

Consolidated Financial Statements

The Corporation of the Town of New Tecumseth

December 31, 2024

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The Corporation of the Town of New Tecumseth

Management’s Report

Management’s Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Town of New Tecumseth (“Town”) are the responsibility of the Town’s management and have been prepared in compliance with legislation, and in accordance with Public sector accounting standards for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Note 2 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management’s judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Town management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Town management.

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

The consolidated financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the Town. The accompanying Independent Auditor’s Report outlines their responsibilities, the scope of their examination and their opinion on the Town’s consolidated financial statements.



Chief Administrative Officer



Treasurer/ Director of Finance

September 11, 2025

Independent Auditor's Report

To the Mayor, Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of New Tecumseth

Opinion

We have audited the consolidated financial statements of the Corporation of the Town of New Tecumseth (“the Town”), which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statements of operations and accumulated surplus, cash flows and change in net financial debt for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2024, and its results of operations, change in net financial debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Town’s financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise



professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
September 11, 2025

**The Corporation of the Town of New Tecumseth
Consolidated Statement of Financial Position**

December 31	2024	2023
Financial assets		
Cash (Note 3)	\$ 20,911,844	\$ 40,158,601
Investments (Note 4)	5,091,837	-
Assets held for sale (Note 2(d))	476,488	476,488
Taxes receivable	6,791,464	6,098,326
Water and wastewater billings receivable	3,040,310	2,560,215
Receivables	<u>5,243,317</u>	<u>4,795,284</u>
	<u>41,555,260</u>	<u>54,088,914</u>
Financial Liabilities		
Payables and accruals	15,678,610	20,210,317
Employee future benefits and other liabilities (Note 5)	6,707,312	6,345,768
Developer deposits	2,282,957	1,174,495
Deferred revenue – obligatory reserve funds (Note 6)	18,486,673	12,936,611
Deferred revenue – other	1,486,536	728,807
Asset retirement obligations (Note 7)	872,353	855,249
Short-term liabilities (Note 7)	7,479,636	7,479,636
Long-term liabilities (Note 8)	<u>52,050,508</u>	<u>57,773,333</u>
	<u>105,044,585</u>	<u>107,504,216</u>
Net debt (Page 6)	<u>(63,489,325)</u>	<u>(53,415,302)</u>
Non-financial assets		
Tangible capital assets (Schedule 2)	425,743,266	406,698,156
Prepays	<u>220,529</u>	<u>167,134</u>
	<u>425,963,795</u>	<u>406,865,290</u>
Accumulated surplus (Schedule 1)	\$ <u>362,474,470</u>	\$ <u>353,449,988</u>

Commitments and Contingencies (Notes 12 and 13)

See accompanying notes to the consolidated financial statements

On Behalf of the Town

Mayor

Missie

CAO

The Corporation of the Town of New Tecumseth

Consolidated Statement of Operations and Accumulated Surplus

Year Ended December 31 2024 2024 2023

	<u>Budget (Note 2(s))</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Taxation (Note 10)	\$ 46,863,055	\$ 46,722,684	\$ 42,374,781
User charges	23,224,759	24,143,932	21,705,408
Government transfers (Note 11)	4,534,651	3,940,632	5,584,761
Contributions from developers	39,995,206	11,069,094	11,899,122
Investment income	100,000	1,210,322	1,656,195
Penalties and interest on taxes	921,638	1,183,499	1,009,583
Rentals	64,652	78,899	70,408
Donations and contributed assets	227,501	168,562	4,681,542
Gain on sale of tangible capital assets	237,501	181,832	88,642
Other	590,548	1,051,384	818,145
	<u>116,759,511</u>	<u>89,750,840</u>	<u>89,888,587</u>
Expenditures			
General government	10,792,696	11,573,812	9,539,939
Protection to persons and property	13,083,318	13,144,978	12,097,480
Transportation services	15,626,161	15,754,496	12,548,724
Environmental services	23,987,369	22,700,859	24,080,681
Health services	10,000	10,000	10,000
Recreation and cultural services	15,087,282	14,442,182	13,420,592
Planning and development	3,469,999	3,100,031	2,928,237
	<u>82,056,825</u>	<u>80,726,358</u>	<u>74,625,653</u>
Annual surplus	34,702,686	9,024,482	15,262,934
Accumulated surplus, beginning of year	<u>353,449,988</u>	<u>353,449,988</u>	<u>338,187,054</u>
Accumulated surplus, end of year	\$ <u>388,152,674</u>	\$ <u>362,474,470</u>	\$ <u>353,449,988</u>

See accompanying notes to the consolidated financial statements.

