u>8,387,388</u></b>   | <u>8,303,599</u>   |
|                                             | <b><u>1,173,825</u></b>   | <u>1,636,579</u>   |
| Changes in prepaid expenses                 | <b><u>165,265</u></b>     | <u>(60,845)</u>    |
| <b>Change in net debt</b>                   | <b>1,731,078</b>          | 3,908,933          |
| <b>Net debt, beginning of year</b>          | <b><u>(5,959,199)</u></b> | <u>(9,868,132)</u> |
| <b>Net debt, end of year</b>                | <b><u>(4,228,121)</u></b> | <u>(5,959,199)</u> |

**The Corporation of the Town of Georgina**  
**Consolidated Statement of Cash Flows**  
Year ended December 31

|                                                          | <u>2009</u>              | <u>2008</u>               |
|----------------------------------------------------------|--------------------------|---------------------------|
|                                                          |                          | (Restated, see<br>Note 1) |
|                                                          | \$                       | \$                        |
| Cash provided by (used in):                              |                          |                           |
| <b>Operating activities</b>                              |                          |                           |
| Annual surplus                                           | 391,988                  | 2,333,199                 |
| Amortization expense                                     | 8,387,388                | 8,303,599                 |
| Loss on disposal of tangible capital assets              | 81,454                   | -                         |
| Changes in non-cash item balances                        |                          |                           |
| Taxes receivable                                         | (857,584)                | (1,012,307)               |
| Water and sewer charges receivable                       | (50,757)                 | -                         |
| Accounts receivable                                      | (475,497)                | 3,612,213                 |
| Other assets                                             | 2,269                    | (3,539)                   |
| Prepaid expenses                                         | 165,265                  | (60,844)                  |
| Trade payables and accruals                              | 1,211,635                | (1,586,166)               |
| Deferred revenue                                         | 307,223                  | 980,412                   |
| Accrued interest on long-term debt                       | (15,994)                 | (14,352)                  |
| Other current liabilities                                | 1,778,579                | 166,730                   |
| Employee future benefits payable                         | 85,139                   | 263,512                   |
| Cash provided by operating activities                    | <u>11,011,108</u>        | <u>12,982,457</u>         |
| <b>Investing activities</b>                              |                          |                           |
| Acquisition of tangible capital assets                   | <u>(7,295,017)</u>       | <u>(6,667,020)</u>        |
| <b>Financing activities</b>                              |                          |                           |
| Principal repayment on long-term debt                    | <u>(1,218,010)</u>       | <u>(1,165,527)</u>        |
| <b>Net change in cash and temporary investments</b>      | <b>2,498,081</b>         | <b>5,149,910</b>          |
| <b>Cash and temporary investments, beginning of year</b> | <u><b>16,133,985</b></u> | <u><b>10,984,075</b></u>  |
| <b>Cash and temporary investments, end of year</b>       | <u><b>18,632,066</b></u> | <u><b>16,133,985</b></u>  |

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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The Town of Georgina (the "Town") is a lower-tier municipality in the Region of York (the "Region"), 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 Town are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Effective January 1, 2009, the Town changed its accounting and financial reporting to conform to the revised guidelines in the Public Sector Accounting Handbook on Financial Statement Presentation (Section PS1200) and Tangible Capital Assets (Section PS3150). As a result of these changes, the Town has recorded its tangible capital assets for 2009 with prior year information restated to conform with the current year presentation. In addition, the statements reflect the new consolidated statement of change in net debt and no longer reflect the statements of operating, capital and reserve funds.

The changes to the comparative figures in these financial statements for the adoption of the new accounting standards are as follows:

|                                                   | <u>2008</u>               |
|---------------------------------------------------|---------------------------|
| Accumulated surplus                               | \$                        |
| Operating fund                                    | 344,488                   |
| Capital fund                                      | 621,647                   |
| Reserves and reserve fund                         | 13,225,090                |
| Amounts to be recovered from future revenues      | <u>(19,930,045)</u>       |
| Accumulated surplus as previously reported        | (5,738,820)               |
| Net book value of tangible capital assets         | <u>342,132,875</u>        |
| Accumulated surplus, as restated                  | <u><u>336,394,055</u></u> |
| Annual surplus                                    |                           |
| Net revenue, as previously reported               | 3,908,933                 |
| Change in prepaids previously adjusted to expense | 60,845                    |
| Assets capitalized but previously expensed        | 6,667,020                 |
| Amortization expense not previously recorded      | <u>(8,303,599)</u>        |
| Annual surplus, as restated                       | <u><u>2,333,199</u></u>   |

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**1. Summary of significant accounting policies (continued)**

Significant accounting policies adopted by the Town are as follows:

*Reporting entity*

These consolidated financial statements reflect the financial assets, liabilities, operating revenues and expenditures, Reserves, Reserve Funds, and changes in investment in tangible capital assets of the Town. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of their financial affairs and resources, to the Town, and which are owned or controlled by the Town. Accordingly, the following are consolidated in these financial statements:

- 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.

The operations of the school boards and the Region are not reflected in the Town's financial statements except to record any resulting receivable or payable balance with the Town at year-end.

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately in the "Trust Fund Statement of Continuity" and "The Trust Fund Balance Sheet".

*Cash and temporary investments*

Cash and temporary investments are comprised of cash on hand, cash held in financial institutions and temporary investments with maturities of 365 days or less.

*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.

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**1. Summary of significant accounting policies (continued)**

*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.

