

**CORPORATION OF THE
TOWN OF WASAGA BEACH**

COUNTY OF SIMCOE

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2021

CORPORATION OF THE TOWN OF WASAGA BEACH

DECEMBER 31, 2021

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CORPORATION OF THE TOWN OF WASAGA BEACH

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL REPORT

The accompanying consolidated financial statements of the The Corporation of the Town of Wasaga Beach ("the Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian public sector accounting standards, established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. Council meets with management and the external auditor 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 Baker Tilly SGB LLP, the independent external auditor appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

Chief Administrative Officer
June 23, 2022

Treasurer
June 23, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the The Corporation of the Town of Wasaga Beach:

Opinion

We have audited the consolidated financial statements of the The Corporation of the Town of Wasaga Beach ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2021, and its consolidated results of operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 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 Municipality'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 Municipality'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 Municipality 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.

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.

Baker Tilly SGB LLP

Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
June 23, 2022

CORPORATION OF THE TOWN OF WASAGA BEACH

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

| | 2021 | 2020 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Financial assets | | |
| Cash and cash equivalents (Note 8) | 30,684,962 | 13,095,937 |
| Guaranteed investments (Note 8) | 22,165,315 | 26,079,417 |
| Portfolio investments (Note 7) | 31,372,015 | 30,198,941 |
| Taxes receivable | 3,364,173 | 2,803,341 |
| Water and sewer billings receivable | 1,504,541 | 1,501,532 |
| Accounts receivable | 5,321,663 | 3,099,706 |
| Local improvements receivable (Note 9) | 942,195 | 1,281,092 |
| Note receivable from government business enterprise (Note 20) | 3,593,269 | 3,593,269 |
| Investment in government business enterprise (Note 20) | 17,689,800 | 17,117,516 |
| Assets held for resale (Note 10) | 356,500 | - |
| | 116,994,433 | 98,770,751 |
| Liabilities | | |
| Temporary loans (Note 12) | 3,000,000 | - |
| Accounts payable and accruals | 15,965,778 | 8,047,745 |
| Developer deposits | 5,414,350 | 5,344,530 |
| Deferred revenue - obligatory reserve funds and other (Note 11) | 27,706,211 | 24,648,824 |
| Long-term liabilities (Note 13) | 12,324,447 | 13,169,599 |
| Employee future benefits (Note 15) | 1,311,100 | 1,182,700 |
| | 65,721,886 | 52,393,398 |
| Net financial assets | 51,272,547 | 46,377,353 |
| Non-financial assets | | |
| Tangible capital assets - net (Schedule 2 and Note 3) | 276,762,590 | 258,831,155 |
| Prepaid expenses | 172,893 | 99,442 |
| | 276,935,483 | 258,930,597 |
| Accumulated surplus (Note 16) | 328,208,030 | 305,307,950 |

Approved _____ Mayor

June 23, 2022 _____ Date

See accompanying notes to the financial statements

CORPORATION OF THE TOWN OF WASAGA BEACH

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

| | Budget 2021 \$ (Note 2) | Actual 2021 \$ | Actual 2020 \$ |
|--|----------------------------------|----------------------|----------------------|
| Revenues | | | |
| Net municipal taxation (Note 17) | 26,661,126 | 27,547,201 | 25,104,772 |
| Payments in lieu of taxation | 564,264 | 564,264 | 565,616 |
| User charges | 9,076,950 | 10,520,782 | 9,565,286 |
| Government grants | 1,801,110 | 2,346,789 | 2,476,027 |
| Payments from other municipalities | 165,500 | 135,335 | 86,408 |
| Contributions from deferred revenue - obligatory reserve funds and other (Note 11) | 891,040 | 200,307 | 32,051 |
| Investment (Note 7 and 8) | 258,010 | 597,834 | 545,943 |
| Penalties and interest on taxes | 425,000 | 430,451 | 371,557 |
| Other (Note 18) | 2,120,810 | 2,333,124 | 2,024,215 |
| | 41,963,810 | 44,676,087 | 40,771,875 |
| Expenses | | | |
| General government | 3,873,710 | 2,027,311 | 2,208,078 |
| Protection to persons and property | 10,621,220 | 11,890,127 | 11,801,703 |
| Transportation | 6,816,510 | 9,616,532 | 9,096,572 |
| Environmental | 6,132,730 | 9,389,308 | 7,832,222 |
| Recreation and cultural | 5,392,250 | 5,422,889 | 5,100,152 |
| Planning and development | 3,006,890 | 2,961,496 | 3,041,434 |
| Health, social and family | 233,240 | 272,557 | 367,065 |
| | 36,076,550 | 41,580,220 | 39,447,226 |
| Net revenues | 5,887,260 | 3,095,867 | 1,324,649 |
| Other | | | |
| Grants and transfers related to capital | | | |
| User charges | 2,866,240 | 757,326 | 115,607 |
| Government grants | 743,900 | 2,640,706 | 20,863 |
| Payments from other municipalities | - | 87,622 | 20,670 |
| Contributions from deferred revenue - obligatory reserve funds and other (Note 11) | 20,899,420 | 11,259,275 | 6,850,594 |
| Investment (Note 7 and 8) | 320,000 | 483,318 | 352,322 |
| Other (Note 18) | 200,000 | 41,500 | 20,250 |
| Gain on disposal of tangible capital assets | - | 46,757 | 88,798 |
| Contributed tangible capital assets (Note 3) | - | 3,474,599 | 624,124 |
| Income from government business enterprise (Note 20) | 500,000 | 1,013,110 | 689,718 |
| | 25,529,560 | 19,804,213 | 8,782,946 |
| Annual surplus (Note 19) | 31,416,820 | 22,900,080 | 10,107,595 |
| Accumulated surplus, beginning of year | 305,307,950 | 305,307,950 | 295,200,355 |
| Accumulated surplus, end of year (Note 16) | 336,724,770 | 328,208,030 | 305,307,950 |