The Corporation of the Town of New Tecumseth

Consolidated Statement of Changes in Net Debt

Year Ended December 31	2024	2024	2023
	<u>Budget (Note 2(s))</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ <u>34,702,686</u>	\$ <u>9,024,482</u>	\$ <u>15,262,934</u>
Acquisition of tangible capital assets	(52,768,607)	(34,698,063)	(32,392,968)
Contributed tangible capital assets	-	-	(4,560,672)
Asset retirement obligation adjustment	-	(17,103)	(855,249)
Amortization of tangible capital assets	15,614,387	15,614,387	14,838,360
Proceeds on sale of tangible capital assets	-	237,501	122,237
(Gain) loss on sale of tangible capital assets	<u>237,501</u>	<u>(181,832)</u>	<u>(88,642)</u>
	(36,916,719)	(19,045,110)	(22,936,934)
Increase in prepaids	<u>-</u>	<u>(53,395)</u>	<u>1,168,820</u>
Increase in net debt	(2,214,033)	(10,074,023)	(6,505,180)
Net debt, beginning of year	<u>(53,415,302)</u>	<u>(53,415,302)</u>	<u>(46,910,122)</u>
Net debt, end of year	\$ <u>(55,629,335)</u>	\$ <u>(63,489,325)</u>	\$ <u>(53,415,302)</u>

See accompanying notes to the consolidated financial statements.

The Corporation of the Town of New Tecumseth

Consolidated Statement of Cash Flows

Year Ended December 31

2024

2023

Increase (decrease) in cash

Operating activities

Annual surplus	\$	9,024,482	\$	15,262,934
Increase (decrease) in employee benefits and other liabilities		361,544		(102,214)
Amortization of tangible capital assets		15,614,387		14,838,360
Contributed tangible capital assets		-		(4,560,672)
(Gain) loss on sale of tangible capital assets		(181,832)		(88,642)
Change in non-operating working capital				
Increase in taxes receivable		(693,138)		(262,162)
Increase in water and wastewater billings receivable		(480,095)		(236,502)
(Increase) decrease in receivables		(448,033)		740,365
Increase (decrease) in payables and accruals		(4,531,707)		2,328,873
Increase (decrease) in developer deposits		1,108,462		(188,856)
Increase (decrease) in deferred revenue-obligatory reserve funds		5,550,062		(6,293,053)
Increase in deferred revenue – other		757,730		69,629
(Increase) decrease in prepaids		(53,395)		1,168,820
Cash provided by operating activities		<u>26,028,467</u>		<u>22,676,880</u>

Capital activities

Acquisition of tangible capital assets		(34,698,063)		(32,392,968)
Proceeds from sale of tangible capital assets		<u>237,501</u>		<u>122,237</u>
Cash used by investing activities		<u>(34,460,562)</u>		<u>(32,270,731)</u>

Investing activities

Purchase of guaranteed investment certificates		<u>(5,091,837)</u>		-
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Financing activities

Debt principal repayments		<u>(5,722,825)</u>		<u>(5,716,798)</u>
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Net decrease in cash (19,246,757) (15,310,649)

Cash, beginning of year 40,158,601 55,469,250

Cash, end of year \$ 20,911,844 \$ 40,158,601

Interest paid \$ 2,538,792 \$ 2,757,646

Interest received \$ 1,210,322 \$ 1,656,195

See accompanying notes to the consolidated financial statements.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

1. Nature of operations

The Corporation of the Town of New Tecumseth (the “Town”) is a lower-tier municipality located in the County of Simcoe, 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.

2. Summary of significant accounting policies

Basis of presentation

The consolidated financial statements of the Town are prepared by management in accordance with Public sector accounting standards for local governments, as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada (“CPA Canada”). Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenses, surplus and financial position of the Town including all organizations, committees and local boards accountable for the administration of their affairs and resources of the Town and which are owned or controlled by the Town. The financial statements include: Town of New Tecumseth Library Board, Alliston Business Improvement Association and Beeton Tottenham Business Improvement Association.

Inter-departmental and organizational transactions and balances are eliminated.

(b) Accounting for County and School Board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the School Boards and the County of Simcoe are not reflected in these financial statements.

(c) Accrual accounting

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

(d) Lands held for sale

Lands held for sale are valued at the lower of cost and net realizable value.

(e) 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. The change in non-financial assets during the year, together with the excess of revenue over expenditures, provides the change in net financial liabilities for the year.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

(e) Non-financial assets (continued)

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 to 25 years
Buildings	10 to 80 years
Machinery and equipment	5 to 25 years
Vehicles	5 to 25 years
Library collection and materials	4 to 7 years
Roads, bridges, underground and other networks	7 to 80 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Capitalization of interest

The Town has a policy of capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset up to the date the asset goes into use.

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. Typical examples are roadway, water and wastewater lines installed by a developer as part of a sub-division agreement.

1. Leases

Leases are classified as capital or operating leases. Leases that transfer substantially the entire 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 expenditures as incurred.

2. Write-down of tangible capital assets

The value of a tangible capital asset will be written down when conditions indicate that they no longer contribute to the Town's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

3. Works of art

The Town owns various works of art and historic artifacts displayed at various locations. The historic cost of these items is not included in tangible capital assets.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

(f) Asset retirement obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

(g) Reserves and Reserve Funds

The Town follows the practice of allocating surpluses into reserves and reserve funds that are retained for general and specific purposes. These reserves and reserve funds make up a portion of the accumulated surplus as disclosed in Schedule 1 of these consolidated financial statements.

These reserves and reserve funds are established by Council resolution or by-law and are available for future operating and capital purposes. Amounts are only expended in accordance with the terms and policies established by Council. Expenses in respect of operating items for which reserves and reserve funds have been created are reported on the consolidated statement of operations.

