



2024 Annual Financial Report

For the period ending
December 31, 2024

Town of East Gwillimbury,
Ontario Canada



Annual Financial Report
For the year ending
December 31, 2024

Prepared by the
Finance Department



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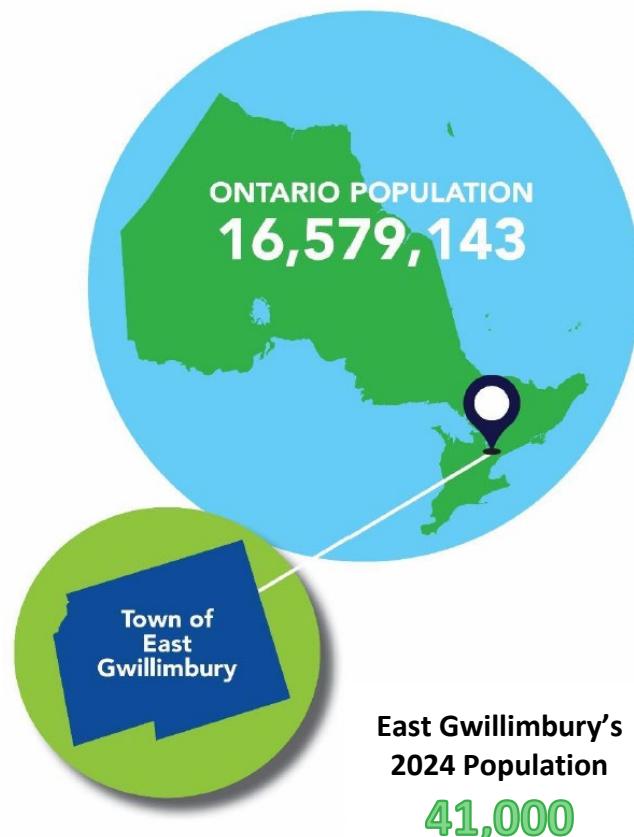
INTRODUCTION

About East Gwillimbury

Located just 30 minutes north of Toronto along the Highway 404, East Gwillimbury is Canada's fastest growing municipality focused on modernization, innovation, and creativity. East Gwillimbury currently has a population of 41,000 and is growing.

East Gwillimbury was established as a Township in 1850 when several hamlets came together. It became a Town when the Regional Municipality of York was created in 1971. Although the Town has been established for more than 50 years, the individual characteristics of Queensville, Sharon, Holland Landing and Mount Albert communities remain, and the Town continues to preserve these spaces and their identities.

The municipality is 245 square kms and even when fully developed, it will remain more than 80 per cent green. The Town continues to focus on building complete communities that include parks, trails, green spaces, transportation networks, and business areas. The municipality now has more than 40 parks and open spaces, 318 acres of parkland, and over 50 kms of trails.



Our Plan

Our Vision

To be a resilient, sustainable, and welcoming community that connects residents to each other, services, and opportunities.

Our Core Purpose

Deliver value for tax dollars, while providing quality services that the community wants and needs.

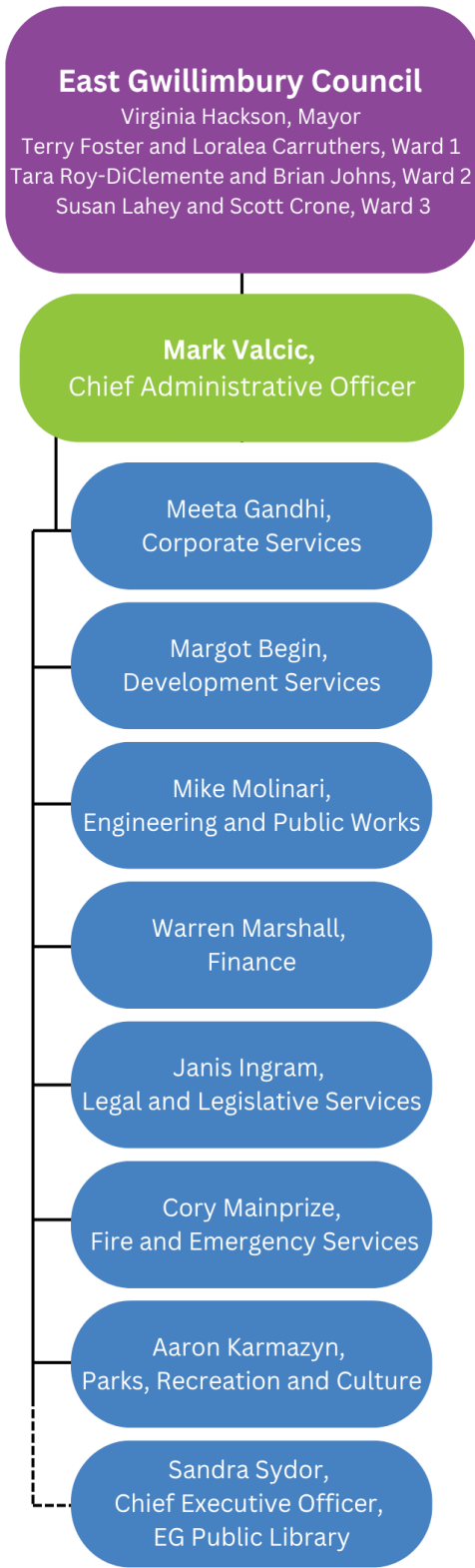
Strategic Plan

The Strategic Plan 2022-2026 was adopted by Council in May 2023. The 2022-2026 Strategic Plan identifies the importance of providing quality programs and services and building complete communities while ensuring responsible growth and environmental protection, in a culture of municipal excellence.

The purpose of the Strategic Plan is to establish overall goals for the organization that reflect Council and community priorities. It establishes high level objectives that inform departmental and individual work plans. It also highlights key themes and values that are foundational to the community and municipal corporation.

The Business Plan and Budget are guided by the Town's Strategic Plan.





Mayor and Council

The Municipal Council is comprised of the Mayor and two Councillors in each of the Town's three wards. The Mayor also represents the Town at the regional level of Government. Council is elected for a four-year term.

The current term of Council began on November 15, 2022 and ends on November 14, 2026.

The Municipal Council:

- Establishes the strategic direction for the corporation
- Ensures the provision of a variety of services to meet the needs of residents in a manner consistent with community values
- Approves policies and bylaws to govern the Town
- Annually appoints interested residents to serve on various Committees and Boards to assist and advise Council on certain issues.

Chief Administrative Officer

The Chief Administrative Officer (CAO) is appointed by Council and assists Council in setting the direction of the Town by providing guidance and advice based on best practices and emerging trends in municipal government.

The CAO also oversees the Senior Management Team responsible for providing programs and services to residents and businesses, this includes:

- Corporate Services
- Development Services
- Finance
- Engineering and Public Works
- Legal and Legislative Services
- Fire and Emergency Services
- Parks, Recreation and Culture

The CEO of East Gwillimbury Public Library has an indirect reporting relationship to Town's CAO.

