

The District Municipality of
Muskoka
Consolidated Financial Statements
For the year ended December 31, 2020

The District Municipality of Muskoka
Consolidated Financial Statements
For the year ended December 31, 2020

Contents

Management Responsibility for the Consolidated Financial Statements

Independent Auditor's Report

Consolidated Financial Statements

Consolidated Statement of Financial Position 2

Consolidated Statement of Operations 3

Consolidated Statement of Changes in Net Financial Assets 4

Consolidated Statement of Cash Flows 5

Summary of Significant Accounting Policies 6 - 9

Notes to Consolidated Financial Statements 10 - 26

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The District Municipality of Muskoka (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District's 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 financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the 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 District. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the District's consolidated financial statements.



Chief Administrative Officer



Treasurer/Commissioner Finance & Corporate Services

August 9, 2021



Tel: 705-495-2000
Fax: 705-495-2001
Toll-Free: 800-461-6324
www.bdo.ca

BDO Canada LLP
101 McIntyre Street W
Suite 301
North Bay ON P1B 2Y5 Canada

Independent Auditor's Report

To the Members of Council, Residents and Ratepayers of
The District Municipality of Muskoka

Opinion

We have audited the consolidated financial statements of The District Municipality of Muskoka and its subsidiaries (the District), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations, changes in net financial assets and cash flows 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 consolidated financial position of the District as at December 31, 2020, and its results of operations, its change in net financial assets, 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 Consolidated Financial Statements section of our report. We are independent of the District 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 the 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 District'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 District or to cease operations, or has no realistic alternative but to do so.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
August 9, 2021

**The District Municipality of Muskoka
Consolidated Statement of Financial Position**

| December 31 | 2020 | 2019 |
|--|-----------------------|-----------------------|
| Financial assets | | |
| Cash and cash equivalents (Note 1) | \$ 73,765,682 | \$ 62,155,408 |
| Investments (Note 2) | 133,040,180 | 122,597,525 |
| Trade and other receivables | 12,793,477 | 11,235,401 |
| Long-term receivables (Notes 3 and 6) | 31,970,184 | 34,765,361 |
| Inventory for resale | 115,142 | 99,924 |
| | <u>251,684,665</u> | <u>230,853,619</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 35,225,997 | 32,785,759 |
| Employee future benefits payable (Note 4) | 770,845 | 667,423 |
| Deferred revenue - obligatory reserves (Note 1) | 19,163,155 | 20,913,047 |
| Deferred revenue - other (Note 1) | 1,933,882 | 2,503,941 |
| Landfill closure and post-closure costs (Note 5) | 14,233,774 | 10,735,719 |
| Municipal debt (Note 6) | 78,900,354 | 85,664,374 |
| Mortgages payable (Note 7) | 2,859,371 | 3,679,167 |
| | <u>153,087,378</u> | <u>156,949,430</u> |
| Net financial assets | <u>98,597,287</u> | <u>73,904,189</u> |
| Non-financial assets | | |
| Tangible capital assets (Note 8) | 534,264,660 | 520,493,782 |
| Inventories of supplies | 892,074 | 958,832 |
| Prepaid expenses | 1,251,475 | 1,406,144 |
| | <u>536,408,209</u> | <u>522,858,758</u> |
| Accumulated surplus (Note 9) | <u>\$ 635,005,496</u> | <u>\$ 596,762,947</u> |

Contingent assets and liabilities (Note 12)
Subsequent Events (Note 15)
Global Pandemic Impacts (Note 16)

The District Municipality of Muskoka
Consolidated Statement of Operations

| For the year ended December 31 | Budget 2020 (Note 10) | Actual 2020 | Actual 2019 |
|--|-----------------------------|-----------------------|-----------------------|
| Revenue | | | |
| Requisition on area municipalities | \$ 103,938,787 | \$ 104,598,613 | \$ 101,278,805 |
| User charges | 33,364,732 | 32,838,820 | 32,925,966 |
| Government transfers | 37,286,348 | 44,486,839 | 39,379,050 |
| Investment income | 2,196,518 | 9,830,261 | 2,932,438 |
| Federal and provincial gas tax (Note 1) | 2,002,565 | 3,799,825 | 1,839,883 |
| Ontario Community Infrastructure Fund (Note 1) | 3,466,100 | 2,849,228 | 342,306 |
| Development charges (Note 1) | 2,420,536 | 3,237,116 | 1,069,418 |
| Provincial Offences Act (Note 11) | 1,184,800 | 680,155 | 1,157,301 |
| Other | 96,700 | 2,430,172 | 1,933,111 |
| | <u>185,957,086</u> | <u>204,751,029</u> | <u>182,858,278</u> |
| Expenses (Note 17) | | | |
| General government | 9,610,074 | 9,700,380 | 9,446,764 |
| Protection to persons and property | 17,158,181 | 17,247,099 | 17,530,226 |
| Transportation services | 27,300,023 | 26,075,017 | 28,130,533 |
| Environmental services | 51,614,036 | 51,193,483 | 48,855,705 |
| Health services | 14,238,759 | 13,981,723 | 13,315,948 |
| Social and family services | 40,766,717 | 39,715,863 | 39,485,361 |
| Social housing | 6,569,037 | 6,489,188 | 6,275,849 |
| Planning and development | 2,128,602 | 2,105,727 | 2,496,658 |
| | <u>169,385,429</u> | <u>166,508,480</u> | <u>165,537,044</u> |
| Annual surplus | 16,571,657 | 38,242,549 | 17,321,234 |
| Accumulated surplus, beginning of year | 596,762,947 | 596,762,947 | 579,441,713 |
| Accumulated surplus, end of year | <u>\$ 613,334,604</u> | <u>\$ 635,005,496</u> | <u>\$ 596,762,947</u> |