(h) Government transfers

Government transfers, which include entitlements, transfers under shared cost agreements and grants are recognized in the financial statements as revenue in the year in which events giving rise to the transfer occur, provided the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulated liabilities are settled.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

(i) Deferred revenue – obligatory reserve funds

Deferred revenue includes funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

The Town receives development charge contributions, and payments in lieu of parkland under the authority of provincial legislation and Town by-laws. These funds, by their nature, are restricted in their use and, until applied to applicable expenditures, are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal year they are expended.

(j) Deferred revenue - other

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 revenue in the fiscal year the services are performed.

(k) Investment income

Investment income earned on surplus funds (other than obligatory reserve funds) is reported as revenue in the year earned. Investment income earned on development charges, conditional grants and parkland obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue obligatory reserve fund balances.

(l) Taxation and related revenues

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation (“MPAC”). Tax rates are established annually by Council, incorporating amounts to be raised for local services, the requisition made by the County of Simcoe in respect of County services and amounts the Town is required to collect on behalf of the Province of Ontario in respect of education taxes. The legislation limits assessment-related increases in property tax bills to 5% annually for commercial, industrial and multi-residential classes of property until the affected properties are taxed at a level equivalent to the tax otherwise calculated based on their current value assessment. A normal part of the assessment process is the issue of supplementary assessment rolls that update information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Town determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments, as a result of appeals, are recorded when the result of the appeal process is known. The Town is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the year the interest and penalties are levied.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

(m) User charges, rentals, donations and other revenue

Revenue from transactions with performance obligations is recognized when (at a point in time) or as (over a period of time) the Town satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

The Town recognizes revenue from building permits and rentals of Town property services on a straight-line basis over the period of time that the relevant performance obligations are satisfied by the Town.

The Town recognizes revenue from water, sewer, administrative services, sales of goods and other licenses and permits at the point in time that the Town has performed the related performance obligations and control of the related benefits has passed to the payors.

Revenue from transactions without performance obligation is recognized at realizable value when the Town has the authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

The Town recognizes revenue from tax penalties and interest, parking ticket fines, and other revenue without associated performance obligations at the realizable value at the point in time when the Town is authorized to collect these revenues.

(n) Employee future benefits

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements through service. 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. Actuarial gains and losses are amortized on a linear basis over the expected average remaining service life ("EARSLS") (expected remaining payment period in respect of the retiring allowance) of members expected to receive benefits under the plan, with amortization commencing in the period following the determination of the gain or loss. Obligations are attributed to the period beginning on the member's date of hire and ending on the expected date of termination, death or retirement, depending on the benefit value. Vacation entitlements are accrued as entitlements are earned. The Town also estimates future benefits relating to accumulated sick credits for Library staff as they are earned. The Town is a Schedule II employer under the Workplace Safety and Insurance Act and, as such, the Town has elected to self-insure the risks of workplace safety and insurance costs. The cost of the Town's potential liability is actuarially determined, using management's best estimate of future payments on self-insured WSIB claims.

The Town is an employer member of the Ontario Municipal Employee Retirement Fund ("OMERS"), which is a multi-employer, defined benefit pension plan. The OMERS Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The Town uses defined contribution plan accounting principles for this plan. The Town records as pension expense the amount due to OMERS based on current year employee service.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

(o) Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates, assumptions and approximations. Included in these consolidated financial statements are estimates for accounts receivable, accrue post-employment benefits, tangible capital assets, taxation accruals and user charges, estimated provisions for accrued liabilities and asset retirement obligations.

Management uses estimates related to employee future benefits based on assumptions and calculations contained in actuarial reports, modified as necessary for the passage of time. Actual results can differ from the estimates due to uncertainty. The actuarial reports and calculations are reviewed and updated periodically at which time estimates can be adjusted.

Management has made estimates related to tangible capital assets both in determining fair market value of contributed assets and in the amortization rates as set out in these policies.

Management has made estimates related to user charges in determining the balance to accrue relating to water wastewater billings which will be determined in the future year.

(p) Liability for contaminated sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

(q) Financial instruments

Cash, and equity instruments quoted in an active market are measured at fair value. Investments, accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

(r) Change in accounting policy

Effective January 1, 2024, the Town adopted public sector standard PS 3400, Revenue, which establishes standards on how to account for and report on revenue. This change in accounting policy affects the recognition and measurement of revenue streams.

The standard requires a classification of revenue transactions into exchange and non-exchange transactions, which determine the revenue recognition criteria. Exchange transactions include a performance obligation, while non-exchange transactions do not.

The standard has been applied prospectively in accordance with its transitional provisions, therefore, the comparative information has not been restated. There was no impact on the financial statements as a result of this adoption.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

(s) Budget figures

Town Council approves its operating budget annually. Town's consolidated budget was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipate the use of accumulated surpluses in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net debt represent the Financial Plan with adjustments as follows.