** Organizational chart as of December 31, 2024.

Message from the Mayor

I am pleased to present the Town of East Gwillimbury's 2024 Annual Financial Report - a reflection of our collective efforts, achievements, and continued commitment to building a strong, fiscally responsible, and resilient community.

2024 was an exciting year for East Gwillimbury, marking the launch of many new programs, initiatives, and projects including the Town's first Eco Fair, expanded recreation programming, public art displays at the Farmers Market and Children of Peace Park, and many others. We made significant investments in infrastructure, public services, and recreational amenities to enhance the quality of life for our residents. We prioritized public engagement and transparency, ensuring that the voices of our community members are heard and valued in the decision-making process.

We invested in infrastructure like facilities, roads, parks, trails and programs; while ensuring we have proper policies and plans in place to grow responsibly in the future and manage our town assets. We continue to engage with the community and gather valuable feedback, which then helps guide our work.

These achievements all link directly to the five guiding pillars from our 2022 to 2026 Strategic Plan: quality programs and services, responsible growth, environmental stewardship, building complete communities, and culture of municipal excellence. This past year we have made meaningful progress on key initiatives that support East Gwillimbury's current and future generations.

East Gwillimbury has continued to grow and evolve while maintaining the values that make our town a special place where individuals and families can live, work, and grow, enjoying all the community has to offer. It's why I continue to call East Gwillimbury home, and I'm glad you do, as well.



2022-2026 Council (left to right): Councillor Terry Foster, Ward 1, Councillor Lorelea Carruthers, Ward 1, Councillor Susan Lahey, Ward 3, Mayor Virginia Hackson, Councillor Scott Crone, Ward 3, Councillor Tara Roy-DiClemente, Ward 2 and Councillor Brian Johns, Ward 2

Message from the Chief Administrative Officer



2024 was an incredible year in East Gwillimbury. With Council's support and guidance, along with our excellent team of professionals at the Town, I'm pleased to share this financial look-back with our community.

As a municipality, we understand the importance of meeting residents where they are and want to ensure we remain flexible in our service delivery. Delivering quality programs and services at the best value for money is made possible with a focus on continuous improvement, maintaining a culture of creativity and innovation, and the targeted use of technology.

What does that mean for East Gwillimbury? It means continuing to grow responsibly, cost effectively, building complete communities, listening to the community and their needs, and investing in programs, services, and initiatives that will have a lasting impact.

In 2024, we saw major updates and milestones on projects like the Health and Active Living Plaza, the Loblaws Distribution Centre which will employ 600+ people at full occupancy, and Downtown Revitalization projects. We also celebrated an "Autumn of Openings" where we unveiled updates and improvements to over 13 parks and trails. This work will continue throughout 2025, including initiating the creation of a brand new park space at the Health and Active Living Plaza.

The last year also saw the approval of several guiding plans including an Indigeneity, Inclusion, Diversity, Equity, and Accessibility Action Plan, an Environmental Strategy and an Asset Management Plan.

I'm pleased to share that we were also recognized as one of Greater Toronto's Top 2025 Employers. This is a testament to the hard work, passion, and commitment of our staff. We will continue to invest in our people and create a workplace that fosters collaboration, growth, and inclusion, ensuring EG remains a vibrant and thriving community for everyone.

I look forward to continued service excellence in EG, working with Council, staff, businesses, and the community.

Mark Valcic, CAO

Past Awards for Financial Excellence

For the past six years, the Town has received the Canadian Award for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), which reflects its outstanding financial management and commitment to transparency.

The Canadian Award for Financial Reporting is presented to municipalities that produce high-quality, easy-to read financial reports that exceed the regular program requirements. The GFOA recognizes municipalities that promote excellence and celebrate various areas of public finance across North America.



Message from the Treasurer

Warren Marshall, Treasurer

June 30, 2025



The Town of East Gwillimbury is proud to present its Annual Financial Report, which details the Town's financial performance and highlights key accomplishments through 2024. The financial statements have been prepared in accordance with the Municipal Act, 2001, and are based on the reporting standards set by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The 2024 budget maintained a focus on providing services to the community as well as ensuring funding is available for future needs. The budget included funding to maintain base programs and services. The Budget also contained additional funding and resourcing required to operate the Health and Active Living Plaza which is set to open in 2025. As well, the budget provided dedicated funding for future asset replacement. During 2024, programs and services were managed to stay within the planned budget for the year.

Building permit and planning application revenues are used to fund development related activity. Building permit and planning application activity declined significantly in 2024, resulting in lower revenues than anticipated. However, reserve funds built through higher revenues generated in previous years are sufficient to cover these expected fluctuations in development related activity. The major capital projects that were in progress during 2024 included the ongoing construction of the Health and Active Living Plaza, downtown revitalization projects, and the annual road rehabilitation program.

As we look forward, the financial priorities of the Town continue to focus on providing services to residents in a cost-efficient manner, managing the costs of growth, ensuring funding is available when it's needed for aging infrastructure replacement and protecting the Town's strong financial position.

Financial Discussion and Analysis

The accompanying financial statements are prepared in accordance with the Canadian public sector accounting standards published by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada. The Financial Report is published to provide the Town's Council, staff, residents and other readers with detailed information concerning the financial position and activities of the Corporation of the Town of East Gwillimbury (the "Town") for the fiscal year ended December 31, 2024.

There are four required financial statements:

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations and Accumulated Surplus
- Consolidated Statement of Change in Net Financial Assets
- Consolidated Statement of Accumulated Remeasurement Gains and Losses
- Consolidated Statement of Cash Flows

These financial statements must provide information on the cost of all Town activities, how they were financed, investing activities, as well as the assets and liabilities of the Town.

Town of East Gwillimbury Mandate

The Town of East Gwillimbury is a lower tier municipality located in York Region within the Greater Toronto Area of the Province of Ontario, Canada. As described in the notes to the consolidated financial statements, the Town conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation.

As a lower tier municipality, the Town provides a number of services which include, but are not limited to, local roads, water distribution and sewage collection, recreational programming and facilities, libraries, fire and emergency services, waste and recycling collection.

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Town which comprises all the organizations that are accountable for the administration of their financial affairs and resources to Council and are controlled by the Town. The operations of the East Gwillimbury Public Library Board have been fully consolidated in these financial statements.

Management Responsibility

The Town's management is responsible for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

The Town's management monitors and 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 the preparation of the consolidated financial statements.

Town Council receives an unaudited report from management on the financial position prior to the finalization of the financial statements and audit process. Once the statements are finalized and the audit is complete, Town Council meets with management and the external auditors to review the consolidated financial statements and to discuss any significant financial reporting or internal control matters. After these meetings, consolidated financial statements are submitted for final approval.