The District Municipality of Muskoka
Consolidated Statement of Changes in Net Financial Assets

| For the year ended December 31 | Budget 2020 (Note 10) | Actual 2020 | Actual 2019 |
|--|-----------------------------|----------------------|----------------------|
| Annual surplus | \$ 16,571,657 | \$38,242,549 | \$ 17,321,234 |
| Acquisition of tangible capital assets | (59,013,250) | (44,571,072) | (37,153,440) |
| Contributed tangible capital assets | - | (1,397,445) | (340,795) |
| Amortization of tangible capital assets | 31,765,271 | 31,608,648 | 31,152,775 |
| Loss (gain) on disposal of tangible capital assets | - | (51,381) | (215,691) |
| Proceeds on disposal of tangible capital assets | - | 132,414 | 320,566 |
| Write off of construction in progress | - | 507,959 | 50,365 |
| | <u>(10,676,322)</u> | <u>24,471,672</u> | <u>11,135,014</u> |
| Change in supplies inventory | - | 66,757 | (57,291) |
| Change in prepaid expenses | - | 154,669 | 93,800 |
| | <u>-</u> | <u>221,426</u> | <u>36,509</u> |
| Increase in net financial assets | (10,676,322) | 24,693,098 | 11,171,523 |
| Net financial assets, beginning of year | <u>73,904,189</u> | <u>73,904,189</u> | <u>62,732,666</u> |
| Net financial assets, end of year | \$ 63,227,867 | \$ 98,597,287 | \$ 73,904,189 |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

The District Municipality of Muskoka
Consolidated Statement of Cash Flows

| For the year ended December 31 | 2020 | 2019 |
|--|----------------------|----------------------|
| Operating transactions | | |
| Annual surplus | \$ 38,242,549 | \$ 17,321,234 |
| Non-cash items: | | |
| Amortization of tangible capital assets | 31,608,648 | 31,152,775 |
| Loss (gain) on disposal of tangible capital assets | (51,381) | (215,691) |
| Contributed tangible capital assets | (1,397,445) | (340,795) |
| Write off of construction in progress | 507,959 | 50,365 |
| Landfill closure and post-closure costs | 3,498,055 | 3,003,680 |
| | <u>72,408,385</u> | <u>50,971,568</u> |
| Changes in non-cash assets and liabilities | | |
| Trade and other receivables | (1,558,076) | 687,390 |
| Inventories for resale | (15,218) | (5,116) |
| Accounts payable and accrued liabilities | 2,440,237 | 6,093,952 |
| Pensions and other employee benefits | 103,422 | 102,925 |
| Deferred revenue | (2,319,951) | 6,866,735 |
| Inventories of supplies | 66,758 | (57,291) |
| Prepaid expenses | 154,669 | 93,800 |
| | <u>71,280,226</u> | <u>64,753,963</u> |
| Capital transactions | | |
| Proceeds on disposal of tangible capital assets | 132,414 | 320,566 |
| Acquisition of tangible capital assets | (44,571,072) | (37,153,440) |
| | <u>(44,438,658)</u> | <u>(36,832,874)</u> |
| Investing transactions | | |
| Purchase of Investments | (10,442,655) | (193,865) |
| Financing transactions | | |
| Proceeds from loan to Township of Lake of Bays | 61,670 | 58,732 |
| Repayments of mortgages payable | (819,796) | (852,078) |
| Repayments of municipal debt | (4,030,513) | (7,797,658) |
| | <u>(4,788,639)</u> | <u>(8,591,004)</u> |
| Increase in cash and cash equivalents | 11,610,274 | 19,136,220 |
| Cash and cash equivalents, beginning of year | <u>62,155,408</u> | <u>43,019,188</u> |
| Cash and cash equivalents, end of year | <u>\$ 73,765,682</u> | <u>\$ 62,155,408</u> |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

The District Municipality of Muskoka Summary of Significant Accounting Policies

December 31, 2020

Management's Responsibility for the Financial Statements

The consolidated financial statements of The District Municipality of Muskoka ("District") are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards. The District Municipality of Muskoka is an upper-tier municipality in the province of Ontario.

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenditures and surplus of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the District and which are owned or controlled by the District.

The financial information relating to The Pines Long Term Care Residence and the Muskoka Municipal Non-Profit Housing Corporation is included in these consolidated financial statements.

Basis of Accounting

The consolidated financial statements have been prepared using Canadian public sector accounting standards.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and temporary investments having a maturity of less than three months from date of acquisition and are held for the purpose of meeting short-term cash commitments.

Inventory for Resale

Inventory for resale consists of fuel inventory at the Muskoka Airport and is recognized as a financial asset as it is held for resale. It is measured and recorded at the lower of cost and net realizable value. Cost includes all acquisition costs incurred in bringing the inventory to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

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.

The District Municipality of Muskoka Summary of Significant Accounting Policies

December 31, 2020

| | |
|--------------------------|--|
| Post Retirement Benefits | The District is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The District has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. |
| Non-financial Assets | Non-financial assets are used to provide the District's services in future periods. These assets do not normally provide resources to discharge the liabilities of the District unless they are sold. The District's non-financial assets include tangible capital assets, inventories held for consumption or use and prepaid expenses. |
| Inventory | Inventories of supplies held for consumption are recorded at the lower of cost and net realizable value. |
| Use of Estimates | The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the District may undertake in the future. The principal estimates used in the preparation of these consolidated financial statements relate to the determination of the valuation allowance for accounts receivables, the landfill closure and post-closure costs, employee future benefits, the allowance for tax revenue reductions and the estimated useful life of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future. |

The District Municipality of Muskoka Summary of Significant Accounting Policies

December 31, 2020

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue.

Amortization, excluding land and landfill capacity, is recorded on a straight-line basis over the estimated life of the tangible capital asset. Land is considered to have an infinite life without amortization, landfill capacity is amortized based on the annual rate of consumption. Residual values of assets are assumed to be zero and any revenues arising from the disposal of assets are recognized in the consolidated statement of operations. Amortization is based on six months for the year of acquisition regardless of the month acquired and annual thereafter. Assets under construction are not amortized until the asset is in service.