Adjustments to the budget approved by Council are reflected to adjust the basis of presentation to the accounting principles applied in preparing the financial statements

	<u>Revenues</u>	<u>Expenditures</u>
Town Council's approved budgets	\$ 116,759,511	\$ 101,054,566
Less: Tangible capital assets capitalization	-	(34,612,128)
Add: Amortization expense	-	15,614,387
Adjusted budget per consolidated statement of operations	<u>\$ 116,759,511</u>	<u>\$ 82,056,825</u>

3. Cash

2024

2023

Cash are comprised of:

Unrestricted cash held at the bank and on hand	\$ 2,425,171	\$ 27,221,990
Restricted cash held at the bank	<u>18,486,673</u>	<u>12,936,611</u>
	<u>\$ 20,911,844</u>	<u>\$ 40,158,601</u>

Restricted cash is comprised of obligatory reserve funds.

4. Investments

2024

2023

Investments are comprised of:

Guaranteed investment certificates, interest rate 4.30%, due July 2027	\$ 1,697,884	\$ -
Guaranteed investment certificates, interest rate 4.20%, due July 2028	1,697,158	-
Guaranteed investment certificates, interest rate 4.15%, due July 2029	<u>1,696,795</u>	<u>-</u>
	<u>\$ 5,091,837</u>	<u>\$ -</u>

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

5. Employee future benefits and other liabilities

The Town provides certain employee benefits that will require funding in future periods:

	<u>2024</u>	<u>2023</u>
Workplace safety and insurance	\$ 4,791,757	\$ 4,277,019
Vacation accrual	525,658	458,969
Retirement accrual	1,144,219	1,215,680
Sick leave entitlements	26,631	28,718
Dental and health future benefits	800,042	805,569
Less: WSIB receivable	<u>(580,995)</u>	<u>(440,187)</u>
	<u>\$ 6,707,312</u>	<u>\$ 6,345,768</u>

The Town pays certain health and dental benefits on behalf of eligible retired employees to age 65. The Town also pays sick leave entitlements for members of the Library. The Town recognizes these costs in the period in which the employees rendered the services. The December 31, 2024 liability reported in the Consolidated Statement of Financial Position for future benefits and sick leave entitlements were based on an actuarial valuation. The main assumptions employed for the valuations are as follows:

- (a) Retirement age - All active employees were assumed to retire at an average age of 61.
- (b) Actuary rates: Discount rate 4.50%, Inflationary rate 2.00%.
- (c) Future dental escalations 4.00%
- (d) Future health costs escalate at 5.667% for 2025 vs 2024 and reduce by 0.333% per year to 4.00% in 2030
- (e) Sick leave utilization 58.5% of annual additions and 10.2% of prior year accumulation.

Information about the Town's defined benefit plan is as follows:

	<u>2024</u>	<u>2023</u>
Accrued benefit liability, beginning of year	\$ 805,568	\$ 813,451
Expense for the period	21,711	9,041
Benefits paid by employer	<u>(27,237)</u>	<u>(16,924)</u>
Accrued benefit liability, end of year	<u>\$ 800,042</u>	<u>\$ 805,568</u>

Workplace safety and insurance

The Town is a Schedule II employer under the Workplace Safety and Insurance Act, and therefore, has elected to self-insure the risks of workplace safety and insurance costs. To protect itself against catastrophic losses, it carries insurance with a deductible of \$500,000 per occurrence. The December 31, 2024 liability reported in the Consolidated Statement of Financial Position was the result of an actuarial valuation that estimated the Town's potential liability, under the Workplace Safety and Insurance Act, to be \$4,791,757 (2023 – \$4,277,019). This figure was determined utilizing a discount rate of 2.75% and general inflation rate of 1.75%.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

5. Employee future benefits and other liabilities (continued)	<u>2024</u>	<u>2023</u>
Accrued Benefit Obligation		
Balance at January 1	\$ 4,277,019	\$ 4,445,100
Add:		
Survivor Awards	1,009,058	-
Estimated service cost	253,186	225,852
Interest accrued	147,552	116,937
Change in unamortized actuarial loss	(195,645)	(129,847)
Deduct:		
Expected benefits paid	<u>(699,413)</u>	<u>(381,023)</u>
Liability at December 31	<u>\$ 4,791,757</u>	<u>\$ 4,277,019</u>

A receivable of \$580,995 (2023 – \$440,187) has been established to offset this provision.

6. Deferred revenue – obligatory reserve funds	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 12,936,611	\$ 19,229,664
Development charges	15,135,187	5,657,471
Interest income	962,279	1,129,727
Gas tax funding	1,524,464	1,259,022
Parkland funding	-	34,500
Utilization of funds	<u>(12,071,868)</u>	<u>(14,373,773)</u>
Deferred revenue – obligatory funds, end of year	<u>\$ 18,486,673</u>	<u>\$ 12,936,611</u>
Analysed as follows:		
Development charges	\$ 14,549,397	\$ 9,185,197
Developer contributions (Best Efforts)	194,250	194,250
Parkland	1,572,220	1,513,203
Gas tax	<u>2,170,806</u>	<u>2,043,961</u>
Deferred revenue – obligatory funds, end of year	<u>\$ 18,486,673</u>	<u>\$ 12,936,611</u>

7. Short-term liabilities

In December 2020, the Town was approved for construction financing in the amount of \$21,123,137 relating to the Tottenham Transmission Main. In 2024 Town did not make any drawdown on this loan and the balance remained at the amount of \$7,479,636 (2023- \$7,479,636). Interest, calculated as a floating rate per annum, paid in the year was \$385,473 (2023 - \$390,892). Once construction is complete, the balance owing will transfer to a long-term debenture.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