The consolidated financial statements have been audited by KPMG Canada LLP, an independent external auditor appointed by the Town. The Independent Auditor's Report, which is included in the statements, provides an unqualified opinion on the Town's consolidated financial statements for the year ended December 31, 2024. The report also outlines the auditors' responsibilities and the scope of their examination.

An audit is conducted in accordance with Canadian generally accepted auditing standards. These standards require that the auditors comply with ethical requirements necessary to plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing specific procedures chosen by the auditors to obtain audit evidence to verify the amounts and disclosures in the consolidated financial statements as well as to assess the risk of material misstatements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. In addition to a review of financial transactions during the audit process, an analysis of the use and related risk of the technology environment and system controls are examined.

The annual business plan and budget is an important strategic planning and control tool that is required by legislation and serves as the foundation for the Town's financial planning and control. Section 290 of the Municipal Act, 2001 requires a municipality to adopt a budget including estimates of all sums required during the year for the purpose of the municipality. The process of budget compilation commences mid-year to ensure that the Town has an approved budget in place for the start of the new fiscal year. Under the new Strong Mayor Powers, the Mayor has the authority to direct the Treasurer to prepare a proposed budget and make it available to the public. Residents are involved in the budget process through surveys and public meetings. The annual budget for 2024 was approved in December 2023.

Town By-laws, Policies and Controls

The Town has put in place various bylaws, policies and control procedures to support better financial management and stewardship of the Town's assets and reduce risk. These cover such activities as managing reserves, investing Town funds, procuring goods and services, determining insurance coverage and setting development charges. Provincial direction guides many aspects of municipal financial management, including the setting of development charges, debt issuance, budgeting, accounting and reporting standards.

General Financial Management Controls

The Town's funds are subject to the requirements of the Municipal Act, 2001. As required under regulation, the Town has an investment policy that outlines the guiding principles that govern the investment of the available funds and ensures prudent investment of public funds. To limit risk, the Town only invests in guaranteed securities such as guaranteed income certificates and principal protected notes. These securities preserve the principal being invested and allows for a competitive rate of return.

Further, the audit function is a key element of financial management. In addition to external audit services, internal audit services are provided through a partnership with York Region and the six northern area municipalities within the Region.

Development Charge Background Study

In 2024, the Town of East Gwillimbury updated its Development Charges (DC) By-law and the supporting Background Study. Development Charges are fees levied on new development to help fund the infrastructure needed to support growth, such as roads, watermains, and parks. The by-law update was approved by Council in April 2024. The update revised growth projections and growth-related capital costs required to service growth. The update also included removing growth studies as eligible capital costs for recovery through DCs, extending the by-law's term from five to ten years, and phasing in new DC rates over five years, starting with a 20% reduction in the first year, as required under the More Homes Built Faster Act.

Later in the year, the Provincial Government passed Bill 185, the Cutting Red Tape to Build More Homes Act, 2024, which introduced further amendments to development charge legislation. This new legislation removed the mandatory reduction on calculated rates, allowing municipalities to enforce the full charge calculated in a supporting background study. It also reinstated growth studies as eligible for DC recovery. There were also a number of administrative changes introduced, impacting how and when DCs would be calculated and charged to different types of development. In response, the Town amended the 2024 by-law to reflect these changes to help ensure that growth continues to be properly funded, while staying in line with provincial legislation.

Asset Management

Asset Management is the coordinated activity of an organization to realize value from assets by balancing costs, risks, opportunities, and performance benefits. It considers all asset types and includes all activities involved in an asset's life cycle including planning, acquisition and the impacts of growth, operations, maintenance, renewal, replacement, and disposal of any remaining liabilities.

In June 2024, Council approved the 2024 Asset Management Plan which satisfies all the current legislated requirements prescribed through Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure. As part of the 2024 Asset Management Plan, the Town reported on all asset categories: the state of the infrastructure, current levels of service, lifecycle activities, costs and risk to service delivery, impacts of climate change, and recommendations for continuous improvement.

In summary, the Town manages \$2.24 billion of assets across all asset categories. Corporate-wide assets were assessed at fair or better condition for 93% of Town owned assets, which includes:

- Road network (roads, sidewalks, streetlights)
- Bridges and culverts
- Stormwater network (storm sewers, manholes, catch basins, driveway culverts, ponds)
- Water network (watermains, valves, chambers, hydrants, meters, service connections)
- Wastewater network (sewers, manholes, service connections, pumping stations)
- Machinery and equipment (backhoe, bunker gear, computer hardware, generator, library print material, mobile data collection devices, trailers, telephone systems)
- Land improvements (parks, trails, signs, fences, seating, playgrounds)
- Facilities
- Vehicles

As part of the next milestone, the Town will work towards implementing improvements from the 2024 Asset Management Plan and provide a Financial Strategy as part of the next update in Q2 2025.

Administrative Penalty System Adoption

Administrative Penalty Systems are an innovative approach to dealing with minor by-law infractions in a manner that is fair, effective, and efficient. This system is designed to streamline the enforcement process and increase compliance with Town of East Gwillimbury by-laws. Council approved the Administrative Penalty System By-law in 2023 which allows the Town to enforce its by-laws more effectively and acts as an alternative to the present system where contraventions of municipal by-laws are enforced under the Provincial Offences Act. Work on the administrative penalty system remains ongoing and is expected to begin rolling out in Q3 2025.

Significant Activities Affecting the 2024 Financial Statements

Developer Contributed Assets

Contributed assets refer to capital works that are constructed or owned by landowners and later transferred to the Town as part of the development approval process. These assets are recorded at the time the Town assumes responsibility for the maintenance of the municipal services such as roads, sidewalks and storm sewers. This typically occurs approximately three to four years from registration of the subdivision, although it may be longer depending on the development. Land, however, is recorded earlier at the time of plan registration.

The value of contributed assets can fluctuate from year to year based on the number of registered plans, the timing of subdivision assumptions and the infrastructure constructed within each subdivision.

In 2024, the Town assumed responsibility for the infrastructure associated with certain developments throughout the communities of Sharon. The infrastructure consisted of water and sewer mains, hydrants, and a walkway block, within constructed infrastructure. The total value of these assets is approximately \$2.9 million. The contributed assets in 2024 were lower when compared to prior years, which included full-service subdivisions, with roads and other infrastructure.



Significant Activities Affecting the 2024 Financial Statements (continued)

Developer Funded Capital Projects

Many of the capital projects required to support new development in East Gwillimbury are either built by developers or funded through Development Charges (DCs). In 2024, \$29.7 million in DCs were invested in Town-managed growth-related projects. Of this, \$28.9 million was spent on the construction of the Health and Active Living Plaza, the largest capital project in East Gwillimbury's history.