See accompanying notes to the financial statements

CORPORATION OF THE TOWN OF WASAGA BEACH

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31

| | Budget 2021 | Actual 2021 | Actual 2020 |
|---|----------------|---------------------|----------------|
| | \$ (Note 2) | \$ | \$ |
| Annual surplus | 31,416,820 | 22,900,080 | 10,107,595 |
| Acquisition of tangible capital assets | (53,342,180) | (22,899,751) | (14,380,146) |
| Amortization of tangible capital assets | - | 7,512,134 | 7,159,718 |
| Gain on disposal of tangible capital assets | - | (46,757) | (88,798) |
| Proceeds on disposal of tangible capital assets | - | 621,038 | 109,272 |
| Contributed tangible capital assets | - | (3,474,599) | (624,124) |
| Change in prepaid expenses | - | (73,451) | 218,282 |
| Reallocation of assets held for resale | - | 356,500 | - |
| Change in net financial assets | (21,925,360) | 4,895,194 | 2,501,799 |
| Net financial assets, beginning of year | 46,377,353 | 46,377,353 | 43,875,554 |
| Net financial assets, end of year | 24,451,993 | 51,272,547 | 46,377,353 |

See accompanying notes to the financial statements

CORPORATION OF THE TOWN OF WASAGA BEACH

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

| | 2021 | 2020 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Cash flows from (for): | | |
| Operating activities | | |
| Annual surplus | 22,900,080 | 10,107,595 |
| Non-cash items: | | |
| Change in government business enterprise (Note 20) | (572,284) | (163,892) |
| Amortization of tangible capital assets | 7,512,134 | 7,159,718 |
| Employee future benefits | 128,400 | 101,000 |
| Contributed tangible capital assets | (3,474,599) | (624,124) |
| Gain on disposal of tangible capital assets | (46,757) | (88,798) |
| | 26,446,974 | 16,491,499 |
| Changes in: | | |
| Taxes receivable | (560,832) | (160,510) |
| Water and sewer billings receivable | (3,009) | (100,615) |
| Accounts receivable | (1,837,730) | (754,285) |
| Accounts payable and accruals | 7,701,988 | 2,050,080 |
| Developer deposits | 69,820 | 1,450,751 |
| Prepaid expenses | (73,451) | 218,282 |
| Net change in cash from operations | 31,743,760 | 19,195,202 |
| Capital activities | | |
| Acquisition of tangible capital assets | (22,899,751) | (14,380,146) |
| Proceeds on disposal of tangible capital assets | 621,038 | 109,272 |
| Accounts receivable related to tangible capital assets | (384,227) | (1,060,200) |
| Accounts payable related to tangible capital assets | 216,044 | 138,831 |
| Local improvements receivable | 338,897 | 354,886 |
| Net change in cash from capital | (22,107,999) | (14,837,357) |
| Investing activities | | |
| Portfolio investments | (1,173,073) | (562,732) |
| Guaranteed investments | 3,914,102 | (3,085,902) |
| Net change in cash from investing | 2,741,029 | (3,648,634) |
| Financing activities | | |
| Long-term liabilities repaid | (845,152) | (787,730) |
| Long-term liabilities assumed | - | 518,679 |
| Deferred revenue - obligatory reserve funds and other | 3,057,387 | 1,721,720 |
| Temporary loans assumed | 3,000,000 | - |
| Net change in cash from financing | 5,212,235 | 1,452,669 |
| Net change in cash position | 17,589,025 | 2,161,880 |
| Cash and cash equivalents, beginning of year | 13,095,937 | 10,934,057 |
| Cash and cash equivalents, end of year (Note 8) | 30,684,962 | 13,095,937 |

See accompanying notes to the financial statements

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

Nature of operations

The Corporation of the Town of Wasaga Beach ("the Municipality") 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.

1. Summary of significant accounting policies

The consolidated financial statements have been prepared by management of the Municipality in accordance with Canadian generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board (PSAB) of The Chartered Professional Accountants of Canada.

The focus of PSAB consolidated financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of all committees of Council and the following organizations which are accountable to, and owned or controlled by, the Municipality:

Corporation of the Town of Wasaga Beach Public Library Board

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

In addition, the consolidated financial statements include the consolidated operations of Geosands Inc. as disclosed in Note 20. This government business enterprise (GBE) is accounted for using the modified equity method. Under this method, the enterprise's accounting principles are not adjusted to conform with those of the Municipality and inter-organizational transactions are not eliminated.

(b) Basis of accounting

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

(c) Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term, highly liquid financial instruments with a maturity of three months or less from the date of acquisition.

Cash equivalents and guaranteed investments are recorded at cost which approximates fair market value.

(d) Assets held for resale

Assets held for resale are stated at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the assets for sale.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

1. Summary of significant accounting policies (continued)

(e) Portfolio investments

Portfolio investments are recorded at cost plus accrued interest less amortization of purchase premium discounts.

(f) 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 annual surplus, provides the consolidated change in net financial assets for the year.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|-------------------------|-----------------------------|
| Land improvements | - 10 years to infinite life |
| Buildings | - 10 to 100 years |
| Machinery and equipment | - 2 to 25 years |
| Vehicles | - 5 to 20 years |
| Linear assets | - 3 to 100 years |

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Construction in progress is not amortized until the asset is available for productive use.

Linear assets represent roads, bridges, sidewalks and water and wastewater infrastructure.

(g) Deferred revenue

Revenue restricted by legislation, regulation, or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for the specified purpose.

(h) County and school boards

The Municipality collects taxation revenue on behalf of the school boards and the County of Simcoe. 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 consolidated financial statements.

(i) Segment disclosures

Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Net municipal taxation revenue has been allocated to segments based on budget.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

1. Summary of significant accounting policies (continued)

(j) Taxation and related revenues

Municipal tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessments and the related municipal taxes are subject to appeal. Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For municipal taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of allowance for anticipated uncollectible amounts.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(k) Government grants

Government grants are recognized in the consolidated financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Conditional government grants are recognized to the extent the conditions imposed on them have been fulfilled. Unconditional government grants are recognized when monies are receivable. Government grants for acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made. Grants are recognized as deferred revenue when grant stipulations give rise to a liability. Grant revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled.