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 an asset. The cost, less residual value, is amortized on a straight-line basis over their estimated useful lives as follows:

|                                                                                                 | <u>Years</u> |
|-------------------------------------------------------------------------------------------------|--------------|
| Land improvements                                                                               | 12-100       |
| Buildings and building components                                                               | 15-50        |
| Transportation network (includes roads, sidewalks, bridges and structures, street lights, etc.) | 10-50        |
| Vehicles                                                                                        | 5-20         |
| Machinery and equipment                                                                         | 5-40         |
| Information technology                                                                          | 3-7          |
| Library collection                                                                              | 7            |
| Pumping stations                                                                                | 20-100       |
| Sanitary sewer                                                                                  | 70-100       |
| Storm sewer                                                                                     | 50-100       |
| Water linear                                                                                    | 70-100       |

Assets are amortized in the month following the purchase or in-service date. One half of the annual amortization is charged in the year of acquisition for pooled assets. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Town has a capitalization threshold of \$20,000 for all assets in the general category and \$50,000 for all assets in the infrastructure category (except land improvements which have a threshold of \$20,000). Individual assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value. Examples of pools are computer systems, library collection, and streetlights. The Town's threshold for pooled assets is \$20,000. The Library pools all of their assets and their capitalization threshold is \$10,000.

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**1. Summary of significant accounting policies (continued)**

Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue.

Interest capitalization

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

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

*Property capping provisions resulting from the Ontario Fair Assessment System*

The net decrease/increase in property taxes as a result of the application of capping provisions does not affect the consolidated statement of operations as the full amount of the property taxes were levied. However, the capping adjustment is reported on the consolidated statement of financial position as an asset/liability to be received from/paid to the Region.

*Employee future benefits payable*

Vacation entitlements are accrued for as entitlements are earned.

The Town accrues for its obligations under other future employee programs and the related costs. The Town has adopted the following accounting policies:

- The cost of the benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.
- The present value of the cost of providing employees with other future benefit programs is expensed as employees earn these entitlements through service.
- Net actuarial gains and losses related to the employee benefits are amortized over the estimated average remaining useful life of the employees.

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**1. Summary of significant accounting policies (continued)**

*Deferred revenue*

Deferred revenues represent 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 under the authority of provincial legislation and Town by-laws. These funds, by their nature, are restricted in their use and, until applied to specific capital works, are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended.

*Reserves and reserve funds*

Reserves and reserve funds are comprised of funds set aside for specific purposes by the Town Council and funds set aside for specific purposes by legislation, regulation or agreement. For financial reporting purposes, reserve funds set aside by legislation, regulation or agreement are reported as deferred revenue on the consolidated statement of financial position. Other reserve funds and reserves are balances within the accumulated surplus.

*Investment income*

Investment income earned is 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.

*Government transfers*

Government transfers include entitlements, transfers under shared cost agreements, and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for conditional entitlements and grants in the period the associated expenditure is incurred. Revenue is recognized for transfers under shared cost agreements in the period the costs are incurred.

*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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**1. Summary of significant accounting policies (continued)**

*Budget figures*

Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The approved operating and capital budgets are reflected on the consolidated statement of operations and are unaudited. The budgets established for capital investment in tangible capital assets 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 with current year's actual expenditure amounts.

**2. Budget reconciliation**

The authority of Council is required before moneys can be spent by the Municipality. Approvals are given in the form of an annually approved budget. The budget approved by Council differs from the budget in the consolidated statement of operations as the Council approved budget has been adjusted to account for material changes due to PSAB reporting requirements.

|                                                          | (Unaudited)       |                   |
|----------------------------------------------------------|-------------------|-------------------|
|                                                          | Revenue           | Expenses          |
|                                                          | \$                | \$                |
| Council approved budget:                                 |                   |                   |
| Operating fund                                           | 37,205,290        | 29,298,760        |
| Reserves and Reserve funds                               | -                 | 1,956,290         |
|                                                          | <u>37,205,290</u> | <u>31,255,050</u> |
| Capital budget                                           | 1,422,260         | 6,658,200         |
| Capital budget carried over from previous years          | -                 | 850,000           |
|                                                          | <u>1,422,260</u>  | <u>7,508,200</u>  |
| Total Council approved budget                            | 38,627,550        | 38,763,250        |
| Less: tangible capital assets capitalized                | -                 | (7,685,018)       |
| Add: budgeted amortization expense                       | -                 | 8,387,388         |
|                                                          | <u>-</u>          | <u>8,387,388</u>  |
| Adjusted budget per consolidated statement of operations | <u>38,627,550</u> | <u>39,465,620</u> |

**3. Trust fund**

The Trust fund administered by the Town amounting to \$466,243 (2008 - \$453,442) is presented in a separate financial statement of trust balances and operations. As such balances are held in trust by the Town for the benefit of others, they are not included in the Town's consolidated statements of financial position or operations.

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**4. The Continued Protection for Property Taxpayers Act**

Effective 1998, the provincial government implemented the Ontario Fair Assessment System and redefined the services which are funded from the property tax base. As a result of this, certain taxpayers have experienced significant changes in their property taxes. Provincial legislation empowered municipalities with tools to lessen the immediate impact of these assessment related property tax changes. These programs are administered by the Region for all constituent area municipalities. Within the Region a residential phase-in program was not adopted. For multi-residential, commercial and industrial property owners, the Province of Ontario instituted a mandatory capping program through the provisions of Bill 140, the Continued Protection for Property Taxpayers Act (2001), which limited reform-related tax increases to 5% per year from 2001 to 2004.