Health and Active Living Plaza

Construction of the Health & Active Living Plaza (HALP) continued in 2024. This new facility will be a vibrant new community hub in the community of Queensville. Located on a 16-acre site, the \$100 million facility will include an aquatics centre, library, gymnasium, indoor play space, and multi-purpose rooms for programs and events. Construction remains on schedule for a 2025 opening, and the project continues to track within its approved budget.



At the end of 2024, 75% of the overall budget has been spent and significant progress was made across all areas of construction. Notable milestones include:

- The building is now fully enclosed and heated, allowing interior work year-round;
- Major structural work is complete, including steel framing, installation of the green roof, and exterior finishes;
- Interior construction is well underway, with drywall, electrical systems, and mechanical work progressing steadily;
- An event street, which will serve as the main entry corridor, has been completed, and stormwater systems are in place and landscaped;
- Key spaces like the pool area, gymnasium, and library have entered their finishing stages, with tiling, painting, signage, and furniture procurement underway; and,

While the focus remains on completing construction, planning is underway for the grand opening and future operation of this facility. The HALP represents a major investment in East Gwillimbury's future, and residents can look forward to a wide range of programs, events, and recreational opportunities in a modern, state-of-the-art space.

2024 Financial Highlights

Revenue

In 2024, total revenues amounted to \$99 million, representing a net decrease of \$6.7 million compared to 2023. This net change reflects various contributing factors, including both increases and decreases across different revenue sources, resulting in an overall decline.

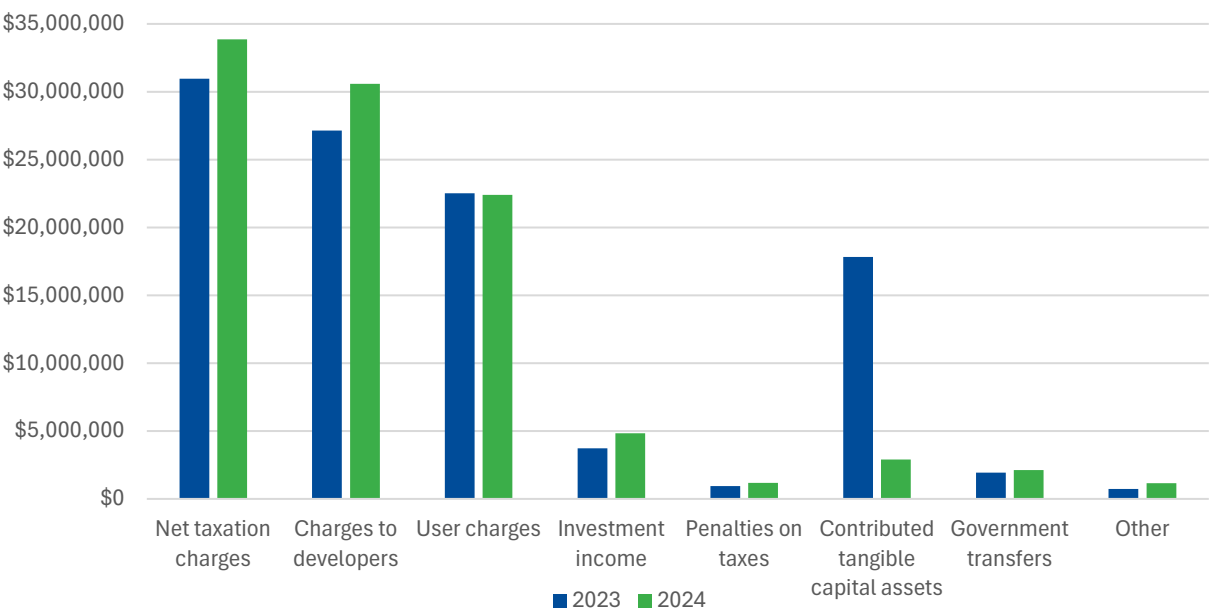
The primary driver of the decrease is related to a \$14.9 million reduction in contributed assets in 2024 compared to 2023. The value of contributed assets can fluctuate from year to year based on the number of registered plans, the timing of subdivision assumptions and the infrastructure constructed within each subdivision.

This decrease was partially offset by an increase of \$3.5 million in developer contribution primarily due to funding requirements for the HALP.

The Town also experienced a \$2.9 million increase in taxation revenues, driven by assessment growth on the tax roll, an increase in the tax levy to address rising costs, and a dedicated increase to support asset management and the operation of the HALP.

Additionally, due to preferred interest rates and some investments maturing during the year, investment income rose by \$1.1 million.

All other revenues resulted in a net increase of \$0.7 million primarily related to sale of select parcels of land for housing opportunities, new grant revenue, and increased penalties on taxes.



2024 Financial Highlights (continued)

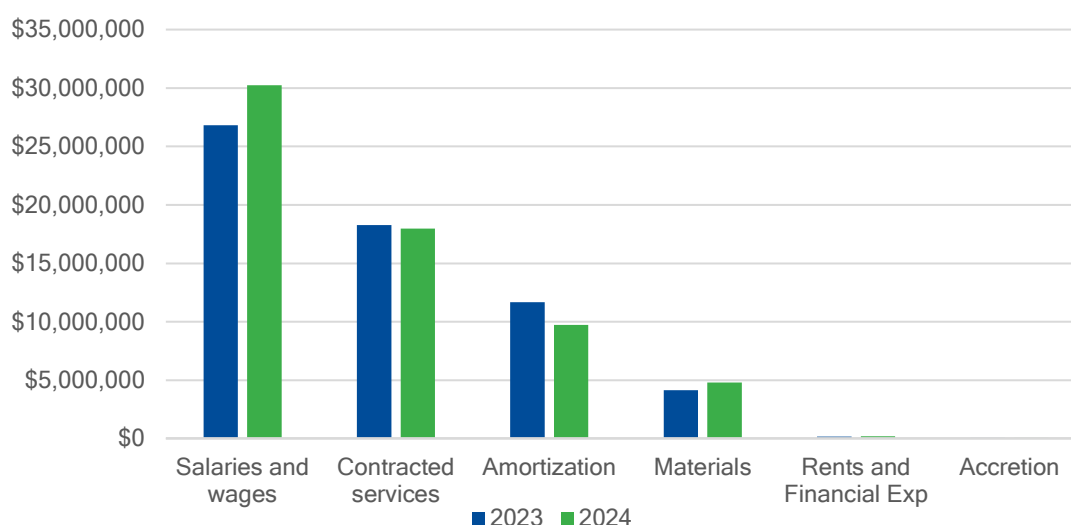
Expenses

The Town provides a range of services for its residents, and expenses in the Town's Financial Statement are grouped into the following segments based on the services delivered:

- **General Government:** Includes support staff and services such as Town Council, the Office of the CAO, Clerks, and Finance.
- **Protection to people and property:** Includes emergency services, by-law enforcement and building code enforcement. These departments are responsible for maintaining and enhancing public safety through emergency management planning, prevention and public education programs, enforcement and emergency response.
- **Transportation services:** Responsible for maintaining the Town's road infrastructure including the safety and maintenance of, the Town's paved roads, sidewalks, streetlights, trees, traffic control devices and the school crossing guard program.
- **Environmental services:** Includes water and wastewater and waste and recycling collection.
- **Recreation and cultural services:** Delivered through the Recreation department and the Library.
- **Planning and development:** the Planning and Building Services department administers and oversees key aspects of the land use and development approval process in the Town.