(l) Revenue recognition

Fees for water and waste water usage are recorded as user charges in the period service is provided. Connection fee revenues are recognized when the connection has been established.

Subdivider contributions and fees for services (included in user charges and other revenues) are recognized over the period of service or when required expenditures occur if applicable.

Investment income (other than on obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances. Revenue from the obligatory reserve funds is recognized in the year in which eligible expenditures are made.

Other user charges, payments from other municipalities and other revenues are recognized as invoiced if collection is reasonably assured.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

1. Summary of significant accounting policies (continued)

(m) Pension plan

The Municipality offers a pension plan for its full-time employees through the Ontario Municipal Employee Retirement System ("OMERS"). OMERS is a multi-employer, contributory, public sector pension fund established for employees of municipalities, local boards and school boards in Ontario. Participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Municipality accounts for its participation in OMERS as a defined contribution plan and recognizes the expense related to this plan as contributions are made, even though OMERS is itself a defined benefit plan.

(n) Other post-employment benefits

Employee future benefits other than pension provided by the Municipality include medical, dental and vision benefits. These plans provide benefits to employees when they are no longer providing active service. Employee future benefit expense is recognized in the period in which the employees render services on an accrual basis.

The accrued benefit obligations and the current service costs are calculated using the projected benefit method, prorated on service, and based on assumptions that reflect management's best estimates. The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period. Past service costs arising from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. The excess of the net actuarial gains or losses over 10% of the accrued benefit obligation is amortized to expense over the average remaining service period of active employees to full eligibility.

(o) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards 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 consolidated financial statements and the reported amounts of revenues and expenses during the year. Significant estimates have been made of historical cost and useful lives of tangible capital assets and employee future benefits. Actual results could differ from those estimates.

2. Budget amounts

The operating budget is reflected on the consolidated statement of operations, consolidated statement of change in net financial assets and Schedule 1. The budget amounts are those approved by Council for 2021 with adjustments to include amortization expense, which is not budgeted for annually. The budgets established for 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 the current year's actual expenditure amounts.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

3. Tangible capital assets

Schedule 2 provides information on the tangible capital assets of the Municipality by major asset class, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(a) Construction in progress

Construction in progress with a value of \$16,956,969 (2020 - \$13,212,795) has not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) 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 \$3,474,599 (2020 - \$624,124).

(c) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values have been assigned.

(d) Amortization

Amortization expense for the year totaled \$7,512,134 (2020 - \$7,159,718).

4. Contingencies

(a) In the ordinary course of business, various claims and lawsuits are brought against the Municipality. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any payment made by the Municipality pursuant to claims, lawsuits or expropriations will be charged in the year of settlement.

(b) Annually, the Municipality is unable to estimate its Ontario Provincial Police adjustment. As a result, any adjustment is recorded in the year in which it is received or paid.

5. Development and letters of credit

As part of various developments, the Municipality has received letters of credit to cover the costs of completing these projects. Letters of credit held by the Municipality at December 31, 2021 were \$46,589,726 (2020 - \$23,049,788).

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

6. Commitments

- (a) The Municipality has an agreement with Floyd Sinton Limited for the operation of the Municipality's buses. The previous contract, which expired July 31, 2021, has been renewed for one year ending July 31, 2022. Total future payments on the remaining contract is \$524,073.
- (b) The Municipality has a servicing agreement with the Ontario Clean Water Agency to operate and maintain the Wasaga Beach Water Treatment Plant and Water Control Pollution Plant for a term of ten (10) years ending on December 31, 2025 with a renewal option for successive five (5) year terms. The Municipality paid the Ontario Clean Water Agency \$1,201,884 in 2021 and will increase by annual insurance and Consumer Price Index adjustments in subsequent years.
- (c) The Municipality has entered into a Stipulated Price Contract for the construction of a new Twin Pad Arena and Library. The stipulated price is \$43,480,000 excluding taxes (HST). The total contract price including estimated non-refundable HST of \$765,248 is \$44,245,248. The project is currently underway and is expected to be substantially completed by June 2023.

The Municipality has entered into a contract with a project management firm for the new Twin Pad Arena and Library. The project manager oversees contractual and scheduling obligations between the General Contractor and the Architect for the construction project. The project management contract amount is \$625,720.

The Municipality has entered into a contract with an architect company for the design work related to the new Twin Pad Arena and Library. The architect contract amount is \$3,274,200.

7. Portfolio investments

Portfolio investments include fixed income federal, provincial and corporate bonds, rated by S&P at a risk level of AA or higher in accordance with the Municipality's investment policy. The bond portfolio investments balance is reduced by \$65,110 (2020 - \$289,532) of purchase premiums. Also included in portfolio investments are investments held in The ONE Investment Program. It is designed specifically for the municipal and broader Ontario public sector. The investments held within the Program are valued at their purchase cost, plus any reinvested income earned.

Investments include:

| | 2021 | | 2020 | |
|------------------------------------|-------------------|-------------------|------------|--------------|
| | Book Value | Market Value | Book Value | Market Value |
| Bond Portfolio Investments | 16,546,892 | 16,682,980 | 16,058,013 | 17,014,391 |
| <i>ONE Fund Investments</i> | | | | |
| Bond Portfolio | 3,964,135 | 3,764,501 | 3,898,171 | 3,819,653 |
| Universal Corporate Bond Portfolio | 5,152,226 | 4,989,055 | 5,055,481 | 5,110,306 |
| Equities Portfolio | 5,708,762 | 8,896,194 | 5,187,277 | 7,375,466 |
| | 31,372,015 | 34,332,730 | 30,198,942 | 33,319,816 |

Investment income earned on the bond portfolio investments during the year was \$492,672 (2020 - \$107,648). Investment income earned in the ONE Fund portfolio during the year was \$780,626 (2020 - \$641,052). Of the above amounts, \$434,758 (2020 - \$434,468) was recorded as investment income in the obligatory reserve funds.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

8. Cash, cash equivalents and guaranteed investments

Cash, cash equivalents and guaranteed investments total as follows:

| | 2021 | 2020 |
|---------------------------|------------|------------|
| | \$ | \$ |
| Cash and cash equivalents | 30,684,962 | 13,095,937 |
| Guaranteed investments | 22,165,315 | 26,079,417 |
| | 52,850,277 | 39,175,354 |

The total is comprised of unrestricted and restricted amounts as follows:

| | \$ | \$ |
|---------------------------------------|------------|------------|
| Unrestricted | 25,144,066 | 14,526,530 |
| Restricted - obligatory reserve funds | 27,706,211 | 24,648,824 |
| | 52,850,277 | 39,175,354 |

Cash and cash equivalents includes cash held in financial institutions.