8. Long-term liabilities	<u>2024</u>	<u>2023</u>
Debentures, payable in semi-annual blended instalments of \$431,099, bearing interest at 5.542%, maturing 2036	\$ 7,484,317	\$ 7,913,802
Debentures, payable in semi-annual principal instalments ranging from \$1,743,000 to \$2,360,000, interest ranging from 3.25% to 4.90% per annum, maturing 2028	9,491,000	11,769,000
Debentures, payable in semi-annual principal instalments of \$115,250, bearing interest at 3.87%, maturing 2033	2,074,500	2,305,000
Debentures, payable in semi-annual principal instalments of \$113,750, bearing interest at 2.65%, matured in 2024	-	227,500
Debentures, payable in semi-annual principal instalments of \$99,550, bearing interest at 2.45%, maturing 2025	199,100	398,200
Debentures, payable in semi-annual principal instalments of \$80,000, bearing interest at 3.23%, maturing 2035	1,760,000	1,920,000
Debentures, payable in semi-annual principal instalments ranging from \$171,938 to \$573,924, bearing interest at 4.128%, maturing 2046	16,829,223	17,291,686
Debentures, payable in annual principal instalments ranging from \$169,000 to \$210,000, interest ranging from 1.5% to 3.25%, maturing 2026	413,000	611,000
Debentures, payable in semi-annual principal instalments \$143,853, bearing interest at 2.81% per annum, maturing 2027	863,115	1,150,820
Debentures, payable in semi-annual principal instalments \$54,319, bearing interest at 3.12% per annum, maturing 2028	434,555	543,194
Debentures, payable in semi-annual principal instalments ranging from \$280,639 to \$351,369 bearing interest at 2.38% per annum, maturing 2029	3,333,454	3,954,117
Debentures, payable in semi-annual principal instalments of \$71,353, bearing interest at 1.51% per annum, maturing 2030	815,698	944,633

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

8. Long-term liabilities (continued)	<u>2024</u>	<u>2023</u>
Debentures, payable in semi-annual principal instalments ranging from \$185,469 to \$298,191 bearing interest at 2.45% per annum, maturing 2041	<u>8,352,546</u>	<u>8,744,381</u>
	\$ <u>52,050,508</u>	\$ <u>57,773,333</u>

Annual principal payments over the next five years and thereafter are as follows:

2025	5,683,217
2026	5,682,793
2027	5,268,377
2028	5,189,295
2029	2,802,456
2030 – 2046	<u>27,424,370</u>
	\$ <u>52,050,508</u>

The long-term liabilities issued in the Town’s name have been approved by by-law as required and the annual principal and interest payments required are within the annual debt repayment limit as prescribed by the Ministry of Municipal Affairs and Housing.

9. Asset Retirement Obligations (ARO)

The Town has accrued for asset retirement obligations related to asbestos removal costs for Town buildings and safe site closures related to bridge, water & wastewater facilities and tanks. The related asset retirement costs are being amortized on a straight line basis. The liability has been estimated using a net present value technique with a discount rate of 2% (2023 – 2%). The estimated total undiscounted future expenditures are \$855,249 (2023 - \$855,249), which are to be incurred over the next 2 to 67 years. The liability is expected to be settled by 2090. The obligation is adjusted annually to reflect the present value of the estimated cost that will be required to meet its obligations in compliance with PS 3280.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

10. Taxation	<u>2024</u>	<u>2023</u>
Real property	\$ 86,862,929	\$ 81,251,501
Payments in lieu of taxes	<u>320,540</u>	<u>311,711</u>
	87,183,469	81,563,212
Less: taxes collected on behalf of School Boards and the County of Simcoe	<u>40,460,785</u>	<u>39,188,431</u>
Net taxes available for Town purposes	<u>\$ 46,722,684</u>	<u>\$ 42,374,781</u>

11. Government transfers	<u>2024</u>	<u>2023</u>
Federal	\$ 1,532,982	\$ 2,805,206
Provincial	<u>2,407,650</u>	<u>2,779,555</u>
	<u>\$ 3,940,632</u>	<u>\$ 5,584,761</u>

12. Commitments

(a) Policing services

Effective December 31, 2014, the Ministry of Community Safety and Correctional Services of Ontario (MCSCS) terminated all contracts throughout the province and implemented a new billing model effective January 1, 2015. The Town, along with two neighbouring townships, finalized a five-year renewal of a joint policing contract with the Minister of Community Safety and Correctional Services of Ontario (MCSCS) for the provision of police services by the Ontario Provincial Police (OPP). The term of this contract is from July 1, 2015 until June 30, 2021 with the cost determined annually through a budget process. Either party to the agreement may terminate the contract upon one year's written notice. The terms of this contract were extended to December 31, 2024. During the year ended December 31, 2024, the Town's total expenditure under the existing OPP contract was \$6,291,156 (2023 - \$6,133,063).