In 2024, total expenses amounted to \$63 million, which is \$1.9 million more than in 2023. While overall spending went up, the change was the result of both increases and decreases in different areas. There was an increase of \$3.4 million in salary and benefit costs associated with annual increases, the launch of a new maternity and parental leave top-up program, and new staffing that was approved in the 2024 budget. Materials and contracted services also increased \$0.4 million due to higher prices for materials and consulting fees.

These increases were partly offset by a \$1.9 million decrease in amortization costs due to assets that reached the end of their useful life and disposed of in 2024.



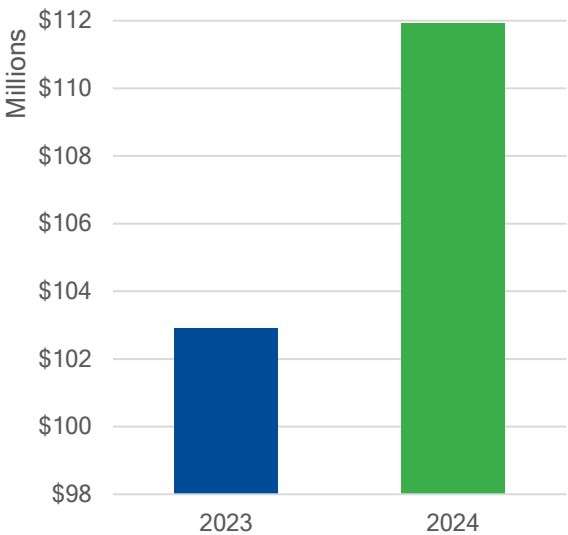
Change in Net Financial Assets

The Town remains debt free in 2024. Net financial assets increased by \$9.0 million from the previous year. This reflects prudent financial management, with a focus on effective budgeting, controlled expenditures, and the strategic avoidance of high-interest debt supporting long-term financial sustainability.

The Town saw a decrease of \$14.9 million in contributed assets due to the number of registered plans, the timing of subdivision assumptions and the infrastructure constructed within each subdivision. In addition, due to the introduction of the Statement of Remeasurement Gains and Losses in 2024, the change in net financial assets increased by \$2.9 million reflecting the unearned increase in portfolio investments.

The annual surplus decreased by \$8.6 million compared to the prior year due to lower revenue and higher expenditures in 2024 compared to 2023. The Town acquired approximately \$5.3 million in assets primarily related to the construction of the HALP. The remainder is related to the Asset Retirement Obligation liability which was established in 2023.

Net financial assets



Changes in Portfolio Investments

The Town’s 2024 Financial Statements includes a new section called the Consolidated Statement of Accumulated Remeasurement Gains and Losses. This is required under public sector accounting rules. This statement shows changes in the market value of certain financial investments. The Town’s investment portfolio includes Guaranteed Investment Certificates and Principal-Protected Notes, however Guaranteed Investment Certificates do not get remeasured as these investments provide a fixed rate of return and are not tied to market conditions. On the other hand, Principal-Protected Notes contain a derivative element, and the value of these investments can go up or down due to changes in the financial markets. The difference in these values is recorded, even though the investment hasn’t been sold yet. These unrealized gains or losses do not affect the Town’s annual surplus or deficit.

As of December 31, 2024, the total cost of the Town’s financial investments was \$108.7 million, while their estimated market value was \$111.6 million. The Town’s Principal-Protected Notes had a market value about \$2.9 million higher than their cost due to favorable market conditions in 2024. While this increase is reported in the new statement, these gains are not guaranteed, and the actual amount realized may be higher or lower depending on future market conditions and whether the investments are sold.

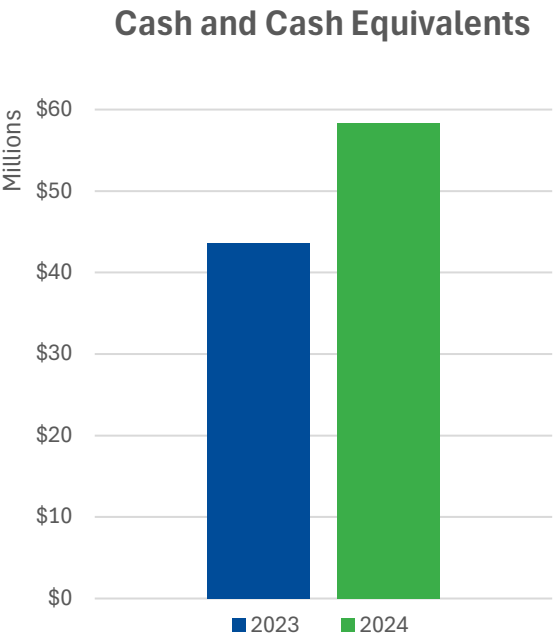
Change in Cash Flows

The Town works hard to manage its finances responsibly. Keeping healthy cash reserves helps the Town respond to emergencies, cover day-to-day costs, and invest in the future of our community.

By the end of 2024, the Town held \$58.3 million in cash, which is an increase of \$14.7 million compared to 2023. After covering regular operating expenses, the Town had \$25.8 million in net cash from operations.

In 2024, the Town invested \$36.6 million in new capital assets — such as roads, buildings, and other infrastructure. These important investments support long-term growth and improve services for residents. The Town also gained \$25.5 million in cash from investment activities, mainly by selling short-term investments. In contrast, in 2023 the Town used cash to buy new investments.

This strong financial position helps ensure the Town can continue delivering high-quality services while preparing for future needs.



Looking Forward

The Town of East Gwillimbury has experienced rapid growth in the last few years, with the population almost doubling between 2016 (23,991) and 2024 (41,000). The increase in population and businesses impacts the Town by placing greater demand on municipal services and heightened expectations around service levels. It continues to be a priority of the Town to ensure that growth is managed in a fiscally responsible way.

In recent years, the Provincial Government has prioritized increasing the supply of new housing, introducing various legislative and policy changes to advance this objective. In 2022, the Province set an ambitious target of constructing 1.5 million new homes by 2031 and assigning specific targets to Ontario's 50 largest municipalities. East Gwillimbury was allocated a target of 4,300 new residential units.