Effective from the 2005 taxation year, municipalities can implement the greater of an increase to the annual capped taxes of up to 10%, or an annual increase for capped properties of up to 5% of current value assessment ("CVA") taxes. Multi-residential, commercial, and industrial property owners experiencing decreases are also capped at appropriate levels to fund the phasing-in of increases. The limit remains in place until capped and clawed-back properties are within \$250 of their CVA. Municipal levy increases are applied in addition to the limit.

**5. Phase-in of eligible assessment increases**

The Government of Ontario made a number of changes to the property assessment system, which took effect for the 2009 property tax year, including the phase-in of eligible assessment increases.

To provide an additional level of property tax stability and predictability, market increases in assessed value between the January 1, 2005 and January 1, 2008 valuation dates are phased in over four years (2009 - 2012). The phase-in program does not apply to decreases in assessed value. The full benefit of any decrease is applied immediately.

**6. Operations of school boards and the Region of York**

During 2009, requisitions were made by the district school boards and the Region, requiring the Town to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized as follows:

|                | <u>2009</u>       | <u>2008</u>       |
|----------------|-------------------|-------------------|
|                | \$                | \$                |
| School boards  | 14,065,715        | 13,582,005        |
| Region of York | <u>26,002,382</u> | <u>25,045,023</u> |
|                | <u>40,068,097</u> | <u>38,627,028</u> |

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**7. Cash and temporary investments**

Cash and temporary investments are segregated as follows:

|                                                          | <u>2009</u>              | <u>2008</u>              |
|----------------------------------------------------------|--------------------------|--------------------------|
|                                                          | \$                       | \$                       |
| Restricted - obligatory reserve funds (refer to Note 11) | <b>5,742,770</b>         | 5,436,363                |
| Unrestricted and undesignated                            | <b>12,889,296</b>        | 10,697,622               |
|                                                          | <b><u>18,632,066</u></b> | <b><u>16,133,985</u></b> |

**8. Accounts receivable**

|                             | <u>2009</u>             | <u>2008</u>             |
|-----------------------------|-------------------------|-------------------------|
|                             | \$                      | \$                      |
| Government entities         | <b>436,441</b>          | 471,892                 |
| Trade and other receivables | <b>1,612,306</b>        | 1,101,358               |
|                             | <b>2,048,747</b>        | 1,573,250               |
| Less: allowance             | <b>(79,250)</b>         | (79,250)                |
|                             | <b><u>1,969,497</u></b> | <b><u>1,494,000</u></b> |

**9. Accounts payable and accrued liabilities**

|                             | <u>2009</u>             | <u>2008</u>             |
|-----------------------------|-------------------------|-------------------------|
|                             | \$                      | \$                      |
| Trade payables and accruals | <b>5,385,410</b>        | 4,173,775               |
| School boards               | <b>308,733</b>          | (22,900)                |
| Region of York              | <b>1,546,793</b>        | 564,659                 |
| Interest on long-term debt  | <b>205,914</b>          | 221,908                 |
| Payroll                     | <b>1,567,224</b>        | 1,102,412               |
|                             | <b><u>9,014,074</u></b> | <b><u>6,039,854</u></b> |

**10. Pension agreements**

The Town makes contributions to the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer 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 the employees based upon the length of service and rates of pay.

Contributions in 2009 ranged from 6.3% to 12.8% (2008 - 6.5% to 10.7%) depending on the proposed retirement age and level of earnings. The 2009 operating expense for OMERS was \$974,560 (2008 - \$950,994).

# The Corporation of the Town of Georgina

## Notes to the Consolidated Financial Statements

December 31, 2009

### 11. Deferred revenue

The Town passed their first Development Charge By-Law in 1991 pursuant to the Development Charges Act, 1997. Development Charge by-laws have a maximum life of 5 years and as such a new bylaw was passed in 2004. Development Charges are levies against new development, and are a primary source of funding growth-related capital facilities and infrastructure.

Development charges are imposed on all lands, buildings or structures that are developed for residential or non-residential uses. These charges are payable upon issuance of a building permit, unless they are for town-wide engineering services, in which case they are payable upon registration of a subdivision agreement. Development charges are not recognized as revenue until the identified capital costs for growth are incurred.

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 how these funds may be refunded. The balances in the obligatory reserve funds of the Town are summarized below:

|                            | <u>2009</u>      | <u>2008</u>      |
|----------------------------|------------------|------------------|
| Obligatory reserve funds   | \$               | \$               |
| Parklands                  | 533,733          | 468,470          |
| Development charges        | 5,209,037        | 4,967,893        |
|                            | <u>5,742,770</u> | <u>5,436,363</u> |
| Deferred revenue - general | 94,679           | 93,863           |
|                            | <u>5,837,449</u> | <u>5,530,226</u> |

### 12. Employee future benefits payable

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

Actuarial valuations for accounting purposes are performed every three years using the projected benefit method prorated on services. The most recent actuarial valuation report was prepared as at December 31, 2007 and an actuarial update to December 31, 2009 was made.