Guaranteed investments consist of 5 non-redeemable GICs with maturity dates between February 2022 and August 2025, earning interest rates ranging from 1.25% to 1.90% per annum. It also includes two Principal Protected Notes with maturity dates of August 2027 and 2029, bearing interest at 4.00% per annum. The 2020 balance consisted of 8 non-redeemable GICs with maturity dates between February 12, 2021 and October 3, 2022, earning interest rates of 1.25% to 3.00% per annum.

Restricted cash and guaranteed investments relate to obligatory reserve funds as described in Note 11.

The available line of credit has a limit of \$2,000,000. Interest is paid on outstanding balances at a rate of prime less 0.75%. As of year end the balance was \$NIL (2020 - \$NIL).

9. Local improvements receivable

Benefiting land owners of local improvements had the option to pay for their share of the cost in full or finance over increments of 5, 10, 15 or 20 years. Interest rates on the receivable balance range from 1.50% to 6.50% per annum.

10. Assets held for resale

Included in assets held for resale is land on Ramblewood Drive. The assets are recorded at their net book value as of December 31, 2021.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

11. Deferred revenue - obligatory reserve funds and other

A requirement of the public sector accounting principles of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change during the year in the restricted deferred revenue balances is made up as follows:

| | 2021 | 2020 |
|---|--------------|-------------|
| | \$ | \$ |
| Deferred revenue, beginning of year | 24,648,823 | 22,927,104 |
| New deposits: | | |
| Government grants | 3,078,559 | 2,300,319 |
| Private sources | 13,842,461 | 5,869,577 |
| Investment income | 552,702 | 434,468 |
| Transfers to revenue | (14,416,334) | (6,882,645) |
| Deferred revenue, end of year | 27,706,211 | 24,648,823 |
| | 2021 | 2020 |
| | \$ | \$ |
| Obligatory reserve funds: | | |
| Development Charges Act | 19,952,450 | 18,397,047 |
| Recreational land | 690,795 | 528,903 |
| Federal and Provincial gas tax allocation | 3,273,830 | 3,829,753 |
| Building Code Act | 1,705,753 | 1,106,557 |
| Other: | | |
| Government grants | 1,461,963 | 695,192 |
| Library and Arena donations | 621,420 | 91,371 |
| | 27,706,211 | 24,648,823 |

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

12. Temporary loans

The Municipality has a financing agreement in place with Ontario Infrastructure and Lands Corporation ('OILC') whereby OILC made long-term financing available up to a maximum of \$36,500,000 for the acquisition of tangible capital assets related to the Main Street Bridge and New Arena/Library Building infrastructure projects.

Each advance shall be due and payable in full on the earlier of the facility termination date (defined as the earlier of September 29, 2026 and the date on which the obligations of OILC have been terminated) or the debenture purchase date for the project(s) for which the advance was made. The advance will be repaid by a) using immediately available funds; b) converting the advance into long-term financing by issuing to OILC one or more debentures in a principal amount at least equal to the advance to be repaid; or c) any combination of (a) and (b).

Interest is calculated at a floating rate per annum based on OILC's cost of funds plus their prevailing spread assigned to the borrower section for the program delivery costs and risks. Interest costs during construction have been included in the cost of tangible capital assets.

As at December 31, 2021 the Municipality has received \$3,000,000 (2020 - \$NIL) in advances from OILC related to this agreement for the Main Street Bridge. Subsequent to year end this portion of the temporary loan was converted to a debenture in accordance with the agreement. The terms at the time of conversion are bi-annual payments of \$320,838 each for principal and interest, bearing interest at a rate of 2.48%, maturing March 2027.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

13. Long-term liabilities

(a) Long-term liabilities consist of the following:

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | \$ | \$ |
| OILC debenture for the purchase of a fire pumper truck, 2.06% interest, semi-annual blended payments of \$54,851 principal and interest, due March 2025. | 368,617 | 469,170 |
| Toronto Dominion bank loan for the purchase of beachfront properties, 3.163% interest, monthly blended payments of \$33,310 principal and interest, due May 2025. | 5,576,830 | 5,795,429 |
| OILC debenture for the purchase of beachfront properties, 3.28% interest, monthly payments of \$23,000 plus interest, due July 2040. | 5,129,000 | 5,405,000 |
| OILC debenture for the retrofit of streetlights with LED light bulbs, 2.21% interest, semi-annual payments of \$125,000 plus interest, due July 2026. | 1,250,000 | 1,500,000 |
| | 12,324,447 | 13,169,599 |

(b) Principal, interest and total debt payments for the next 5 years are as follows:

| | Principal | Interest | Total |
|----------------|-------------------|------------------|-------------------|
| | \$ | \$ | \$ |
| 2022 | 856,231 | 369,526 | 1,225,757 |
| 2023 | 864,667 | 346,514 | 1,211,181 |
| 2024 | 873,891 | 323,156 | 1,197,047 |
| 2025 | 5,454,658 | 210,407 | 5,665,065 |
| 2026 | 526,000 | 132,021 | 658,021 |
| and thereafter | 3,749,000 | 840,840 | 4,589,840 |
| | 12,324,447 | 2,222,464 | 14,546,911 |

The above long-term liabilities issued in the name of the Municipality have been approved through by-laws. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

14. Pension agreements

The employees of the Municipality participate in the Ontario Municipal Employees Retirement System ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Municipality cannot be identified. The Municipality has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. Amounts paid to OMERS for 2021 were \$1,128,723 (2020 - \$1,075,201) for current service.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The most recent actuarial valuation of the Plan was conducted at December 31, 2021.