The pace and timing of new housing development depend on numerous external factors, many of which are beyond municipal control. These include market conditions, interest rates, the availability of serviced land, and the planning and approvals process governed by provincial legislation. Development activity across Ontario slowed significantly in 2024, reaching historically low levels. This trend was seen in the Town as well with relatively lower levels of development than have been seen over the last ten years. The reduced rate of growth has financial implications for the Town. With fewer new units, there is an associated reduction in development charge revenue and a slower rate of growth in the property tax assessment base.

As East Gwillimbury looks ahead, it is essential to strategically plan for both current growth constraints and anticipated future development. Forecasting major capital expenditures and preparing for necessary community investments must be approached with long-term fiscal sustainability in mind. A current limiting factor for residential growth in the Town is the need for additional municipal servicing infrastructure. It is anticipated that additional capacity will become available following upgrades to the York Durham Sewage System infrastructure. Combined with potential improvements in market conditions and lending rates, these infrastructure investments are expected to renew interest and activity in the housing market.

While non-residential development is also impacted by the lack of serviced land, there has been some progress made. In June 2024, a memo was brought to Council advising that the Town was granted additional wastewater flow capacity, which could allow new businesses to establish in East Gwillimbury.

As residential growth slows province-wide, attention is shifting toward the non-residential sector. East Gwillimbury Council has affirmed staff's position that building complete, balanced communities where residents can live, work, shop, and access services locally is a key priority. In the coming year, the Town is expected to develop new policies aimed at supporting business expansion and attracting new non-residential developments. These efforts will help diversify the local tax base, sustain economic growth, and foster a more resilient and attractive community for the next phase of expansion.

Looking Forward (continued)

As residential growth slows province-wide, attention is shifting toward the non-residential sector. East Gwillimbury Council has affirmed staff's position that building complete, balanced communities where residents can live, work, shop, and access services locally is a key priority. In the coming year, the Town is expected to develop new policies aimed at supporting business expansion and attracting new non-residential developments. These efforts will help diversify the local tax base, sustain economic growth, and foster a more resilient and attractive community for the next phase of expansion.

Transportation Master Plan



The Town of East Gwillimbury Transportation Master Plan outlines the current and future transportation needs of the Town from 2024 to 2051. The Transportation Master Plan is a long-range forecast that aligns infrastructure requirements for existing and future land uses with environmental assessment planning principles. The plan supports growth in East Gwillimbury by creating a connected, sustainable

transportation system that makes it easier for people and goods to move around the community. Some of the key findings of the study include; new and improved roadway connections, future travel needs in the Whitebelt lands, updating infrastructure plans to be consistent with population and employment projections, linkages to new transportation such as the Bradford Bypass, new sidewalk and cycling infrastructure, and collaboration with York Region Transit on expansion of public transit options. Also included in the Master Plan is an analysis of the cost of the recommended infrastructure and appropriate funding sources of such costs. It is important to understand the financial impact of all infrastructure recommendations being proposed, both in the initial construction cost, but in the maintenance and eventual replacement of those assets. The Master Plan was endorsed by Council in March 2024.

Looking Forward (continued)

Water and Wastewater Master Plan



The Town of East Gwillimbury Water and Wastewater Master Plan outlines the current and future water and wastewater infrastructure needs of the Town from 2024 to 2051. Endorsed by Council in March 2024, the plan provides a long-term strategy to support anticipated growth and ensure service reliability. Key findings include; comprehensive network plans for new infrastructure in the Whitebelt lands; long-term infrastructure plans consistent with population and employment

projections; identifying ways to improve water pressure and quality while maintaining drinking water standards; and, improving network security to mitigate service interruptions during emergency repairs. Consideration is given to the initial and ongoing investment associated with the infrastructure work proposed in the Master Plan.

Water Quality Improvement Partnership Project

In September 2024, Council approved the Water Quality Improvement Partnership Project with York Region. This two-year, cost-shared project aims to address the water quality challenges and associated enhanced monitoring in Sharon, Queensville and the Bales Drive industrial area.

Over the last few years, water flushing above the historical operational baseline quantities have been required in Sharon and the Bales Drive area to maintain regulatory water quality. The system is closely monitored, and the Town strives to balance the financial impacts of flushing while maintaining regulatory compliance, which is critical to delivering safe drinking water. Given the complexity of two-tier water supply, York Region and the Town have collaborated in drafting a highly detailed joint scope of work to understand and identify causes and factors influencing water quality specifically in the Holland Landing-Queensville-Sharon system, along with opportunities and solutions to improve, mitigate, and manage water quality. The project is expected to begin in 2025 and take two years to complete.



Looking Forward (continued)

Complete Communities Secondary Plan

In 2023, the Town of East Gwillimbury engaged a Steering Committee comprised of landowners, industry experts, and Town staff to draft a Secondary Plan for the Whitebelt lands, areas identified for future community development. The purpose of the Secondary Plan is to establish a more detailed planning framework and urban land uses in accordance with the policies in the East Gwillimbury and York Region Official Plans, consistent with current provincial policy. Phase 1 of the initiative, which was undertaken in 2024 involved establishing the vision and principles for the work, as well as completing supporting studies, including an existing conditions report, planning policies directives report, land use plan and natural heritage system evaluation. A fiscal impact analysis will be undertaken to determine the cost of growth within the Secondary Plan area to the Town, and to determine appropriate and sustainable funding sources. It is anticipated that the final Secondary Plan will be presented in Q4 2025.

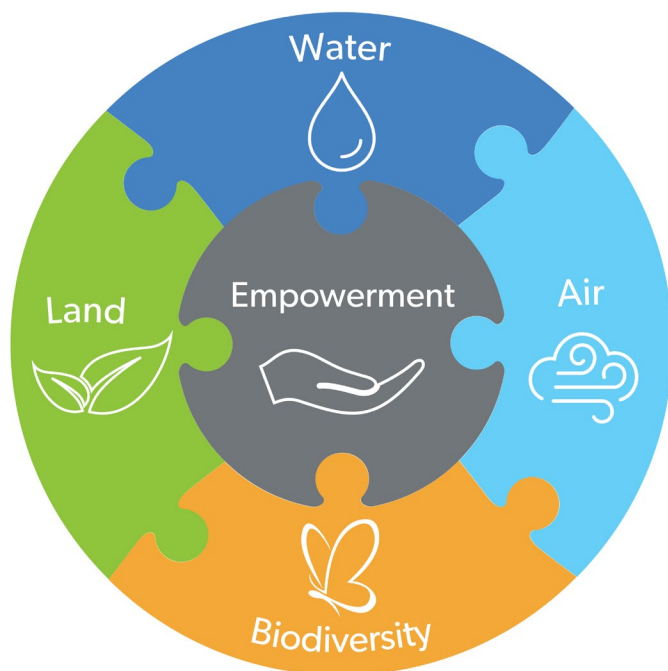
Tree Planting and Protection Bylaw

The Town of East Gwillimbury officially adopted a new Tree Planting and Protection By-law focused on preserving mature trees and protecting the town's overall tree canopy and natural heritage areas in November 2024. The terms of the by-law were developed following extensive public consultation efforts between 2021 and 2024. The by-law aims to maintain and preserve mature, healthy trees with a trunk diameter of 20cm or more and includes a range of exemptions and a clear permitting process to give landowners flexibility, particularly those engaged in farming. A special replacement and compensation program was developed in partnership with the York Region Federation of Agriculture, ensuring that normal farm practices will be able to continue responsibly. Fees will be applied for tree removals, with all revenue directed toward preserving the town's tree canopy. This new by-law represents a balanced and thoughtful approach to sustainable growth and environmental stewardship in East Gwillimbury.