(b) Water supply and related agreements

In August 2022, the Town entered into a water supply agreement with the Town of Collingwood that included the expansion of their treatment plant to supplement the Town's estimated demands to 2032 by 23,500 m3. The total budget for the project was \$121M with the New Tecumseth portion at 63% or \$71.5M. The Town indicated in the agreement that any amount over this budget could cause financial hardships and the Town would therefore be entitled to withdraw from the project subject to the proportionate share of incurred costs and penalties. On September 12, 2023 the tenders were received by Collingwood, resulting in revised project costs of \$270M or deficit of \$150M to the original project budget. The Town's portion of the overage would be \$95M. Additionally, the project's substantial completion date was revised to Q3 2031, with water supply expected to commence in Q3 2029.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

12. Commitments (continued)

The vendor agreed to extend their bid to April 15, 2024 to allow the Towns to investigate additional funding sources, with the addition of a cost escalation factor of 2%. On April 10, 2024 Council voted in favour of proceeding with the plant expansion. In July 2024, Provincial funding of up to \$70M, subject to hitting certain milestones, was approved from the Housing-Enabling Water Systems Fund (HEWSF). Approximately 63% of that funding would be applied against New Tecumseth's cost share in accordance with the water supply agreement. The Towns are still in discussions with the Province to secure up to \$80M additional funding. The project has been established as 100% growth related and, should no other external funding be secured, would be funded from development charges.

(c) Other

During the year, the Town entered into contracts for capital projects. Approximately \$14,108,190 has not been expended as at December 31, 2024 (2023 - \$18,098,849).

13. Contingencies

The Town, in the course of its operations, is subject to claims, lawsuits and contingencies. For claims that remain unsettled at December 31, 2024, the Town has made provision in its accounts for actions that are likely to succeed and for which the loss can be estimated.

14. Pension agreement

OMERS provides pension services to almost half a million active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2024. The results of this valuation disclosed total actuarial liabilities of \$140,766 million in respect of benefits accrued for service with actuarial assets at that date of \$137,853 million indicating an actuarial deficit of \$2,913 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit. Contributions made to OMERS for 2024 were \$1,926,132 (2023 - \$1,803,990).

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

15. Financial instruments

The Town is exposed to credit risk, liquidity risk and interest rate risk from its financial instruments. This note describes the Town's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Town is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Town's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable.

The Town manages its credit risk by holding cash at federally regulated chartered banks with cash accounts insured up to \$100,000 amount.

The Town measures its exposure to credit risk based how long amounts have been outstanding and the likelihood of receiving outstanding amounts.

The Town's maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as presented on the statement of financial position.

At year end, the amounts outstanding for the Town's accounts receivable are as follows:

	<u>2024</u>	<u>2023</u>
Accounts receivable		
Current	\$ 3,529,032	\$ 2,109,506
31 to 60 days	114,540	40,335
61 to 90 days	572,693	367,561
Over 90 days	<u>1,027,052</u>	<u>2,277,882</u>
Total	<u>\$ 5,243,317</u>	<u>\$ 4,795,284</u>
Taxes receivable		
Current	\$ 5,406,669	\$ 4,618,263
Prior year	1,041,827	1,065,036
Two years and older	<u>342,968</u>	<u>415,027</u>
Total	<u>\$ 6,791,464</u>	<u>\$ 6,098,326</u>
Water and wastewater billings receivable		
Current	\$ 2,521,067	\$ 2,362,312
31 to 60 days	342,088	143,957
61 to 90 days	231,529	23,560
Over 90 days	<u>(54,374)</u>	<u>30,386</u>
Total	<u>\$ 3,040,310</u>	<u>\$ 2,560,215</u>

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

15. Financial instruments (continued)

Credit risk (continued)

There have not been any changes from the prior year in the Town's exposure to credit risk or the policies, procedures and methods it uses to manage and measure the risk.

Liquidity risk

Liquidity risk is the risk that the Town will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Town will not have sufficient funds to settle a transaction on the due date. The Town is exposed to this risk mainly in respect of its accounts payable, and short-term and long-term liabilities. The Town mitigates this risk by ensuring that it always has sufficient cash to allow it to meet its liabilities when they become due.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	2024			
	Within 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 15,678,610	\$ -	\$ -	\$ -
Short-term liabilities	-	7,479,636	-	-
Long-term liabilities	-	199,100	15,350,822	36,500,586
	\$ 15,678,610	\$ 7,678,736	\$ 15,350,822	\$ 36,500,586

	2023			
	Within 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 20,210,317	\$ -	\$ -	\$ -
Short-term liabilities	-	7,479,636	-	-
Long-term liabilities	-	227,500	18,426,331	39,119,502
	\$ 20,210,317	\$ 7,707,136	\$ 15,350,822	\$ 39,119,502

There have not been any changes from the prior year in the Town's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

Market risk

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

The Town's risk management strategies are described below.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

15. Financial instruments (continued)

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Town is exposed to interest rate risk through its long-term debt that bears interest at a fixed rate. Fluctuations in the banks prime interest rates will result in increases or decreases in the cash flow requirements of this financial instruments via increases or decreases in the related interest expense as the loans are renewed.

The Town manages its interest rate risk by spreading out the maturing date of its various debentures.