15. Employee future benefits

The Municipality pays certain post-retirement benefits on behalf of its retired employees, including extended health and dental coverage. The Municipality recognizes these post-retirement costs in the period in which the employees rendered the services. The accrued benefit obligation at December 31, 2021 of \$1,746,700 and the net periodic benefit cost were determined by an actuarial valuation dated March 15, 2021. Actuarial valuations will be prepared every third year or when there are significant changes to the workforce.

Information about the Municipality's obligation for employee future benefits is as follows:

| | 2021 | 2020 |
|---|-----------|-----------|
| | \$ | \$ |
| Accrued plan liability, beginning of year | 1,182,700 | 1,081,700 |
| Current service cost | 111,900 | 87,200 |
| Interest cost | 38,500 | 48,100 |
| Amortization of actuarial loss | 58,200 | 40,900 |
| Benefits paid for the period | (80,200) | (75,200) |
| Accrued plan liability, end of year | 1,311,100 | 1,182,700 |
| Unrecognized actuarial loss | 435,600 | 493,800 |
| Accrued benefit obligation, end of year | 1,746,700 | 1,676,500 |

The main actuarial assumptions employed for the valuation were as follows:

(a) General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 2.5% in 2021 (2020 - 2.0%) and thereafter.

(b) Interest (discount) rate

The obligation as at December 31, 2021 of the present value of future liabilities and the expense, was determined using an annual discount rate of 2.2% (2020 - 2.2%). This corresponds to the assumed CPI rate plus an assumed real rate of return of 2.5% (2020 - 2.5%).

(c) Health care costs

Health care costs were assumed to increase 6.2% in 2021 (2020 - 6.9%) and 6.1% in 2022, 6.0% in 2023.

(d) Dental costs

Dental costs were assumed to increase 4.0% in 2021 (2020 - 4.0%) and thereafter.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

16. Accumulated surplus

The accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

| | 2021 | 2020 |
|--|-------------|-------------|
| | \$ | \$ |
| Surplus: | | |
| Investment in tangible capital assets | 261,438,144 | 245,661,556 |
| Assets held for resale | 356,500 | - |
| Reserves set aside for specific purposes by Council | | |
| Working funds | 1,412,398 | 1,240,561 |
| Government business enterprise | 3,593,269 | 3,593,269 |
| Water and wastewater | 24,880,817 | 23,868,321 |
| Operating | 3,146,896 | 2,864,739 |
| Tax rate stabilization | 1,327,117 | 1,200,604 |
| Acquisition of tangible capital assets | 13,933,722 | 9,295,796 |
| Total reserves | 48,294,219 | 42,063,290 |
| Reserve funds set aside for specific purposes by Council | | |
| Acquisition of tangible capital assets | 429,367 | 465,588 |
| Investment in government business enterprises (Note 20) | 17,689,800 | 17,117,516 |
| Total accumulated surplus | 328,208,030 | 305,307,950 |

17. Net municipal taxation

Net municipal taxation consists of:

| | 2021 | 2020 |
|--|--------------|--------------|
| | \$ | \$ |
| Taxation revenue | 49,606,699 | 46,328,820 |
| Amount levied and remitted to School Boards | (9,083,885) | (8,943,495) |
| Amount levied and remitted to the County of Simcoe | (12,975,613) | (12,280,553) |
| Net municipal taxation | 27,547,201 | 25,104,772 |

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

18. Other revenues

Other revenues on the consolidated statement of operations consists of the following:

| | 2021 | 2020 |
|--|------------------|------------------|
| | \$ | \$ |
| Rent and concessions | 782,646 | 707,136 |
| Licences and permits | 1,154,899 | 955,320 |
| Fines | 277,872 | 356,315 |
| Donations and sale of small land parcels | 159,207 | 25,694 |
| | 2,374,624 | 2,044,465 |

19. Annual surplus transferred to reserves

A reconciliation between adjusted annual surplus as transferred to reserves and recorded annual surplus as per the consolidated statements is reflected below. The need for this is generated by the actual recorded results complying with PSAB reporting requirements.

| | 2021 | 2020 |
|---|------------------|------------------|
| | \$ | \$ |
| Recorded annual surplus as per consolidated statement of operations | 22,900,080 | 10,107,595 |
| Change in government business enterprise | (572,284) | (163,892) |
| Amortization of tangible capital assets | 7,512,134 | 7,159,715 |
| Gain on disposal of tangible capital assets | (46,757) | (88,798) |
| Proceeds on disposal of tangible capital assets | 621,038 | 109,272 |
| Tangible capital asset additions | (26,374,350) | (15,004,270) |
| Issuance of debentures and temporary loans | 3,000,000 | 518,679 |
| Principal payments on long-term liabilities | (845,152) | (787,730) |
| Annual surplus transferred to reserves | 6,194,709 | 1,850,571 |

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

20. Government business enterprise (GBE)

The following balances represent the consolidation of Geosands Inc., Wasaga Distribution Inc., Wasaga Genco Inc. and Wasaga Resource Services Inc. for the year ended December 31. The following operations are included in the consolidated statement of operations, accounted for on a modified equity basis:

| | Notes | 2021 | 2020 |
|---|-------|---------------------|--------------|
| | | \$ | \$ |
| Total assets | | 33,081,847 | 30,192,793 |
| Total liabilities | (a) | (14,983,471) | 13,075,277 |
| Net assets | | 18,098,376 | 43,268,070 |
| Common shares | | 2,745,596 | 2,745,596 |
| Miscellaneous paid-in capital | | 5,175,468 | 5,175,468 |
| Retained income | | 9,768,736 | 9,196,452 |
| Investment in government business enterprise | | 17,689,800 | 17,117,516 |
| Total revenues | (b) | 24,497,467 | 26,496,459 |
| Total expenditures | | (23,620,183) | (25,942,567) |
| Net income for the year | | 877,284 | 553,892 |
| Dividends | | (305,000) | (390,000) |
| Change in investment in government business enterprise equity | | 572,284 | 163,892 |
| Income from government business enterprise: | | | |
| Change in investment in GBE equity | (c) | 572,284 | 163,892 |
| Dividends | (d) | 305,000 | 390,000 |
| Interest on note receivable | (e) | 135,826 | 135,826 |
| | | 1,013,110 | 689,718 |

(a) Note receivable from Wasaga Distribution Inc.