According to the accounting rules of the Ministry of Municipal Affairs and Housing, non-profit housing land and the original building are recorded at cost and amortized at the amount of the principal payment of the mortgage each year. Any improvements are expensed in the year rather than being amortized over their estimated useful lives. Amortization is based on the following classifications and useful lives:

| Classification | Useful Life (Years) |
|--------------------------------------|--|
| Site improvements | 10 to 25 years |
| Structures | 20 to 50 years |
| Leasehold improvements | term of lease |
| Equipment | 3 to 20 years |
| Fleet | 4 to 20 years |
| Roads | 15 to 50 years |
| Airport | 10 to 20 years |
| Locks | 10 to 40 years |
| Water | 10 to 50 years |
| Wastewater | 10 to 50 years |
| Lagoons | 10 to 20 years |
| Non-profit housing land and building | principal debt payment or 30 years straight line |

The District Municipality of Muskoka Summary of Significant Accounting Policies

December 31, 2020

Revenue Recognition

The District recognizes taxation revenue on an annual basis using total assessment values for the year and annually establishes tax rates as imposed by municipalities within the District. Property assessment values are provided by the Municipal Property Assessment Corporation and tax rates are established and approved by members of Council.

Government transfers are recognized as revenue in the year in which events that give rise to the transfer occur, providing that the transfers are authorized, any eligibility criteria have been met, and the amounts can be reasonably estimated. Transfers consist of grants and subsidies received for various operating and capital programs.

User charges and other revenue are recognized as revenue when the services are provided and there is reasonable assurance of collection.

Provincial offences act fine revenue is recorded as funds are received, due to the uncertainty of collections and measurement of the receivables.

Reserve and Reserve Funds

The District follows the practice of allocating surpluses into reserves and reserve funds that are retained for general and specific purposes. These reserve and reserve funds make up a portion of the accumulated surplus as disclosed in Note 9 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.

The District Municipality of Muskoka Notes to Consolidated Financial Statements

December 31, 2020

1. Deferred Revenue

Deferred grant revenue arises when grants received are conditional upon eligible expenses being incurred and where amounts received in advance have not been fully expended on eligible expenses.

The balance of deferred revenue reported on the consolidated statement of financial position is made up of the following:

| | 2020 | 2019 |
|--|---------------|---------------|
| Deferred revenue - obligatory reserve funds | | |
| Development Charges Act | \$ 9,295,797 | \$ 9,111,993 |
| Federal Gas Tax | 5,361,645 | 7,225,496 |
| Ontario Community Infrastructure Fund (OCIF) | 4,404,553 | 4,563,679 |
| Ontario Gas Tax | 101,160 | 11,879 |
| | 19,163,155 | 20,913,047 |
| Deferred revenue - other | | |
| Community services and health services | 1,674,296 | 1,757,806 |
| Social housing | 9,273 | 448,655 |
| Public works | 59,598 | 59,597 |
| Planning | 42,323 | 48,703 |
| Other | 148,392 | 189,180 |
| | 1,933,882 | 2,503,941 |
| | \$ 21,097,037 | \$ 23,416,988 |

The net change during the year in the deferred revenue - obligatory reserve fund balances is made up as follows:

| | Development Charges Act | Federal & Ontario Gas Tax | OCIF | Total |
|---|----------------------------|------------------------------|--------------|--------------|
| Deferred revenue - obligatory reserve funds, beginning of year | \$ 9,111,993 | \$ 7,237,375 | 4,563,679 | 20,913,047 |
| Funds received during the year | 3,285,659 | 1,922,694 | 2,616,152 | 7,824,505 |
| Interest earned | 135,261 | 102,561 | 73,950 | 311,772 |
| Funds used during the year | (3,237,116) | (3,799,825) | (2,849,228) | (9,886,169) |
| Deferred revenue - obligatory reserve funds, end of year | \$ 9,295,797 | \$ 5,462,805 | \$ 4,404,553 | \$19,163,155 |

The District Municipality of Muskoka
Notes to Consolidated Financial Statements

December 31, 2020

1. Deferred Revenue (continued)

The interest earned is included as investment income on the consolidated statement of operations. The Development Charges Act, Federal and Provincial Gas Tax and OCIF funds used during the year of \$3,237,116, \$3,799,825 and \$2,849,228 are included in revenues.

The above funds held as deferred revenue are restricted in their use by their respective legislation. Included in cash and cash equivalents at year end is \$21,097,037 (2019 - \$23,416,988) relating to these funds.

2. Investments

| | 2020 | 2019 |
|----------------------------|---------------|----------------|
| GIC's and short-term notes | \$ 939,567 | \$ 1,470,938 |
| Bonds | 73,130,588 | 90,363,858 |
| Equities | 45,307,728 | 27,999,928 |
| Debentures and other (i) | 13,662,297 | 2,762,801 |
| | \$133,040,180 | \$ 122,597,525 |

Investments are stated at cost, with investment duration ranging from 1 month to 5 or more years and yields ranging from 0.84% to 2.5%. The market value at December 31, 2020 is \$137,623,907 (2019 - \$128,810,519).

(i) Included in Debentures and other is \$2,529,527 (2019 - \$2,759,488) of the District's own Debentures (issued by the District Municipality of Muskoka) with a face value of \$2,414,000 (2019 - \$2,619,000).

3. Long-Term Receivables

| | 2020 | 2019 |
|---|---------------|---------------|
| Debt for which other municipalities and municipal enterprises have assumed responsibility at terms equal to those described in Note 6 (i) | \$ 31,970,184 | \$ 34,765,361 |

(i) All of the above receivables related to municipal debt obtained by the District with the exception of a receivable from Lake of Bays in the amount of \$Nil (2019 - \$61,670).

The District Municipality of Muskoka
Notes to Consolidated Financial Statements

December 31, 2020

4. Employee Future Benefits Payable

Workplace Safety and Insurance Board

The District self-insures its employees under schedule 2 of the WSIB. The District employees at the Pines Long Term Care facility are insured under schedule 1 of the WSIB.

Within the Workers Compensation & Employee Self-Insured Benefits reserve in Note 9, the District has set aside funds of \$5,236,888 (2019 - \$4,501,815) to fund future liabilities.