There have not been any changes from the prior year in the organization's exposure to interest rate risk or the policies, procedures and methods it uses to manage and measure the risk

16. Segmented reporting

In accordance with Section 2700 of the Public-Sector Accounting Handbook of the CPA Canada, the Town has prepared segmented financial information.

The Town is a diversified municipal government entity that provides a wide range of services to its citizens, including General Government, Protection, Transportation, Environmental, Health, Recreation and Cultural, Planning and Development.

The revenues and expenditures for each service area have been separately disclosed in the segmented information, and include the following activities:

- General Government – Finance, Administration, Council and Human Resources
- Protection to persons and property – Police, Fire and Rescue, Building Construction, By-law Enforcement and Conservation Authorities
- Transportation services – Roadways, Winter Control, Street-lighting, Parking and Transit
- Environmental services – Water, Wastewater, Storm Sewer and Environmental Programs
- Health services – Physician Recruitment
- Recreation and Cultural services – Arenas, Libraries, Parks, Recreation Programs and Museum
- Planning and Development – Planning and Zoning, Economic Development and Business Improvement Areas

In the preparation of segmented financial information, it is necessary to use reasonable allocation methods. For each reported segment, revenues represent both amounts that are directly attributable to the segment and amounts that are allocated. Property taxation and other revenue are apportioned based on percentage of operating expenditures (excluding Environmental). The remaining revenue sources and all expenditures are directly attributable to each segment.

All Environmental revenues and expenses are directly attributable to the segment. The majority of Environmental service expenses are Water and Wastewater, which are funded primarily by user fees.

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

16. Segmented reporting December 31, 2024

	General Government	Protection to person and property	Transportation services	Environmental services	Health services	Recreation and Cultural services	Planning and Development	Consolidated
Revenues								
Property taxation	\$9,318,865	\$10,583,918	\$12,685,018	\$ -	\$10,000	\$11,628,386	\$2,496,497	\$46,722,684
User charges	244,044	1,364,582	46,977	18,492,881	-	3,052,660	942,788	24,143,932
Government grants	2,127,374	51,778	1,653,645	-	-	107,835	-	3,940,632
Contribution from developers	99,300	424,401	1,125,138	7,284,963	-	1,903,887	231,405	11,069,094
Contributed Assets & Donations	-	-	-	-	-	168,562	-	168,562
Other Revenue	600,854	573,382	687,301	1,167,804	-	538,913	137,682	3,705,936
Total Revenue	12,390,437	12,998,061	16,198,079	26,945,648	10,000	17,400,243	3,808,372	89,750,840
Expenditures								
Salaries and Benefits	7,988,456	4,207,469	4,920,872	5,621,372	-	8,144,563	2,220,862	33,103,594
Interest	-	679	117,745	1,923,077	-	497,291	-	2,538,792
Materials	1,745,065	1,426,820	2,344,411	6,327,427	10,000	2,845,065	513,320	15,212,108
Contracted Services	1,192,813	6,839,726	3,645,732	1,457,887	-	723,443	348,182	14,207,783
Rents	-	-	49,694	-	-	-	-	49,694
Amortization	647,478	670,284	4,676,042	7,371,096	-	2,231,820	17,667	15,614,387
Total Expenditures	11,573,812	13,144,978	15,754,496	22,700,859	10,000	14,442,182	3,100,031	80,726,358
Net revenue (deficit)	\$816,625	(\$146,917)	\$443,583	\$4,244,789	\$ -	\$2,958,061	\$708,341	\$9,024,482

The Corporation of the Town of New Tecumseth

Notes to the Consolidated Financial Statements

December 31, 2024

16. Segmented reporting December 31, 2023

	General Government	Protection to person and property	Transportation services	Environmental services	Health services	Recreation and Cultural services	Planning and Development	Consolidated
Revenues								
Property taxation	\$7,997,578	\$10,141,632	10,519,922	\$ -	\$10,000	\$11,250,832	\$2,454,817	\$42,374,781
User charges	245,496	1,453,492	71,319	16,592,216	-	2,672,215	670,670	21,705,408
Government grants	2,551,439	-	2,617,544	15,260	-	398,456	2,062	5,584,761
Contribution from developers	104,062	588,593	1,170,832	8,476,230	-	1,392,492	166,913	11,899,122
Contributed Assets & Donations	6,500	-	4,560,672	-	-	114,370	-	4,681,542
Other Revenue	550,683	544,601	544,725	1,276,252	-	577,219	149,493	3,642,973
Total Revenue	11,455,758	12,728,318	19,485,014	26,359,958	10,000	16,405,584	3,443,955	89,888,587
Expenditures								
Salaries and Benefits	6,394,288	3,656,681	4,435,103	4,935,773	-	7,229,561	2,302,078	28,953,484
Interest	-	3,288	152,843	2,071,013	-	530,502	-	2,757,646
Materials	1,740,465	1,382,224	2,056,352	6,557,961	10,000	2,841,049	360,157	14,948,208
Contracted Services	1,084,202	6,561,935	1,585,785	2,998,723	-	601,102	247,649	13,079,396
Rents	-	-	48,559	-	-	-	-	48,559
Amortization	320,984	493,352	4,270,082	7,517,211	-	2,218,378	18,353	14,838,360
Total Expenditures	9,539,939	12,097,480	12,548,724	24,080,681	10,000	13,420,592	2,928,237	74,625,653
Net revenue (deficit)	\$1,915,819	\$630,838	\$6,936,290	\$2,279,277	\$ -	\$2,984,992	\$515,718	\$15,262,934