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**12. Employee future benefits payable (continued)**

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

|                                | <u>2009</u>             | <u>2008</u>             |
|--------------------------------|-------------------------|-------------------------|
|                                | \$                      | \$                      |
| Employee other future benefits | <b>1,117,742</b>        | 1,048,271               |
| Vacation pay                   | <b>1,376,472</b>        | 1,360,804               |
|                                | <b><u>2,494,214</u></b> | <b><u>2,409,075</u></b> |

Total other benefit payments to retirees during the year were \$10,792 (2008 - \$14,127). The plan is unfunded and requires no contributions from employees. The employee other future benefits liability at December 31 is as follows:

|                                  | <u>2009</u>             | <u>2008</u>             |
|----------------------------------|-------------------------|-------------------------|
|                                  | \$                      | \$                      |
| Accrued benefits obligation      | <b>990,050</b>          | 908,352                 |
| Unamortized actuarial gain       | <b>127,692</b>          | 139,919                 |
| Employee future benefits payable | <b><u>1,117,742</u></b> | <b><u>1,048,271</u></b> |

The continuity of the employee other future benefits liability is as follows:

|                                        | <u>2009</u>             | <u>2008</u>             |
|----------------------------------------|-------------------------|-------------------------|
|                                        | \$                      | \$                      |
| Balance, beginning of the year         | <b>1,048,271</b>        | 987,467                 |
| Annual amortization of actuarial gains | <b>(12,227)</b>         | (12,227)                |
| Current period service cost            | <b>46,188</b>           | 44,629                  |
| Interest cost                          | <b>46,302</b>           | 42,529                  |
| Benefits paid for the period           | <b><u>(10,792)</u></b>  | <b><u>(14,127)</u></b>  |
| Balance, end of the year               | <b><u>1,117,742</u></b> | <b><u>1,048,271</u></b> |

Significant assumptions used are as follows:

|                                                                  | <u>2009</u> | <u>2008</u> |
|------------------------------------------------------------------|-------------|-------------|
| Expected average remaining service life in years                 | <b>14</b>   | 14          |
| Employees future benefits payable as at December 31              |             |             |
| <i>Interest (discount) rate</i>                                  | <b>5%</b>   | 5%          |
| Benefits cost for the year ended December 31                     |             |             |
| <i>Interest (discount) rate</i>                                  | <b>5%</b>   | 5%          |
| <i>Dental costs</i>                                              | <b>4%</b>   | 4%          |
| <i>Health costs</i>                                              |             |             |
| - Initial rate                                                   | <b>8%</b>   | 8%          |
| - Rate declines to                                               | <b>5%</b>   | 5%          |
| - Year that the rate reaches the rate it is assumed to remain at | <b>2019</b> | 2019        |

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**13. Long-term debt**

The long-term debt issued in the name of the Town, 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 balance of long-term debt reported on the consolidated statement of financial position is made up of the following:

| <u>Purpose</u>                | <u>Rates</u> | <u>Maturity in</u> | <u>2009</u>              | <u>2008</u>              |
|-------------------------------|--------------|--------------------|--------------------------|--------------------------|
|                               |              |                    | \$                       | \$                       |
| Willow Beach water and sewers | 4.76%        | 2026               | <b>14,446,960</b>        | 14,989,154               |
| Ice Palace redevelopment      | 5.25%        | 2012               | <b>1,856,000</b>         | 2,417,000                |
| Sutton sewers                 | 9.50%        | 2009               | -                        | 110,000                  |
| Sutton sewers                 | 5.72%        | 2009               | -                        | 4,816                    |
|                               |              |                    | <b><u>16,302,960</u></b> | <b><u>17,520,970</u></b> |

Principal repayments for each of the next five years and thereafter are due as follows:

|                     |                          |
|---------------------|--------------------------|
|                     | \$                       |
| 2010                | 1,157,288                |
| 2011                | 1,213,637                |
| 2012                | 1,273,302                |
| 2013                | 654,347                  |
| 2014                | 685,838                  |
| 2015 and thereafter | <u>11,318,548</u>        |
|                     | <b><u>16,302,960</u></b> |

The Town is contingently liable for the tile drainage loans as at December 31, 2009 of \$45,357 (2008 - \$57,048). As the responsibility for payment of principal and interest charges for tile drainage loans have been assumed by individuals, it is not recorded on the consolidated statement of financial position.

Interest expense on long-term debt amounted to \$843,282 (2008 - \$886,240).

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**14. Tangible capital assets**

Schedule 1 provides information on the cost and accumulated amortization of tangible capital assets of the Town by major asset category.

*Tangible capital assets recognized at nominal value*

Certain assets have been assigned a nominal value because of the difficulty of determining a valuation. The most significant such asset is the land under the Town's roads which has been assigned a nominal value of one dollar per kilometer of road length. The 2009 road network had 650 kilometers (2008 - 650 kilometers).

*Contributed tangible capital assets*

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$nil (2008 - \$2,044,967), which includes contribution from developers in the amount of \$nil (2008 - \$2,044,967). Contributed assets from developers during 2008 consist of street lighting, and linear assets of subdivisions assumed by the Town in that year.

**15. 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. Claim costs during the year amounted to \$29,579 (2008 - \$21,905).

The Town has made provisions for reserves for self insurance for claims under \$5,000 to be used for those claims that exceed the sum provided for in the annual budget. These reserves are reported in the accumulated surplus under reserves set aside by the Council. As at December 31, 2009 these reserves had an adverse balance of \$225,640 (2008 – favorable balance of \$117,187).

The Town is a member of the Ontario Municipal Insurance Exchange for liability insurance coverage. 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 statement of operations. The contribution for the year was \$804,398 (2008 - \$559,676).