The liability reported in the consolidated statement of financial position is the result of a 2018 actuarial update that estimated potential liabilities of the District under the provisions of the Workplace Safety and Insurance Act.

Actuarial assumptions adopted in the valuation include an average discount rate of 3.75% and Consumer Price index of 1.75%.

The results of the actuarial valuation are as follows:

| | 2020 | 2019 |
|--|-------------------|-------------------|
| WSIB Liability | | |
| Accrued benefit obligation at January 1 | \$ 667,423 | \$ 564,498 |
| Add: | | |
| Benefit/service cost | 172,049 | 166,993 |
| Interest | 26,471 | 22,673 |
| Less: expected benefit payments | (95,098) | (86,741) |
| Expected accrued benefit obligation at December 31 | <u>\$ 770,845</u> | <u>\$ 667,423</u> |

The District Municipality of Muskoka
Notes to Consolidated Financial Statements

December 31, 2020

5. Landfill Closure and Post-Closure Liability

Solid waste landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final cover and landscaping of the landfills, management of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance.

The liability for the landfill site is recorded at \$14,233,774 (2019 - \$10,735,719) which represents the present value of closure and post-closure costs using an estimated long-term borrowing rate of 4% (2019 - 4%) and inflation rate of 2% (2019 - 2%). The liability is recorded based on the remaining capacity of active sites, the estimated costs of final closure at closed sites and estimated monitoring costs for a period of 25 years. The total estimated future expenditures, representing the sum of the discounted future cash flows for closure and post-closure care, are \$19,345,300 leaving an amount to be recognized of \$5,111,526.

The District is in the process of assessing all sites closed prior to the District's assumption of waste management powers within Muskoka. When individual sites are identified for remedial work, a capital project is created. To date, six sites have been identified for remedial work, the cost of which is included in the closure and post-closure liability.

The District Municipality of Muskoka
Notes to Consolidated Financial Statements

December 31, 2020

6. Municipal Debt

The balance of municipal debt reported on the consolidated statement of financial position is made up of the following:

| | 2020 | 2019 |
|---|--------------|---------------|
| Total municipal debt incurred on behalf of the District, other municipalities and municipal enterprises outstanding at year end | \$78,900,354 | \$ 85,664,374 |
| Less: debt for which other municipalities and municipal enterprises have assumed responsibility for at same terms as the related debt | (31,970,184) | (34,703,691) |
| | \$46,930,170 | \$ 50,960,683 |

The above municipal debt matures between November 2019 and December 2041 and bears interest between 1.8% and 6.0% per annum with semi-annual payments between \$53,070 and \$736,040.

Municipal debt payments for the next five years and thereafter are due as follows:

| | |
|------------|---------------|
| 2021 | \$ 9,170,478 |
| 2022 | 3,709,886 |
| 2023 | 3,840,095 |
| 2024 | 3,713,639 |
| 2025 | 2,858,760 |
| Thereafter | 23,637,312 |
| | \$ 46,930,170 |

The municipal debt issued in the name of the District has received approval of the Ontario Municipal Board on or before December 31, 1992. Issues after that date have received appropriate approvals from Council. The annual principal and interest payments required to service these liabilities of the District are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

Interest expense on the municipal debt amounted to \$2,295,375 (2019 - \$2,635,040).

The District Municipality of Muskoka
Notes to Consolidated Financial Statements

December 31, 2020

7. Mortgages Payable

The balance of mortgages payable reported on the consolidated statement of financial position is made up of the following:

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Gravenhurst - Lofty Pines, payable \$14,437 monthly including interest at 0.960%, renewal date of Wednesday, September 01, 2021, maturity date of Wednesday, September 01, 2021 | \$ 129,397 | \$ 300,505 |
| Gravenhurst - The Ridge, payable \$14,739 monthly including interest at 1.860%, renewal date of Monday, April 01, 2024, maturity date of Sunday, April 01, 2029 | 1,364,865 | 1,514,930 |
| Huntsville - Sabrina Park, payable \$16,954 monthly including interest at 2.105%, maturity date of Tuesday, March 01, 2022, which will have a balance of \$964,953 remaining to be paid | 1,190,814 | 1,367,294 |
| Bracebridge - 100 Oakwood Heights, payable \$10,501 monthly including interest at 1.010%, maturity date of Thursday, October 01, 2020 | - | 104,503 |
| Bracebridge - 200 Oakwood Heights, payable \$12,181 monthly including interest at 1.010%, maturity date of Thursday, October 01, 2020 | - | 121,222 |
| Bracebridge - 1 Cambrian Court, payable \$8,480 monthly including interest at 2.370%, maturity date of Thursday, September 01, 2022, which will have a balance of \$479,524 remaining to be paid | 174,295 | 270,713 |
| | \$ 2,859,371 | \$ 3,679,167 |

The mortgages payable represent the amount owing on the properties owned by the Muskoka Municipal Non-Profit Housing Corporation. All mortgages are secured by a first mortgage on the land and building they relate to. It is assumed the mortgage will have the same terms upon renewal for the purposes of calculating future mortgage payments.

Mortgage payments for the next four years are due as follows:

| | |
|------|---------------------|
| 2021 | \$ 561,212 |
| 2022 | 1,241,913 |
| 2023 | 158,646 |
| 2024 | 897,600 |
| | \$ 2,859,371 |