The Corporation of the Town of New Tecumseth

Schedule 1 - Consolidated Schedule of Accumulated Surplus

Year Ended December 31

2024

2023

Reserve funds set aside by Council		
Sustainability	\$ 6,444,818	\$ 7,341,645
Developer commitments	<u>38,901</u>	<u>56,427</u>
Total reserve funds	<u>6,483,719</u>	<u>7,398,072</u>
Reserves set aside by Council		
General	6,550,451	6,561,645
Legislative	628,110	338,351
Financing proceeds	458,571	1,068,001
Grant funding	1,148,693	1,061,104
Committees	590,097	543,540
Bequest agreements	249,121	224,057
Developer commitments	544,421	575,238
Library	922,727	902,813
Asset replacement	<u>34,842,084</u>	<u>33,291,651</u>
Total reserves	<u>45,934,275</u>	<u>44,566,400</u>
Total reserve funds and reserves	<u>52,417,994</u>	<u>51,964,472</u>
Surpluses (deficits)		
Invested in tangible capital assets	425,743,266	406,698,156
Transfer of assets held for sale	476,488	476,488
Operations surplus	300,001	300,001
Alliston Business Improvement Area	240,029	222,154
Beeton Tottenham Business Improvement Area	27,650	21,420
Unfunded		
Employee benefits and post-employment liabilities	(6,708,221)	(6,345,768)
Debt associated with tangible capital assets	(59,530,144)	(65,252,969)
Unfunded short-term debt	(48,522,619)	(33,345,160)
Asset retirement obligation	(872,353)	(855,249)
Unfunded building permit revenue	(711,006)	-
Debenture interest accrual	<u>(386,615)</u>	<u>(433,557)</u>
Total surpluses	<u>310,056,476</u>	<u>301,485,516</u>
Accumulated surplus	<u>\$ 362,474,470</u>	<u>\$ 353,449,988</u>

The Corporation of the Town of New Tecumseth
Schedule 2 - Consolidated Schedule of Tangible Capital Assets

December 31, 2024

Cost	<u>2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>2024</u>
Land	\$ 47,842,059	\$ -	\$ -	\$ 47,842,059
Land improvements	21,567,164	691,326	-	22,258,490
Buildings	183,453,081	22,839,818	-	206,292,899
Machinery and equipment	9,306,442	700,604	(12,248)	9,994,798
Vehicles	18,226,991	6,388,222	(1,312,965)	23,302,248
Library collection and materials	665,155	111,544	(127,231)	649,468
Roads, bridges, underground and other networks	<u>291,113,505</u>	<u>3,880,614</u>	<u>-</u>	<u>294,994,119</u>
	572,174,397	34,612,128	(1,452,444)	605,334,081
Assets under construction	<u>31,991,388</u>	<u>19,223,648</u>	<u>(19,141,908)</u>	<u>32,073,128</u>
	\$ <u>604,165,785</u>	\$ <u>53,835,776</u>	\$ <u>(20,594,352)</u>	\$ <u>637,407,209</u>

(Assets under construction -Disposal represents transfer to respective asset classes)

Accumulated amortization	<u>2023</u>	<u>Amortization</u>	<u>Disposals</u>	<u>2024</u>
Land improvements	\$ 9,273,542	\$ 945,100	\$ -	\$ 10,218,642
Buildings	90,324,088	6,514,950	-	96,839,038
Machinery and equipment	6,350,157	684,825	(12,248)	7,022,734
Vehicles	10,795,086	1,337,900	(1,278,595)	10,854,391
Library collection and materials	412,232	105,849	(127,231)	390,850
Roads, bridges, underground and other networks	<u>80,312,524</u>	<u>6,025,764</u>	<u>-</u>	<u>86,338,288</u>
	\$ <u>197,467,629</u>	\$ <u>15,614,388</u>	\$ <u>(1,418,074)</u>	\$ <u>211,663,943</u>

Net book value	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>
		<u>Cost</u>	<u>Accumulated amortization</u>	
Land	\$ 47,842,059	\$ 47,842,059	\$ -	\$ 47,842,059
Land improvements	12,293,622	22,258,490	10,218,642	12,039,848
Buildings	93,128,993	206,292,899	96,839,038	109,453,861
Machinery and equipment	2,956,285	9,994,798	7,022,734	2,972,064
Vehicles	7,431,905	23,302,248	10,854,391	12,447,857
Library collection and materials	252,923	649,468	390,850	258,618
Roads, bridges, underground and other networks	<u>210,800,981</u>	<u>294,994,119</u>	<u>86,338,288</u>	<u>208,655,831</u>
	374,706,768	605,334,081	211,663,943	393,670,138
Assets under construction	<u>31,991,388</u>	<u>32,073,128</u>	<u>-</u>	<u>32,073,128</u>
	\$ 406,698,156	\$ 637,407,209	\$ 211,663,943	\$ 425,743,266