Looking Forward (continued)

Environmental Strategy



In March 2024, Council approved, the Environmental Strategy is divided into five thematic areas that represent a holistic view of the environment. Each area presents a relevant past achievement, an objective and a list of initiatives. 45 total environmental initiatives are listed; 33 of these initiatives are in progress, and 12 are new proposals. The strategy embraces a portfolio of initiatives that contribute to achieving Environmental Stewardship and foster collaboration with the community and local and regional partners and collaborators. It reflects a holistic view of the environment and provides a roadmap to develop more comprehensive plans and projects seeking to achieve environmental sustainability.

Green Fleet Strategy

In August 2024, Council approved a Green Fleet Strategy for all corporate fleet vehicles, with exception to fire and emergency services. Aligned with the Environmental Strategy, the Green Fleet Strategy provides an update on the early stages of transitioning to a more environmentally focused fleet and provides considerations for when purchasing and replacing corporate fleet vehicles in the future. Currently there are two plug-in hybrid vehicles in use and one electric vehicle on order within the Town's fleet complement. Although there are clear paths forward for some of the Town's diverse fleet, zero emission, cost-effective alternatives for all vehicle types are not currently or foreseeably available. This Green Fleet Strategy will be reviewed every five years to reflect technological advancements, legislation, opportunities and to update progress.

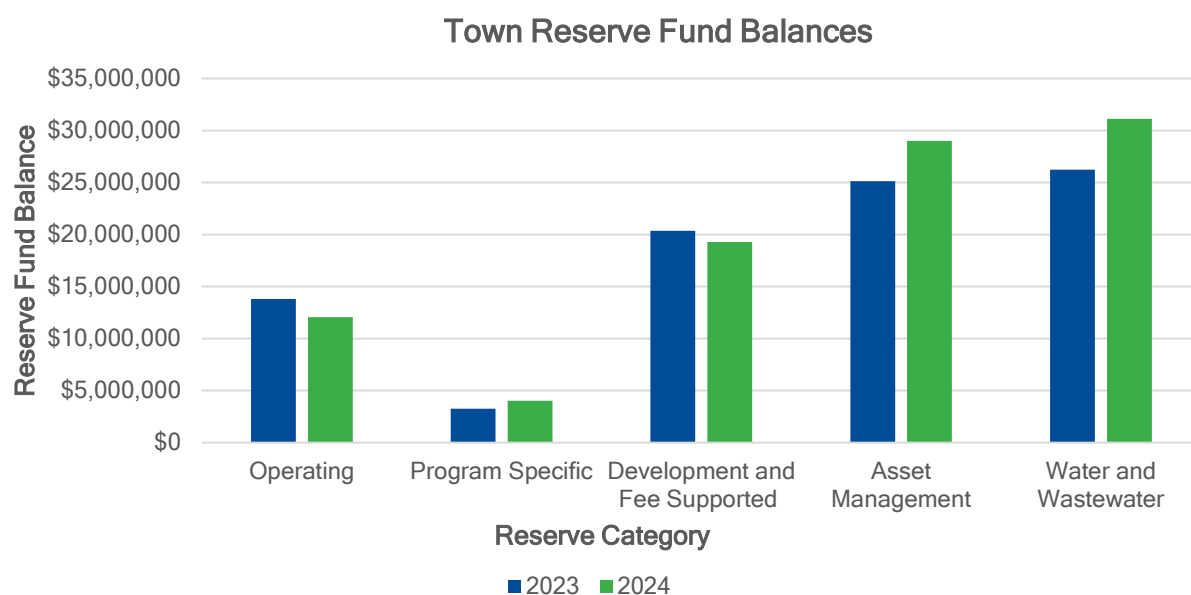


Long Term Reserve Strategy Planning to Support Future Growth

The Town remains focused on planning ahead for major infrastructure and capital needs, such as roads, water systems, parks, and public buildings. As part of this effort, Council reviewed a ten-year capital forecast (2024-2034) during the annual budget process, which outlines over \$343 million in planned investments across the Town. These include required technical studies and master plans, upgrades to technology and equipment, renovations and expansions to Town facilities, and the repair and replacement of aging infrastructure that residents use every day. These plans are guided by important planning documents like the Transportation Master Plan, the Water and Wastewater Master Plan, the Parks Master Plan, the Development Charge (DC) Background Study, and the Town’s 2024 Asset Management Plan (AMP).

The 2024 AMP was approved by Council in June and highlighted that, while the Town’s assets are generally in fair to good condition, the scale and timing of future capital needs, particularly to support growth while maintaining aging infrastructure, will place increasing pressure on reserve balances. To prepare for this, the Town is developing a new financial strategy that will be included in the updated 2025 AMP. This strategy is required by the Province and is expected to be completed by July 1, 2025. The strategy will define the financial tools and approaches necessary to achieve the proposed levels of service for municipal infrastructure, supporting long-term sustainability and alignment with Council’s strategic priorities.