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**16. Accumulated surplus**

The accumulated surplus is comprised of the following:

|                                                            | <u>2009</u>        | <u>2008</u>        |
|------------------------------------------------------------|--------------------|--------------------|
|                                                            | \$                 | \$                 |
| <b>Reserves set aside for specific purposes by Council</b> |                    |                    |
| Equipment replacement                                      | 2,003,289          | 717,208            |
| Recreation and cultural programs and facilities            | 99,863             | 46,248             |
| Working capital                                            | 694,116            | 694,116            |
| Waste disposal                                             | 95,000             | 95,000             |
| Health services                                            | 43,046             | 43,046             |
| Roadways                                                   | 175,002            | 210,002            |
| Protective inspections                                     | 236,302            | 262,494            |
| General government                                         | 719,834            | 614,174            |
| Insurance                                                  | (225,640)          | 117,187            |
| Planning and development                                   | 275,521            | 332,885            |
| Contingencies                                              | 1,807,212          | 1,575,499          |
| Parks                                                      | 7,072              | 7,072              |
| Libraries                                                  | 77,783             | 52,425             |
| Green initiatives                                          | 185,000            | 140,000            |
| Acquisition of capital assets                              | 8,767,147          | 5,195,855          |
| Cemeteries                                                 | 74,411             | 55,270             |
| Waste disposal - landfill site                             | 100,000            | 100,000            |
| Land sale proceeds                                         | 200,966            | 144,750            |
| Repayment of water and sewer debentures                    | 814,031            | 927,181            |
| Water and sewer system capital expenditures                | <u>1,851,951</u>   | <u>1,894,678</u>   |
| <b>Total reserves</b>                                      | <u>18,001,906</u>  | <u>13,225,090</u>  |
| <b>Surpluses</b>                                           |                    |                    |
| Invested in tangible capital assets (Schedule 1)           | 340,959,050        | 342,132,875        |
| Less: amount financed by long-term debt (Note 13)          | (16,302,960)       | (17,520,970)       |
| Operating (deficit) surplus                                | (3,377,739)        | 966,135            |
| Employee future benefits (Note 12)                         | <u>(2,494,214)</u> | <u>(2,409,075)</u> |
| <b>Total surpluses</b>                                     | <u>318,784,137</u> | <u>323,168,965</u> |
| <b>Accumulated surplus</b>                                 | <u>336,786,043</u> | <u>336,394,055</u> |

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**17. Commitments and contingencies**

*Commitments*

The Town has entered into lease agreements for vehicles, office equipment and safety equipment. The aggregate minimum payments under these leases over the next four years are as follows:

|      |                |
|------|----------------|
|      | \$             |
| 2010 | 86,081         |
| 2011 | 57,450         |
| 2012 | 50,710         |
| 2013 | <u>16,903</u>  |
|      | <u>211,144</u> |

*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.

**18. 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 - see Schedule 2. 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 following departments have been separately disclosed in the segmented information, along with a description of their services.

*Fire & 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.

**The Corporation of the Town of Georgina**  
**Notes to the Consolidated Financial Statements**  
December 31, 2009

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**18. Segmented information** (continued)

*Protective inspection and control*

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

*Roads, sidewalks, bridges 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.

*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.

*Leisure programs, events and facilities*

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

*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.

*Planning & development*

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

*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.

*Taxation revenue*

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

**The Corporation of the Town of Georgina**  
**Tangible Capital Assets - Summary by Asset Category**  
December 31, 2009

**Schedule 1**

|                                  | <b>2 0 0 9</b>     |                        |                       |                    |                                 |                      |                  |                   |                       |
|----------------------------------|--------------------|------------------------|-----------------------|--------------------|---------------------------------|----------------------|------------------|-------------------|-----------------------|
|                                  | <b>Cost</b>        |                        |                       |                    | <b>Accumulated Amortization</b> |                      |                  |                   | <b>Net Book Value</b> |
|                                  | Opening Balance    | Additions/ Betterments | Disposals / Transfers | Closing Balance    | Opening Balance                 | Amortization Expense | Disposals        | Closing Balance   |                       |
|                                  | \$                 | \$                     | \$                    | \$                 | \$                              | \$                   | \$               | \$                | \$                    |
| <b>General</b>                   |                    |                        |                       |                    |                                 |                      |                  |                   |                       |
| Land                             | 29,847,333         | 128,190                | -                     | 29,975,523         | -                               | -                    | -                | -                 | <b>29,975,523</b>     |
| Building                         | 25,031,128         | 1,143,623              | -                     | 26,174,751         | 7,175,211                       | 574,909              | -                | 7,750,120         | <b>18,424,631</b>     |
| Machinery and equipment          | 4,755,421          | 1,198,682              | -                     | 5,954,103          | 2,237,172                       | 359,687              | -                | 2,596,859         | <b>3,357,244</b>      |
| Vehicles                         | 5,368,282          | 295,450                | (71,766)              | 5,591,966          | 2,580,299                       | 479,464              | (71,766)         | 2,987,997         | <b>2,603,969</b>      |
| Information technology           | 988,550            | 99,819                 | -                     | 1,088,369          | 525,466                         | 152,864              | -                | 678,330           | <b>410,039</b>        |
| Library collections              | 693,320            | 179,838                | (20,770)              | 852,388            | 154,120                         | 110,408              | (20,770)         | 243,758           | <b>608,630</b>        |
|                                  | <b>66,684,034</b>  | <b>3,045,602</b>       | <b>(92,536)</b>       | <b>69,637,100</b>  | <b>12,672,268</b>               | <b>1,677,332</b>     | <b>(92,536)</b>  | <b>14,257,064</b> | <b>55,380,036</b>     |
| <b>Infrastructure</b>            |                    |                        |                       |                    |                                 |                      |                  |                   |                       |
| Land                             | 13,893,703         | -                      | -                     | 13,893,703         | -                               | -                    | -                | -                 | <b>13,893,703</b>     |
| Land improvements                | 11,738,255         | 851,419                | -                     | 12,589,674         | 7,019,016                       | 407,813              | -                | 7,426,829         | <b>5,162,845</b>      |
| Transportation networks          | 133,960,728        | 2,524,505              | -                     | 136,485,233        | 28,828,182                      | 3,932,239            | -                | 32,760,421        | <b>103,724,812</b>    |
| Pumping stations                 | 10,460,663         | -                      | -                     | 10,460,663         | 2,492,972                       | 296,572              | -                | 2,789,544         | <b>7,671,119</b>      |
| Sanitary sewer assets            | 81,369,199         | 226,937                | -                     | 81,596,136         | 10,934,746                      | 908,211              | -                | 11,842,957        | <b>69,753,179</b>     |
| Storm sewer assets               | 26,410,465         | 65,000                 | -                     | 26,475,465         | 2,105,154                       | 353,226              | -                | 2,458,380         | <b>24,017,085</b>     |
| Water linear assets              | 69,095,175         | 545,221                | (143,796)             | 69,496,600         | 9,375,391                       | 811,995              | (62,342)         | 10,125,044        | <b>59,371,556</b>     |
|                                  | <b>346,928,188</b> | <b>4,213,082</b>       | <b>(143,796)</b>      | <b>350,997,474</b> | <b>60,755,461</b>               | <b>6,710,056</b>     | <b>(62,342)</b>  | <b>67,403,175</b> | <b>283,594,299</b>    |
| <b>Assets under construction</b> | <b>1,948,382</b>   | <b>552,974</b>         | <b>(516,641)</b>      | <b>1,984,715</b>   | <b>-</b>                        | <b>-</b>             | <b>-</b>         | <b>-</b>          | <b>1,984,715</b>      |
| <b>Total capital assets</b>      | <b>415,560,604</b> | <b>7,811,658</b>       | <b>(752,973)</b>      | <b>422,619,289</b> | <b>73,427,729</b>               | <b>8,387,388</b>     | <b>(154,878)</b> | <b>81,660,239</b> | <b>340,959,050</b>    |