Geosands' liabilities include a note receivable from Wasaga Distribution Inc., repayable to the Municipality, in the amount of \$3,593,269 (2020 - \$3,593,269), which has no fixed terms of principal repayment. Interest is determined on the principal amount outstanding on the 30th day following December 31st of each year in which principal is owing. The note bears interest at the rate approved by the Ontario Energy Board (OEB) in connection with the the current decision and order issued by the OEB approving the electricity distribution rates that Wasaga Distribution Inc. is permitted to recover. Interest may be receivable in cash or in additional common shares issued by the government business enterprise. The interest rate during the year was 3.78% (2020 - 3.78%).

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

20. Government business enterprise (GBE) (continued)

(b) Rent revenue

Included in total revenue of the GBE is rental income from the Municipality. In 2011, a lease agreement was entered into with Wasaga Distribution Inc., effective January 1, 2012 for the construction of a fire hall on a portion of the land owned by Wasaga Distribution Inc. The Municipality was charged rent of \$32,054 (2020 - \$26,426). Rent will increase by the same percentage as the Consumer Price Index for the first ten years. On the eleventh year of the lease there will be a revaluation of rent based on fair market value. The term of the lease is forty years, including options for two extensions of twenty years.

(c) Change in investment in government business enterprise equity

Change in investment in government business enterprise equity represents the annual increase or decrease in the retained earnings of Geosands Inc., Wasaga Distribution Inc. and Wasaga Resources Services Inc., after eliminating any intercompany transactions between the three companies. The amount of change in retained earnings is calculated as the companies' annual net income, less any dividends paid to the Municipality. The amount retained by those companies is determined by their Board of Directors, in their anticipation of investments in property, plant and equipment and their cash requirements to effectively operate the companies. The Municipality only receives cash from the investment in the government business enterprise when dividends are declared as described in (d) below.

(d) Dividends

During the year the Municipality received \$305,000 (2020 - \$390,000) cash in the form of dividends from Geosands Inc. The amount of dividends paid each year is determined by the Board of Directors of Wasaga Resources Services Inc., Wasaga Distribution Inc. and Geosands Inc. based on their annual earnings, their anticipated amount of investment required in property, plant and equipment and their available cash flow.

(e) Interest on note receivable

During the year the Municipality received \$135,826 (2020 - \$135,826) cash in the form of interest from the note receivable from Wasaga Distribution Inc., as described in (a) above.

21. Trust funds

Trust funds administered by the Municipality amounting to \$239,482 (2020 - \$231,907) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations. The trust funds are comprised of the following:

| | 2021 | 2020 |
|---|---------|---------|
| | \$ | \$ |
| Cemetery Pre-Need | 27,541 | 31,279 |
| Cemetery Perpetual Care and Maintenance | 211,941 | 200,629 |

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

22. COVID-19

Subsequent to December 31, 2020 the COVID-19 pandemic was declared by the World Health Organization and thus had a significant impact on the finances and services of the Town. At the time of these consolidated financial statements, the Town of Wasaga Beach has undertaken the following in responding to the COVID-19 pandemic:

- Throughout the pandemic the Town offices remained open for staff to continue working. The offices were open to the public with the exception of limited access for closures during the period of March 17 to June 8, 2020. The Library reopened June 23. Limited access also took place from December 26 to February 17 201. Curbside pickups were in effect when the offices were closed to public access.
- Regular monthly Committee meetings such as Coordinated Committee, Committee of the Whole and Council meetings continued to take place through virtual meetings. Advisory Committees were delayed, functioned virtually or temporarily stopped. Subsequent to December 31, 2021, the Province began slowly re-opening and lifting restrictions related to the pandemic. As a result, the Town has begun to have in person meetings internally, and Council members are back in Chambers. Open session meetings continue to be held virtually for staff and public participation.
- Some staff were redeployed to other departments where work was needed.
- Minimal short-term layoffs were part of cost containment measures.
- Revenue from Recreation Rental facilities was impacted throughout most of 2021.
- Recreation programs were cancelled or reduced.
- Several events (Fire external training, Parades, Mayor's Golf Tournament) were cancelled with some virtual initiatives implemented to replace the cancelled events.
- Some services were made available online to ensure residents can still access services.
- Adapted Recreational Programming to ensure residents had safe alternatives to conventional programming. Revenues did decline but programs were implemented to ensure active, engaged municipal services continued.
- Significant staff time was used for communications and adoption of business practices to ensure resident services continued.
- Significant changes in office and staff work protocols implemented to support government protocols to stop the spread of COVID while ensuring services remained in place.
- Facility improvements were put in place to meet regulations and protect staff and public from potential sources of COVID.

At this time COVID-19 continues to impact the Town. The extent of the impact, duration and severity on the financial position and operations of the Town is unknown at this time, however, with the re-opening of the province, financial impacts are declining. The financial grants received from the Province have adequately supported the Town's financial impact.