The District Municipality of Muskoka
Notes to Consolidated Financial Statements

December 31, 2020

8. Tangible Capital Assets

| For the year ended December 31 | Cost, beginning of year | Additions | Disposals | Cost, end of year | Accumulated amortization, beginning of year | Additions | Disposals | Accumulated amortization end of year | Net carrying amount |
|-----------------------------------|-------------------------------|-------------------|---------------------|----------------------|--|-------------------|--------------------|--|---------------------------|
| General Capital Assets | | | | | | | | | |
| Land | \$ 5,019,348 | \$ - | \$ - | \$ 5,019,348 | \$ - | \$ - | \$ - | \$ - | \$ 5,019,348 |
| Site improvements | 44,167,381 | 62,403 | - | 44,229,784 | 37,209,119 | 1,553,336 | - | 38,762,455 | 5,467,329 |
| Structures | 38,845,096 | 728,440 | - | 39,573,536 | 12,133,554 | 948,358 | - | 13,081,912 | 26,491,624 |
| Leasehold improvements | 618,081 | - | - | 618,081 | 141,105 | 50,208 | - | 191,313 | 426,768 |
| Equipment | 26,129,870 | 1,382,292 | (353,659) | 27,158,503 | 15,752,045 | 1,558,609 | (353,658) | 16,956,996 | 10,201,507 |
| Fleet | 8,927,579 | 1,977,307 | (810,933) | 10,093,953 | 5,551,844 | 914,577 | (753,939) | 5,712,482 | 4,381,471 |
| | <u>123,707,355</u> | <u>4,150,442</u> | <u>(1,164,592)</u> | <u>126,693,205</u> | <u>70,787,667</u> | <u>5,025,088</u> | <u>(1,107,597)</u> | <u>74,705,158</u> | <u>51,988,047</u> |
| Infrastructure Assets | | | | | | | | | |
| Roads | 318,722,666 | 18,479,606 | (1,305,733) | 335,896,539 | 174,036,209 | 12,251,080 | (1,305,733) | 184,981,556 | 150,914,983 |
| Airport | 27,694,732 | - | - | 27,694,732 | 12,955,325 | 578,096 | - | 13,533,421 | 14,161,311 |
| Locks | 6,554,361 | 51,445 | (38,534) | 6,567,272 | 1,560,887 | 163,375 | (38,534) | 1,685,728 | 4,881,544 |
| Water | 222,115,497 | 4,056,965 | (253,395) | 225,919,067 | 106,153,610 | 4,908,017 | (235,923) | 110,825,704 | 115,093,363 |
| Wastewater | 300,213,063 | 7,063,011 | (1,945,082) | 305,330,992 | 145,294,938 | 7,622,393 | (1,938,515) | 150,978,816 | 154,352,176 |
| Lagoons | 7,140,656 | - | - | 7,140,656 | 5,392,170 | 176,650 | - | 5,568,820 | 1,571,836 |
| | <u>882,440,975</u> | <u>29,651,027</u> | <u>(3,542,744)</u> | <u>908,549,258</u> | <u>445,393,139</u> | <u>25,699,611</u> | <u>(3,518,705)</u> | <u>467,574,045</u> | <u>440,975,213</u> |
| Construction in progress | <u>24,954,537</u> | <u>21,692,741</u> | <u>(10,033,650)</u> | <u>36,613,628</u> | - | - | - | - | <u>36,613,628</u> |

The District Municipality of Muskoka
Notes to Consolidated Financial Statements

December 31, 2020

8. Tangible Capital Assets (continued)

| For the year ended December 31 | Cost, beginning of year | Additions | Disposals | Cost, end of year | Accumulated amortization, beginning of year | Additions | Disposals | Accumulated amortization, end of year | Net carrying amount |
|---|-------------------------------|---------------|-----------------|----------------------|--|----------------|----------------|---|---------------------------|
| Non-profit housing land and buildings | | | | | | | | | |
| Gravenhurst | | | | | | | | | |
| - Lofty Pines | 2,960,077 | - | - | 2,960,077 | 2,659,571 | 171,109 | - | 2,830,680 | 129,397 |
| Gravenhurst | | | | | | | | | |
| - The Ridge | 3,811,805 | - | - | 3,811,805 | 2,296,875 | 150,065 | - | 2,446,940 | 1,364,865 |
| Huntsville | 3,766,569 | - | - | 3,766,569 | 2,399,275 | 176,480 | - | 2,575,755 | 1,190,814 |
| Bracebridge - 100 | | | | | | | | | |
| Oakwood Heights | 1,113,496 | - | - | 1,113,496 | 1,008,994 | 104,502 | - | 1,113,496 | - |
| Bracebridge - 200 | | | | | | | | | |
| Oakwood Heights | 1,291,648 | - | - | 1,291,648 | 1,170,427 | 121,221 | - | 1,291,648 | - |
| Bracebridge | | | | | | | | | |
| - 1 Cambrian Court | 3,074,031 | - | - | 3,074,031 | 910,763 | 160,572 | - | 1,071,335 | 2,002,696 |
| | <u>16,017,626</u> | <u>-</u> | <u>-</u> | <u>16,017,626</u> | <u>10,445,905</u> | <u>883,949</u> | <u>-</u> | <u>11,329,854</u> | <u>4,687,772</u> |
| For the year ended December 31, 2020 | \$ 1,047,120,493 | \$ 55,494,210 | \$ (14,740,986) | \$ 1,087,873,717 | \$ 526,626,711 | \$ 31,608,648 | \$ (4,626,302) | \$ 553,609,057 | \$ 534,264,660 |
| For the year ended December 31, 2019 | \$ 1,012,383,463 | \$ 42,681,273 | \$ (7,944,243) | \$ 1,047,120,493 | \$ 498,075,901 | \$ 31,152,775 | \$ (2,601,965) | \$ 526,626,711 | \$ 520,493,782 |

The net book value of tangible capital assets not being amortized because they are under construction is \$36,613,628 (2019 - \$24,954,537).

There were contributed capital assets of \$1,397,445 (2019 - \$340,795). Contributed capital assets are recorded at fair value. No capital assets are recognized at nominal value in the consolidated financial statements.

The District owns various works of art created by local artists which are displayed at various District owned facilities. The works of art are held for exhibition, educational and historical interest. Such assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The cost of art is not determinable or relevant to their significance. No valuation of the collection has been conducted or disclosed in the consolidated financial statements.