**The Corporation of the Town of Georgina**  
**Tangible Capital Assets - Summary by Asset Category**  
December 31, 2009

**Schedule 1**

|                           |                 |                        |                       |                 | 2 0 0 8                  |                      |           |                 |                |
|---------------------------|-----------------|------------------------|-----------------------|-----------------|--------------------------|----------------------|-----------|-----------------|----------------|
|                           | Cost            |                        |                       |                 | Accumulated Amortization |                      |           |                 |                |
|                           | Opening Balance | Additions/ Betterments | Disposals / Transfers | Closing Balance | Opening Balance          | Amortization Expense | Disposals | Closing Balance | Net Book Value |
|                           | \$              | \$                     | \$                    | \$              | \$                       | \$                   | \$        | \$              | \$             |
| General                   |                 |                        |                       |                 |                          |                      |           |                 |                |
| Land                      | 29,695,351      | 151,982                | -                     | 29,847,333      | -                        | -                    | -         | -               | 29,847,333     |
| Building                  | 24,256,979      | 774,149                | -                     | 25,031,128      | 6,638,402                | 536,809              | -         | 7,175,211       | 17,855,917     |
| Machinery and equipment   | 4,236,670       | 518,751                | -                     | 4,755,421       | 1,920,094                | 241,867              | -         | 2,161,961       | 2,593,460      |
| Vehicles                  | 4,571,812       | 796,470                | -                     | 5,368,282       | 2,021,254                | 559,045              | -         | 2,580,299       | 2,787,983      |
| Information technology    | 862,651         | 125,899                | -                     | 988,550         | 352,653                  | 172,813              | -         | 525,466         | 463,084        |
| Library collections       | 521,060         | 172,260                | -                     | 693,320         | 142,590                  | 86,741               | -         | 229,331         | 463,989        |
|                           | 64,144,523      | 2,539,511              | -                     | 66,684,034      | 11,074,993               | 1,597,275            | -         | 12,672,268      | 54,011,766     |
| Infrastructure            |                 |                        |                       |                 |                          |                      |           |                 |                |
| Land                      | 13,893,703      | -                      | -                     | 13,893,703      | -                        | -                    | -         | -               | 13,893,703     |
| Land improvements         | 11,694,688      | 43,567                 | -                     | 11,738,255      | 6,534,337                | 484,679              | -         | 7,019,016       | 4,719,239      |
| Transportation networks   | 131,629,558     | 2,331,170              | -                     | 133,960,728     | 24,968,576               | 3,859,606            | -         | 28,828,182      | 105,132,546    |
| Pumping stations          | 10,024,397      | 436,266                | -                     | 10,460,663      | 2,196,400                | 296,572              | -         | 2,492,972       | 7,967,691      |
| Sanitary sewer assets     | 81,186,340      | 182,859                | -                     | 81,369,199      | 10,027,412               | 907,334              | -         | 10,934,746      | 70,434,453     |
| Storm sewer assets        | 26,312,937      | 97,528                 | -                     | 26,410,465      | 1,753,228                | 351,926              | -         | 2,105,154       | 24,305,311     |
| Water linear assets       | 68,916,565      | 178,610                | -                     | 69,095,175      | 8,569,184                | 806,207              | -         | 9,375,391       | 59,719,784     |
|                           | 343,658,188     | 3,270,000              | -                     | 346,928,188     | 54,049,137               | 6,706,324            | -         | 60,755,461      | 286,172,727    |
| Assets under construction | 1,090,873       | 857,509                | -                     | 1,948,382       | -                        | -                    | -         | -               | 1,948,382      |
| Total capital assets      | 408,893,584     | 6,667,020              | -                     | 415,560,604     | 65,124,130               | 8,303,599            | -         | 73,427,729      | 342,132,875    |