CORPORATION OF THE TOWN OF WASAGA BEACH

SCHEDULE 1 SCHEDULE OF LIBRARY OPERATIONS FOR THE YEAR ENDED DECEMBER 31

| | Budget 2021 | Actual 2021 | Actual 2020 |
|--|----------------|----------------|----------------|
| | \$ (Note 2) | \$ | \$ |
| Revenue | | | |
| Government grants | 32,180 | 42,859 | 37,683 |
| Contribution from municipality | 837,070 | 818,317 | 671,419 |
| Rents, fines, program and miscellaneous fees | 7,930 | 3,941 | 3,741 |
| Donations | 1,500 | 1,496 | 979 |
| | 878,680 | 866,613 | 713,822 |
| Expenses | | | |
| Salaries, wages and benefits | 718,530 | 714,848 | 623,197 |
| Contracted services | 18,000 | 27,816 | 21,045 |
| Materials and supplies | 120,140 | 116,989 | 61,855 |
| Memberships and training | 7,250 | 4,429 | 6,517 |
| Interest on long-term liabilities | 13,260 | - | - |
| | 877,180 | 864,082 | 712,614 |
| Annual surplus | 1,500 | 2,531 | 1,208 |
| Accumulated surplus, beginning of the year | 383,060 | 383,060 | 381,852 |
| Accumulated surplus, end of the year | 384,560 | 385,591 | 383,060 |

The supplemental information provided above has been extracted from the records of the Municipality and is included in the consolidated statement of operations.

CORPORATION OF THE TOWN OF WASAGA BEACH

SCHEDULE 2 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31

| | Land | Land Improvements | Buildings | Machinery and Equipment | Vehicles | Linear Assets | Construction in Progress | 2021 Total | 2020 Total |
|---------------------------------|------------|----------------------|------------|----------------------------|------------|---------------|-----------------------------|---------------------|---------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost | | | | | | | | | |
| Balance, beginning of year | 42,919,748 | 14,254,799 | 52,452,521 | 11,399,786 | 12,534,193 | 224,732,325 | 13,212,794 | 371,506,166 | 358,694,857 |
| Additions | 218,000 | 594,388 | 423,983 | 796,541 | 1,550,173 | 19,047,090 | 14,041,326 | 36,671,501 | 15,389,676 |
| Disposals | - | - | (189,247) | (477,081) | (528,460) | (1,217,095) | (10,297,151) | (12,709,034) | (2,578,367) |
| Write downs | - | - | (715,719) | - | - | - | - | (715,719) | - |
| Transfers | (356,500) | - | - | - | - | - | - | (356,500) | - |
| Balance, end of year | 42,781,248 | 14,849,187 | 51,971,538 | 11,719,246 | 13,555,906 | 242,562,320 | 16,956,969 | 394,396,414 | 371,506,166 |
| Accumulated amortization | | | | | | | | | |
| Balance, beginning of year | - | 4,335,464 | 23,583,908 | 4,994,869 | 7,627,158 | 72,133,612 | - | 112,675,011 | 107,687,780 |
| Amortization | - | 358,306 | 1,108,878 | 717,601 | 913,239 | 4,414,110 | - | 7,512,134 | 7,159,718 |
| Disposals | - | - | (457,193) | (466,195) | (526,449) | (1,103,484) | - | (2,553,321) | (2,172,487) |
| Balance, end of year | - | 4,693,770 | 24,235,593 | 5,246,275 | 8,013,948 | 75,444,238 | - | 117,633,824 | 112,675,011 |
| Net book value, end of year | 42,781,248 | 10,155,417 | 27,735,945 | 6,472,971 | 5,541,958 | 167,118,082 | 16,956,969 | 276,762,590 | 258,831,155 |

See accompanying notes to the financial statements

CORPORATION OF THE TOWN OF WASAGA BEACH

SCHEDULE 3 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2021

| | General Government | Protection to Persons and Property | Transportation | Environmental | Recreation and Cultural | Planning and Development | Health, Social and Family | Total |
|---|-----------------------|--|--------------------|------------------|----------------------------|-----------------------------|---------------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | | | | |
| Net municipal taxation | 2,720,991 | 9,553,130 | 5,713,770 | 1,460,200 | 5,484,700 | 2,541,650 | 72,760 | 27,547,201 |
| Payments in lieu of taxation | 564,264 | - | - | - | - | - | - | 564,264 |
| User charges | 90,711 | 12,573 | 1,817,480 | 7,826,975 | 309,540 | 390,240 | 73,263 | 10,520,782 |
| Government grants | 1,938,830 | 15,586 | 231,042 | - | 63,718 | 26,473 | 71,140 | 2,346,789 |
| Payments from other municipalities | - | 45,085 | - | - | 10,250 | 80,000 | - | 135,335 |
| Contributions from deferred revenue - obligatory reserve funds and other | 27,544 | - | - | 162,763 | 10,000 | - | - | 200,307 |
| Investment | 597,834 | - | - | - | - | - | - | 597,834 |
| Penalties and interest on taxes | 430,451 | - | - | - | - | - | - | 430,451 |
| Other | 42,258 | 1,010,407 | 417,658 | 71,856 | 158,451 | 624,049 | 8,445 | 2,333,124 |
| | 6,412,883 | 10,636,781 | 8,179,950 | 9,521,794 | 6,036,659 | 3,662,412 | 225,608 | 44,676,087 |
| Expenses | | | | | | | | |
| Salaries, wages and employee benefits | 1,300,997 | 5,547,856 | 3,590,685 | 1,630,818 | 3,384,890 | 1,194,297 | 130,711 | 16,780,254 |
| Interest on long-term liabilities | - | 8,463 | 30,186 | - | - | 352,531 | - | 391,180 |
| Materials and supplies | 309,970 | 564,324 | 1,605,055 | 2,715,428 | 1,101,255 | 379,081 | 70,381 | 6,745,494 |
| Rents, financial expenses and external transfers | 153,049 | 321,871 | 240,570 | 158,273 | 126,033 | 261,311 | 1,364 | 1,262,471 |
| Contracted services | 119,809 | 5,062,328 | 1,090,748 | 1,840,364 | 170,637 | 555,154 | 49,647 | 8,888,687 |
| Amortization of tangible capital assets | 143,486 | 385,285 | 3,059,288 | 3,044,425 | 640,074 | 219,122 | 20,454 | 7,512,134 |
| | 2,027,311 | 11,890,127 | 9,616,532 | 9,389,308 | 5,422,889 | 2,961,496 | 272,557 | 41,580,220 |
| Net revenues (expenses) | 4,385,572 | (1,253,346) | (1,436,582) | 132,486 | 613,770 | 700,916 | (46,949) | 3,095,867 |
| Other | | | | | | | | |
| Grants and transfers related to capital | | | | | | | | |
| User charges | - | - | 357,264 | 400,062 | - | - | - | 757,326 |
| Government grants | 31,675 | 46,869 | 2,562,162 | - | - | - | - | 2,640,706 |
| Payments from other municipalities | - | - | - | 57,622 | 30,000 | - | - | 87,622 |
| Contributions from deferred revenue - obligatory reserve funds and other | - | 19,143 | 3,445,899 | 2,241,298 | 5,552,935 | - | - | 11,259,275 |
| Investment | - | - | - | 483,318 | - | - | - | 483,318 |
| Other | 40,700 | - | - | - | 800 | - | - | 41,500 |
| Gain on disposal of tangible capital assets | (5,160) | (10,886) | (31,429) | (10,207) | 472,359 | (367,920) | - | 46,757 |
| Contributed tangible capital assets | - | - | 1,370,804 | 1,957,795 | 146,000 | - | - | 3,474,599 |
| Income from government business enterprise | 1,013,110 | - | - | - | - | - | - | 1,013,110 |
| | 1,080,325 | 55,126 | 7,704,700 | 5,129,888 | 6,202,094 | (367,920) | - | 19,804,213 |
| Annual surplus (deficit) | 5,465,897 | (1,198,220) | 6,268,118 | 5,262,374 | 6,815,864 | 332,996 | (46,949) | 22,900,080 |