The District Municipality of Muskoka
Notes to Consolidated Financial Statements

December 31, 2020

9. Accumulated Surplus

The District segregates its accumulated surplus in the following categories:

| | 2020 | 2019 |
|---|----------------------|-----------------------|
| Reserves set aside by Council | | |
| Working fund | \$ 2,508,813 | \$ 2,508,813 |
| Tax stabilization | 3,080,156 | 2,751,166 |
| General government | 3,664,926 | 4,212,039 |
| | <u>9,253,895</u> | <u>9,472,018</u> |
| Reserve funds set aside by Council | | |
| Workers compensation and employee self-insured benefits | 7,736,304 | 6,749,379 |
| General government | 40,329,928 | 31,030,072 |
| Roads | 28,309,712 | 23,958,160 |
| Sewer | 30,946,370 | 30,127,861 |
| Water | 12,123,876 | 11,553,736 |
| Waste disposal | 12,802,368 | 9,540,632 |
| Health services | 3,177,150 | 2,470,746 |
| Social and family services | 4,911,314 | 4,485,412 |
| Social housing | 3,987,043 | 3,724,337 |
| Planning and development | 697,618 | 773,580 |
| Airport, locks, active transportation | 4,075,184 | 3,132,560 |
| Affordable housing | 3,478,641 | 2,520,520 |
| Muskoka services investment | 552,396 | 527,302 |
| Other housing | 2,355,930 | 2,353,342 |
| | <u>155,483,834</u> | <u>132,947,639</u> |
| Total reserves and reserve funds | <u>164,737,729</u> | <u>142,419,657</u> |
| Surpluses | | |
| Investment in tangible capital assets | 534,264,660 | 520,493,782 |
| Unfinanced tangible capital assets | - | (107,500) |
| Loan from tax stabilization reserve | 750,000 | - |
| Surplus adjustment from other housing | 47,267 | - |
| Unfunded: | | |
| Landfill closure and post-closure liabilities | (14,233,774) | (10,735,719) |
| WSIB obligation | (770,845) | (667,423) |
| Municipal debt (net of long-term municipal receivables) | (46,930,170) | (50,960,683) |
| Mortgages payable | (2,859,371) | (3,679,167) |
| | <u>470,267,767</u> | <u>454,343,290</u> |
| | <u>\$635,005,496</u> | <u>\$ 596,762,947</u> |

The District Municipality of Muskoka Notes to Consolidated Financial Statements

December 31, 2020

10. Budget

The Rate Support Budget was adopted by Council on Monday, December 16, 2019 and confirming by-law 2019-56 was passed on the same date. The Tax Support Budget was adopted by Council on February 18, 2020 and confirming by-law 2020-4 was passed on the same date. The budgets were prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. Council has reviewed and approved the 2020 Reports on Excluded Expenses as required by Ontario Regulation 284/09 which expressly permits municipalities to exclude amortization expense from the budget. The budgets approved by council represents a balanced budget from a cash flow perspective and therefore includes budgeted transfers from prior year's reserves and reduction of long-term debt. In addition, the budgets expensed all tangible capital expenses rather than including amortization expense. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets represent the Financial Plan adopted by Council on Monday, December 16, 2019 and February 18, 2020 with adjustments as follows:

| | Revenues | Expenses | Surplus |
|----------------------------------|-----------------------|-----------------------|----------------------|
| Council approved budget | | | |
| Operating | \$ 177,811,932 | \$ 177,811,932 | - |
| Capital | 57,713,729 | 59,213,729 | (1,500,000) |
| Total Council approved budget | 235,525,661 | 237,025,661 | (1,500,000) |
| Add: | | | |
| Amortization expense | - | 32,802,050 | (32,802,050) |
| Other | 1,621,518 | - | 1,621,518 |
| Less: | | | |
| Transfers from reserve funds | (51,190,093) | - | (51,190,093) |
| Transfers to reserve funds | - | (41,617,569) | 41,617,569 |
| Tangible capital assets | - | (53,032,129) | 53,032,129 |
| Debt principal repayments | - | (4,020,514) | 4,020,514 |
| Net landfill obligation accruals | - | (31,300) | 31,300 |
| Other | - | (1,740,770) | 1,740,770 |
| Adjusted budget | <u>\$ 185,957,086</u> | <u>\$ 169,385,429</u> | <u>\$ 16,571,657</u> |

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statement of operations for comparative purposes. The 2020 budget amounts for the District approved by Council have been restated to conform to the basis of preparation of the revenues and expenses on the consolidated statement of operations.

The District Municipality of Muskoka
Notes to Consolidated Financial Statements

December 31, 2020

11. Provincial Offences Administration (POA)

The Ministry of the Attorney General requires all municipal partners administering Provincial Offences Administration to disclose in the year end audited consolidated financial statements a note on the gross and net provincial offences revenues earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding (MOU) for its 2020 fiscal year with comparative figures for the year 2019:

| | 2020 | 2019 |
|--|------------|--------------|
| Revenue | | |
| Court fines | \$ 680,155 | \$ 1,157,301 |
| Safe Restart Fund - Municipal Operating Stream | 404,890 | - |
| | 1,085,045 | 1,157,301 |
| Expenses | | |
| Computer services | 27,834 | 26,404 |
| Court costs | (18,774) | 17,096 |
| Office expenses | 102,563 | 100,370 |
| Prosecution expenses | 167,135 | 268,635 |
| Rent | 57,065 | 55,945 |
| Salaries and benefits | 352,093 | 349,856 |
| Travel | 2,005 | 3,043 |
| | 689,921 | 821,349 |
| Surplus | \$ 395,124 | \$ 335,952 |

The total provincial offences fine receivables of \$9,895,955 (2019 - \$10,021,791) are not included in the consolidated financial statements or the condensed financial information above. This total includes the portion that would be owed to the province.

12. Contingencies

As a part of the ongoing operations of the District, claims requesting damages are filed against the District. The ultimate outcome of these claims are not determinable at the time of issue of these consolidated financial statements. No provision for these claims has been recorded in these consolidated financial statements. Settlements in excess of insurance, if any, will be reflected in the period in which settlement occurs. Management is of the opinion that adequate insurance coverage is in place for all outstanding matters, should the District be found liable.