# The Corporation of the Town of Georgina

## Segment Disclosures

Year Ended December 31, 2009

Schedule 2

|                                             | Consolidated      |                   | Fire & Emergency   |                    | Protective Inspection & Control |                  | Roads, Sidewalks, Bridges & Public Works |                    |
|---------------------------------------------|-------------------|-------------------|--------------------|--------------------|---------------------------------|------------------|------------------------------------------|--------------------|
|                                             | 2009              | 2008              | 2009               | 2008               | 2009                            | 2008             | 2009                                     | 2008               |
|                                             | \$                | \$                | \$                 | \$                 | \$                              | \$               | \$                                       | \$                 |
| <b>Revenues</b>                             |                   |                   |                    |                    |                                 |                  |                                          |                    |
| Taxation                                    | 28,756,306        | 27,570,113        | -                  | -                  | -                               | -                | -                                        | -                  |
| Grants                                      | 1,693,246         | 4,774,994         | -                  | -                  | 19,516                          | 13,131           | (73,819)                                 | 1,571,075          |
| User fees and service charges               | 5,280,722         | 5,315,998         | 23,868             | 27,076             | 59,863                          | 62,738           | 402,865                                  | 206,833            |
| Licenses, permits and rent                  | 865,539           | 1,074,921         | 84,555             | 79,780             | 694,953                         | 910,320          | -                                        | -                  |
| Fine, penalties and interest                | 1,103,063         | 1,003,292         | -                  | -                  | 130,987                         | 188,307          | -                                        | -                  |
| Other                                       | 1,464,733         | 2,054,956         | -                  | 2,000              | 349,227                         | 297,322          | 200,000                                  | -                  |
| <b>Total revenues</b>                       | <b>39,163,609</b> | <b>41,794,274</b> | <b>108,423</b>     | <b>108,856</b>     | <b>1,254,546</b>                | <b>1,471,818</b> | <b>529,046</b>                           | <b>1,777,908</b>   |
| <b>Expenditures</b>                         |                   |                   |                    |                    |                                 |                  |                                          |                    |
| Salaries and wages                          | 18,669,522        | 18,358,170        | 4,187,520          | 4,002,329          | 1,735,440                       | 1,707,497        | 2,371,824                                | 2,440,177          |
| Interest on long-term debt                  | 843,282           | 886,240           | -                  | -                  | -                               | -                | -                                        | -                  |
| Materials, good and supplies                | 4,034,801         | 4,989,305         | 190,764            | 196,022            | 132,832                         | 156,041          | 1,802,964                                | 1,287,894          |
| Contracted and general services             | 6,174,042         | 6,238,155         | 303,058            | 222,037            | 720,343                         | 455,041          | 845,008                                  | 413,468            |
| Rents and financial                         | 209,006           | 144,124           | 14,628             | 14,770             | 1,390                           | 1,311            | -                                        | -                  |
| External transfers                          | 292,000           | 277,970           | -                  | -                  | 2,000                           | 1,620            | 50,000                                   | 50,000             |
| Amortization                                | 8,387,388         | 8,303,599         | 268,191            | 272,291            | -                               | -                | 4,195,063                                | 4,136,863          |
| Loss on disposal of tangible capital assets | 81,454            | -                 | -                  | -                  | -                               | -                | 81,454                                   | -                  |
| Other                                       | 80,126            | 263,512           | -                  | -                  | -                               | -                | -                                        | -                  |
| <b>Total expenditures</b>                   | <b>38,771,621</b> | <b>39,461,075</b> | <b>4,964,161</b>   | <b>4,707,449</b>   | <b>2,592,005</b>                | <b>2,321,510</b> | <b>9,346,313</b>                         | <b>8,328,402</b>   |
| <b>Annual surplus (deficit)</b>             | <b>391,988</b>    | <b>2,333,199</b>  | <b>(4,855,738)</b> | <b>(4,598,593)</b> | <b>(1,337,459)</b>              | <b>(849,692)</b> | <b>(8,817,267)</b>                       | <b>(6,550,494)</b> |