See accompanying notes to the financial statements

CORPORATION OF THE TOWN OF WASAGA BEACH

SCHEDULE 4 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2020

| | General Government | Protection to Persons and Property | Transportation | Environmental | Recreation and Cultural | Planning and Development | Health, Social and Family | Total |
|---|-----------------------|--|------------------|------------------|----------------------------|-----------------------------|---------------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | | | | |
| Net municipal taxation | 1,468,172 | 9,376,740 | 6,211,870 | 547,820 | 4,805,980 | 2,627,160 | 67,030 | 25,104,772 |
| Payments in lieu of taxation | 565,616 | - | - | - | - | - | - | 565,616 |
| User charges | 66,511 | 57,678 | 1,326,862 | 7,189,799 | 328,345 | 545,936 | 50,155 | 9,565,286 |
| Government grants | 2,107,781 | 3,920 | 256,503 | - | 65,123 | - | 42,700 | 2,476,027 |
| Payments from other municipalities | - | 27,858 | - | - | - | 50,000 | 8,550 | 86,408 |
| Contributions from deferred revenue - obligatory reserve funds and other | 14,344 | - | - | 15,423 | 2,284 | - | - | 32,051 |
| Investment | 545,943 | - | - | - | - | - | - | 545,943 |
| Penalties and interest on taxes | 371,557 | - | - | - | - | - | - | 371,557 |
| Other | 38,451 | 933,404 | 337,671 | 85,062 | 64,989 | 556,148 | 8,490 | 2,024,215 |
| | 5,178,375 | 10,399,600 | 8,132,906 | 7,838,104 | 5,266,721 | 3,779,244 | 176,925 | 40,771,875 |
| Expenses | | | | | | | | |
| Salaries, wages and employee benefits | 1,329,301 | 5,297,228 | 3,503,348 | 1,491,206 | 3,190,787 | 1,328,485 | 146,198 | 16,286,553 |
| Interest on long-term liabilities | - | 5,342 | 38,049 | - | - | 369,736 | - | 413,127 |
| Materials and supplies | 217,918 | 680,820 | 1,449,036 | 1,709,121 | 915,024 | 360,565 | 63,173 | 5,395,657 |
| Rents, financial expenses and external transfers | 131,733 | 300,873 | 221,694 | 140,940 | 58,604 | 268,606 | 8,154 | 1,130,604 |
| Contracted services | 389,147 | 5,174,421 | 1,070,936 | 1,566,915 | 282,787 | 447,752 | 129,609 | 9,061,567 |
| Amortization of tangible capital assets | 139,979 | 343,019 | 2,813,509 | 2,924,040 | 652,950 | 266,290 | 19,931 | 7,159,718 |
| | 2,208,078 | 11,801,703 | 9,096,572 | 7,832,222 | 5,100,152 | 3,041,434 | 367,065 | 39,447,226 |
| Net revenues (expenses) | 2,970,297 | (1,402,103) | (963,666) | 5,882 | 166,569 | 737,810 | (190,140) | 1,324,649 |
| Other | | | | | | | | |
| Grants and transfers related to capital | | | | | | | | |
| User charges | - | - | - | 115,607 | - | - | - | 115,607 |
| Government grants | - | - | 20,863 | - | - | - | - | 20,863 |
| Payments from other municipalities | - | - | - | 20,670 | - | - | - | 20,670 |
| Contributions from deferred revenue - obligatory reserve funds and other | - | - | 3,792,494 | 2,862,404 | 195,696 | - | - | 6,850,594 |
| Investment | - | - | - | 352,322 | - | - | - | 352,322 |
| Other | 1,650 | - | - | - | 18,600 | - | - | 20,250 |
| Gain on disposal of tangible capital assets | - | 4,144 | 35,622 | 26,373 | 22,659 | - | - | 88,798 |
| Contributed tangible capital assets | - | - | 214,805 | 277,319 | 132,000 | - | - | 624,124 |
| Income from government business enterprise | 689,718 | - | - | - | - | - | - | 689,718 |
| | 691,368 | 4,144 | 4,063,784 | 3,654,695 | 368,955 | - | - | 8,782,946 |
| Annual surplus (deficit) | 3,661,665 | (1,397,959) | 3,100,118 | 3,660,577 | 535,524 | 737,810 | (190,140) | 10,107,595 |

See accompanying notes to the financial statements