The District has a contingent liability (on default) for the mortgages on municipal non-profit, co-operatives and non-for-profit housing corporations for which it is assigned responsibility as service manager by the Act. The amount is \$2,768,361 (2019 - \$3,109,231).

The District Municipality of Muskoka Notes to Consolidated Financial Statements

December 31, 2020

13. Post Retirement Benefits

OMERS provides pension services to more than 500,000 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, 2020. The results of this valuation disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets at that date of \$109,844 million indicating an actuarial deficit of \$3,211 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 District does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the District to OMERS for 2020 were \$3,324,033 (2019 - \$3,149,222).

The District makes contributions of 9% (2019 - 9%) of a qualifying employee's salary up to \$58,700 (2019 - \$57,400) and 14.6% (2019 - 14.6%) thereafter.

14. Trust Funds

Trust funds for The Pines LTC residents, administered by the District amounting to \$17,261 (2019 - \$28,840) have not been included in the consolidated statement of financial position nor have operations been included in the consolidated statement of operations.

15. Subsequent Events

On February 18, 2021, District Council approved and directed the Chief Administrative Officer and the Commissioner of Health Services to take the necessary steps with the Ministry of Long-Term Care (MLTC) to designate 160 beds to The District Municipality of Muskoka (District), making the Fairvern Long-Term Care Home a Municipal home. The MLTC is undertaking the process to designate 160 beds to the District and the process to enter into a redevelopment agreement for the construction of a new Fairvern.

The District Municipality of Muskoka Notes to Consolidated Financial Statements

December 31, 2020

16. Global Pandemic Impacts

The impact of COVID-19 in Canada and on the global economy continued throughout fiscal 2020. The impacts of COVID-19 on the District's citizens, employees, suppliers and other third parties has varied throughout the year and the District continues to comply with Provincial regulations and adapt to changes that continue to occur to how the District operates and meets the needs of its communities to deliver services and projects. The District's ability to continue delivering non-essential services and employ related staff, will depend on legislative mandates from the various levels of government. The District will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

The District Municipality of Muskoka Notes to Consolidated Financial Statements

December 31, 2020

17. Segmented Information

The District Municipality of Muskoka is an upper-tier municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General government

General government revenues and expenses are related to the governance and operations of the District itself and cannot be directly attributed to another specific segment.

Protection to persons and property

Protection provides policing, POA court administration and the emergency management program.

Transportation services

Transportation services administer, upgrade, maintain and plan for future requirements for the District road system and the operation of the Muskoka Airport and Port Carling locks.

Environmental services

Environmental services consist of waste management for the District and the operations of the water and wastewater systems in the urban areas of Muskoka.

Health services

Health services include the cost of the provision of public health services through the Simcoe Muskoka District Health Unit, land ambulance services, hospital capital grants and administration of health strategies and initiatives.

The District Municipality of Muskoka Notes to Consolidated Financial Statements

December 31, 2020

17. Segmented Information (continued)

Community services

Community services administer and deliver community services for the District including the Ontario Works program, various children's services, homelessness prevention programs, assistance to elderly persons and physically disabled adults and a non-profit long-term care facility.

Social housing services

Housing services administer and deliver housing services for the District, including maintaining the centralized waiting list for subsidized housing, managing and operating the District owned properties, administering the rent supplement program and funding and administering the non-profit, co-operative, municipal and federal housing programs in the District.

Planning and development services

Planning and development services include responsibility for the District Official Plan and for the economic development services for the District.

Allocation methods

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are not directly attributable to one segment have been allocated as described below:

- a) Requisition of Area Municipalities (Taxation) have been allocated by percentage based on the approved budget for each segment. There is an allocation of the general levy as well as specific levies for wastewater, water and solid waste. The levies for wastewater, water and solid waste are included under Environment.
- b) Interdepartmental charges are calculated based on estimates of support costs for services to other departments for services such as accounting and based on actual services rendered for services like fleet and communications.

The District Municipality of Muskoka
Notes to Consolidated Financial Statements

December 31, 2020

17. Segmented Information (continued)

| For the year ended December 31 | General Government | Protection | Transportation | Environmental | Health | Community | Social Housing | Planning | 2020 Total |
|--|-----------------------|-------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|
| Revenue | | | | | | | | | |
| Requisition on area municipalities | | \$10,085,258 | \$15,644,573 | \$29,529,986 | \$28,110,442 | \$ 8,289,202 | \$ 8,118,446 | \$ 2,825,431 | \$ 1,995,275 |
| User charges | 1,307,013 | 71,243 | 1,282,465 | 22,056,450 | 2,786 | 5,102,582 | 2,945,763 | 70,518 | 32,838,820 |
| Government transfers | 1,445,484 | 1,012,042 | 154,561 | 3,991,290 | 6,617,407 | 30,337,408 | 834,397 | 94,250 | 44,486,839 |
| Investment income | 3,016,008 | - | 2,264,562 | 3,578,429 | 176,005 | 450,805 | 294,992 | 49,460 | 9,830,261 |
| Federal gas tax | - | - | - | 3,797,790 | - | - | - | - | 3,797,790 |
| Provincial gas tax | - | - | - | 2,035 | - | - | - | - | 2,035 |
| Ontario Community Infrastructure Fund | - | - | - | 2,849,228 | - | - | - | - | 2,849,228 |
| Developer charges | - | - | 1,921,441 | 1,315,675 | - | - | - | - | 3,237,116 |
| Provincial Offences Act | - | 680,155 | - | - | - | - | - | - | 680,155 |
| Other | 267,210 | - | 576,436 | 1,294,491 | - | 240,654 | - | - | 2,378,791 |
| Gain (loss) on disposal of tangible capital assets | 75,652 | - | - | (24,039) | (232) | - | - | - | 51,381 |
| | <u>16,196,625</u> | <u>17,408,013</u> | <u>35,729,451</u> | <u>66,971,791</u> | <u>15,085,168</u> | <u>44,249,895</u> | <u>6,900,583</u> | <u>2,209,503</u> | <u>204,751,029</u> |
| Expenses | | | | | | | | | |
| Salaries and benefits | 7,532,913 | 535,700 | 2,487,186 | 7,560,054 | 10,255,016 | 17,515,168 | 835,143 | 1,253,145 | 47,974,325 |
| Materials | 2,025,511 | 44,577 | 1,881,180 | 5,366,221 | 580,227 | 2,225,931 | 1,324,860 | 17,459 | 13,465,966 |
| Contracted services | 5,148,688 | 16,361,330 | 7,682,924 | 14,818,497 | 284,457 | 5,365,776 | 2,087,698 | 238,745 | 51,988,115 |
| Financial | 141,754 | 3,686 | 31,756 | 47,378 | 454,960 | 368,101 | 50,287 | - | 1,097,922 |
| Transfers to others | - | 21,191 | - | 80,191 | 1,573,759 | 11,639,346 | 875,420 | 328,945 | 14,518,852 |
| Debt services | - | - | - | 2,110,646 | - | 184,729 | 61,222 | - | 2,356,597 |
| Amortization of tangible capital assets | 1,626,938 | - | 12,992,549 | 14,393,224 | 444,814 | 1,063,980 | 1,049,062 | 38,081 | 31,608,648 |
| Interdepartmental charges | (6,775,424) | 280,615 | 999,422 | 3,319,217 | 388,490 | 1,352,832 | 205,496 | 229,352 | - |
| Changes in future liabilities | - | - | - | 3,498,055 | - | - | - | - | 3,498,055 |
| | <u>9,700,380</u> | <u>17,247,099</u> | <u>26,075,017</u> | <u>51,193,483</u> | <u>13,981,723</u> | <u>39,715,863</u> | <u>6,489,188</u> | <u>2,105,727</u> | <u>166,508,480</u> |
| Annual surplus | \$ 6,496,245 | \$ 160,914 | \$ 9,654,434 | \$15,778,308 | \$ 1,103,445 | \$ 4,534,032 | \$ 411,395 | \$ 103,776 | \$38,242,549 |