# The Corporation of the Town of Georgina

## Segment Disclosures

Year Ended December 31, 2009

Schedule 2

|                                 | Water, Wastewater & Solid Waste |                    | Leisure Programs, Events & Facilities |                    | Library Services |                  | Planning & Development |                  |
|---------------------------------|---------------------------------|--------------------|---------------------------------------|--------------------|------------------|------------------|------------------------|------------------|
|                                 | 2009                            | 2008               | 2009                                  | 2008               | 2009             | 2008             | 2009                   | 2008             |
|                                 | \$                              | \$                 | \$                                    | \$                 | \$               | \$               | \$                     | \$               |
| <b>Revenues</b>                 |                                 |                    |                                       |                    |                  |                  |                        |                  |
| Taxation                        | -                               | -                  | -                                     | -                  | -                | -                | -                      | -                |
| Grants                          | -                               | 589,833            | 159,864                               | 26,760             | 1,584,801        | 1,517,389        | -                      | 1,538,029        |
| User fees and service charges   | 2,489,726                       | 2,507,227          | 1,997,323                             | 2,030,963          | 86,805           | 76,079           | 83,825                 | 124,782          |
| Licenses, permits and rent      | -                               | -                  | 42,145                                | 41,645             | -                | -                | -                      | 300              |
| Fine, penalties and interest    | 500                             | 600                | -                                     | -                  | 28,644           | 26,283           | -                      | -                |
| Other                           | 274,487                         | 530,292            | 162,765                               | 298,160            | 33,855           | 2,906            | -                      | 100,000          |
| <b>Total revenues</b>           | <b>2,764,713</b>                | <b>3,627,952</b>   | <b>2,362,097</b>                      | <b>2,397,528</b>   | <b>1,734,105</b> | <b>1,622,657</b> | <b>83,825</b>          | <b>1,763,111</b> |
| <b>Expenditures</b>             |                                 |                    |                                       |                    |                  |                  |                        |                  |
| Salaries and wages              | 1,085,610                       | 1,051,662          | 4,012,987                             | 4,079,270          | 1,063,147        | 1,059,984        | 960,164                | 957,083          |
| Interest on long-term debt      | 712,725                         | 745,586            | 130,557                               | 140,654            | -                | -                | -                      | -                |
| Materials, good and supplies    | 401,437                         | 1,248,562          | 967,449                               | 1,515,904          | 292,301          | 228,610          | 23,516                 | 23,611           |
| Contracted and general services | 1,155,773                       | 1,203,419          | 1,603,283                             | 1,464,280          | 85,081           | 71,265           | 319,982                | 615,032          |
| Rents and financial             | 92,773                          | 23,351             | 30,857                                | 29,530             | 1,924            | 1,766            | -                      | -                |
| External transfers              | 7,000                           | 7,000              | 1,739,294                             | 1,660,782          | -                | -                | -                      | 6,000            |
| Amortization                    | 2,419,181                       | 2,426,686          | 1,133,741                             | 1,110,431          | 126,007          | 99,044           | -                      | -                |
| Other                           | -                               | -                  | -                                     | -                  | -                | -                | -                      | -                |
| <b>Total expenditures</b>       | <b>5,874,499</b>                | <b>6,706,266</b>   | <b>9,618,168</b>                      | <b>10,000,851</b>  | <b>1,568,460</b> | <b>1,460,669</b> | <b>1,303,662</b>       | <b>1,601,726</b> |
| <b>Annual surplus (deficit)</b> | <b>(3,109,786)</b>              | <b>(3,078,314)</b> | <b>(7,256,071)</b>                    | <b>(7,603,323)</b> | <b>165,645</b>   | <b>161,988</b>   | <b>(1,219,837)</b>     | <b>161,385</b>   |

# The Corporation of the Town of Georgina

## Segment Disclosures

Year Ended December 31, 2009

Schedule 2

|                                 | Corporate Governance & Management |                    | Taxation Revenue  |                   | Elimination        |                    |
|---------------------------------|-----------------------------------|--------------------|-------------------|-------------------|--------------------|--------------------|
|                                 | 2009                              | 2008               | 2009              | 2008              | 2009               | 2008               |
|                                 | \$                                | \$                 | \$                | \$                | \$                 | \$                 |
| <b>Revenues</b>                 |                                   |                    |                   |                   |                    |                    |
| Taxation                        | -                                 | -                  | 28,756,306        | 27,570,113        | -                  | -                  |
| Grants                          | 1,524,178                         | 972,059            | -                 | -                 | (1,521,294)        | (1,453,282)        |
| User fees and service charges   | 136,447                           | 280,300            | -                 | -                 | -                  | -                  |
| Licenses, permits and rent      | 43,886                            | 42,876             | -                 | -                 | -                  | -                  |
| Fine, penalties and interest    | 942,932                           | 788,102            | -                 | -                 | -                  | -                  |
| Other                           | 444,399                           | 824,276            | -                 | -                 | -                  | -                  |
| <b>Total revenues</b>           | <b>3,091,842</b>                  | <b>2,907,613</b>   | <b>28,756,306</b> | <b>27,570,113</b> | <b>(1,521,294)</b> | <b>(1,453,282)</b> |
| <b>Expenditures</b>             |                                   |                    |                   |                   |                    |                    |
| Salaries and wages              | 3,252,830                         | 3,060,168          | -                 | -                 | -                  | -                  |
| Interest on long-term debt      | -                                 | -                  | -                 | -                 | -                  | -                  |
| Materials, good and supplies    | 223,538                           | 332,661            | -                 | -                 | -                  | -                  |
| Contracted and general services | 1,141,514                         | 1,793,613          | -                 | -                 | -                  | -                  |
| Rents and financial             | 67,434                            | 73,396             | -                 | -                 | -                  | -                  |
| External transfers              | 15,000                            | 5,850              | -                 | -                 | (1,521,294)        | (1,453,282)        |
| Amortization                    | 245,205                           | 258,284            | -                 | -                 | -                  | -                  |
| Other                           | 80,126                            | 263,512            | -                 | -                 | -                  | -                  |
| <b>Total expenditures</b>       | <b>5,025,647</b>                  | <b>5,787,484</b>   | <b>-</b>          | <b>-</b>          | <b>(1,521,294)</b> | <b>(1,453,282)</b> |
| <b>Annual surplus (deficit)</b> | <b>(1,933,805)</b>                | <b>(2,879,871)</b> | <b>28,756,306</b> | <b>27,570,113</b> | <b>-</b>           | <b>-</b>           |

For information regarding the Town of Georgina's 2009 Consolidated Financial Statements, contact:

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