The District Municipality of Muskoka
Notes to Consolidated Financial Statements

December 31, 2020

17. Segmented Information (continued)

| For the year ended December 31 | General Government | Protection | Transportation | Environmental | Health | Community | Social Housing | Planning | 2019 Total |
|--|-----------------------|--------------------|---------------------|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|
| Revenue | | | | | | | | | |
| Requisition on area municipalities | | \$10,101,745 | \$15,791,166 | \$28,573,253 | \$27,363,794 | \$ 7,990,704 | \$ 6,512,619 | \$ 2,993,501 | \$ 1,952,023 |
| User charges | 1,386,308 | 144,048 | 1,831,871 | 21,276,440 | 8,723 | 5,203,696 | 2,846,711 | 228,169 | 32,925,966 |
| Government transfers | 1,112,800 | 413,932 | 103,108 | 2,042,541 | 5,845,583 | 28,915,593 | 767,747 | 177,746 | 39,379,050 |
| Investment income | 1,253,106 | - | 527,785 | 853,564 | 47,265 | 125,988 | 107,908 | 16,822 | 2,932,438 |
| Federal gas tax | - | - | - | 1,839,883 | - | - | - | - | 1,839,883 |
| Ontario Community Infrastructure Fund | - | - | - | 342,306 | - | - | - | - | 342,306 |
| Developer charges | - | - | 533,237 | 536,181 | - | - | - | - | 1,069,418 |
| Provincial Offences Act | - | 1,157,301 | - | - | - | - | - | - | 1,157,301 |
| Other | 12,539 | - | 1,097,693 | 526,059 | 29,108 | 52,021 | - | - | 1,717,420 |
| Gain (loss) on disposal of tangible capital assets | 74,833 | - | 71,993 | (43,699) | 112,564 | - | - | - | 215,691 |
| | <u>13,941,331</u> | <u>17,506,447</u> | <u>32,738,940</u> | <u>54,737,069</u> | <u>14,033,947</u> | <u>40,809,917</u> | <u>6,715,867</u> | <u>2,374,760</u> | <u>182,858,278</u> |
| Expenses | | | | | | | | | |
| Salaries and benefits | 7,503,165 | 416,734 | 2,352,594 | 7,049,636 | 9,287,771 | 16,193,446 | 827,302 | 1,348,618 | 44,979,266 |
| Materials | 2,049,619 | 29,961 | 2,739,861 | 5,218,327 | 474,733 | 2,301,868 | 1,364,949 | 51,070 | 14,230,388 |
| Contracted services | 4,829,163 | 16,720,368 | 9,593,171 | 13,182,546 | 412,299 | 6,333,669 | 1,695,986 | 502,570 | 53,269,772 |
| Financial | 123,454 | 29,742 | 50,453 | 56,960 | 407,230 | 341,758 | 138,563 | - | 1,148,160 |
| Transfers to others | 10,000 | 2,900 | 2,000 | 80,504 | 1,932,673 | 11,760,584 | 931,937 | 322,945 | 15,043,543 |
| Debt services | - | - | - | 2,413,035 | - | 222,005 | 74,420 | - | 2,709,460 |
| Amortization of tangible capital assets | 1,557,939 | - | 12,465,098 | 14,556,440 | 420,867 | 1,056,413 | 1,033,674 | 62,344 | 31,152,775 |
| Interdepartmental charges | (6,626,576) | 330,521 | 927,356 | 3,294,577 | 380,375 | 1,275,618 | 209,018 | 209,111 | - |
| Changes in future liabilities | - | - | - | 3,003,680 | - | - | - | - | 3,003,680 |
| | <u>9,446,764</u> | <u>17,530,226</u> | <u>28,130,533</u> | <u>48,855,705</u> | <u>13,315,948</u> | <u>39,485,361</u> | <u>6,275,849</u> | <u>2,496,658</u> | <u>165,537,044</u> |
| Annual surplus (deficit) | \$ 4,494,567 | \$ (23,779) | \$ 4,608,407 | \$ 5,881,364 | \$ 717,999 | \$ 1,324,556 | \$ 440,018 | \$ (121,898) | \$17,321,234 |