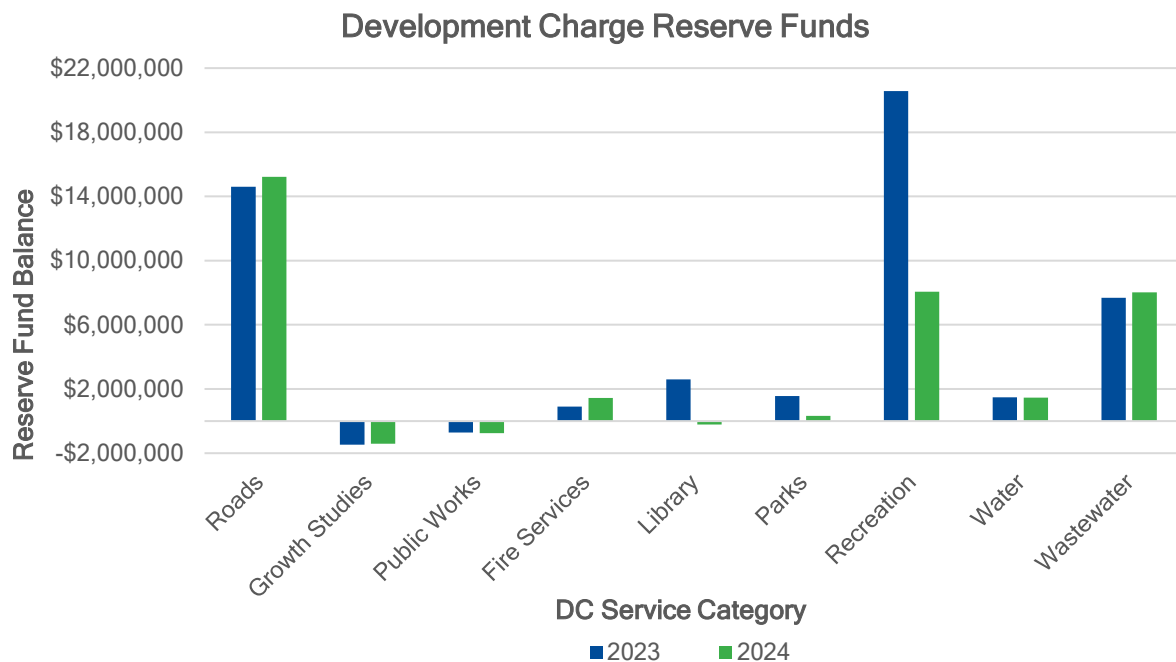
As shown in the graphs below, the Town is managing its reserve funds responsibly. These reserves support day-to-day operations and help fund critical repairs or upgrades to important municipal infrastructure.



Long Term Reserve Strategy Planning to Support Future Growth (continued)

East Gwillimbury is proud of its long-standing reputation for responsible financial management and its resulting status as a debt-free municipality. This foundation prepares the Town to respond to the next phases of growth. With new developments on the horizon and increasing infrastructure needs, it's important to prioritize investments in local infrastructure and to actively seek available external funding, such as grants from other levels of government, to help cover the costs.

DC reserves are collected and used to fund growth-related capital expenditures. Currently, the Town is directing a significant portion of the eligible DC reserve funds towards the construction of the Health and Active Living Plaza. Looking ahead, Town staff will continue to closely monitor these reserve balances and ensure that development-related fees continue to cover the cost of servicing growth, to the extent permitted by legislation. Further, as the Asset Management Financial Strategy is implemented, longer-term infrastructure repair and replacement will be funded by a secure and dedicated funding source. Staff are also exploring creative and forward-thinking ways to secure funding. All of this work is focused on ensuring that East Gwillimbury can meet the needs of a growing community, maintain high-quality services, and continue to build on a solid financial foundation that supports both current and future residents.





FINANCIAL REPORTS

Consolidated Financial Statements of

TOWN OF EAST GWILLIMBURY

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP

Vaughan Metropolitan
Centre 100 New Park
Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board, Council, Inhabitants and
Ratepayers of the Town of East Gwillimbury

Opinion

We have audited the consolidated financial statements of the Town of East Gwillimbury (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of accumulated remeasurement gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024, its consolidated results of operations, its consolidated change in net financial assets, its consolidated accumulated remeasurement gains and losses and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.



We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Report 2024.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report 2024 as at the date of this auditor's report.

If, based on the work we have performed in this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a single horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 3, 2025

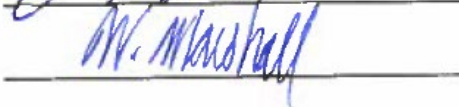
Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash	\$ 58,343,010	\$ 43,612,299
Investments (note 5)	111,602,840	134,225,005
Taxes receivable	11,131,691	8,722,527
User charges receivable	2,441,383	2,014,579
Accounts receivable	5,300,851	5,554,519
	188,819,775	194,128,929
Financial Liabilities		
Accounts payable and accrued liabilities	21,296,220	21,956,627
Employee and elected official future salaries and benefits payable (note 6)	2,257,535	2,092,222
Deposits and deferred revenue (note 7)	10,482,364	10,591,830
Obligatory reserve funds (note 8)	41,276,618	55,065,117
Asset retirement obligation (note 11)	1,570,891	1,499,975
	76,883,628	91,205,771
Net financial assets	111,936,147	102,923,158
Non-financial assets:		
Prepaid expenses	561,782	436,311
Tangible capital assets (note 12)	310,762,096	280,756,268
	311,323,878	281,192,579
Accumulated surplus (note 18)		
Accumulated surplus (note 17)	420,344,190	384,115,737
Accumulated remeasurement gains	2,915,835	—
Contingencies (notes 15)		
	\$ 423,260,025	\$ 384,115,737

See accompanying notes to consolidated financial statements.

On behalf of the Board:

 Mayor
 Treasurer

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 3)	2024	2023
Revenue			
Net taxation charges (note 9)	\$33,192,784	\$ 33,862,548	\$ 30,957,466
User charges	25,135,114	22,405,508	22,519,344
Charges to developers	58,662,064	30,594,686	27,140,974
Government transfers (note 10)	9,121,271	2,115,061	1,933,213
Penalties on taxes	500,000	1,174,069	955,759
Investment income	500,000	4,841,408	3,737,998
Contributed tangible capital assets	—	2,909,143	17,819,917
Other	185,165	1,166,784	733,589
Total Revenue	127,296,398	99,069,207	105,798,260
Expenses			
General government	10,736,216	11,401,604	10,903,401
Protection to persons and property	10,470,126	10,790,087	10,243,686
Transportation services	35,603,065	10,432,808	10,601,560
Environmental services	15,478,854	17,492,910	17,583,761
Recreation and cultural services	64,805,476	10,999,614	10,233,864
Planning and development	5,090,508	1,911,481	1,591,069
Total Expenses	142,184,245	63,028,504	61,157,341
Annual surplus (deficit) before the undernoted	(14,887,847)	36,040,703	44,640,919
Gain (loss) on sale of tangible capital assets	—	187,750	183,339
Annual surplus (deficit)	(14,887,847)	36,228,453	44,824,258
Accumulated surplus, beginning of year	384,115,737	384,115,737	339,291,479
Accumulated surplus, end of year	\$ 369,227,890	\$ 420,344,190	\$ 384,115,737

See accompanying notes to consolidated financial statements.

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 3)	2024	2023
Annual surplus (deficit)	\$ (18,820,177)	\$ 36,228,453	\$44,824,258
Acquisition of tangible capital assets	3,932,330	(37,108,800)	(31,818,287)
Contributed tangible capital assets	—	(2,909,143)	(17,819,917)
Amortization of tangible capital assets	—	9,731,774	11,680,281
Proceeds from sale of tangible capital assets	—	468,091	190,904
Gain on sale of tangible capital assets	—	(187,750)	(183,339)
Increase/(Decrease) in net financial assets	(14,887,847)	6,222,625	6,873,900
Change in portfolio investments	—	2,915,835	—
Change in prepaid expenses	—	(125,471)	4,911
Change in net financial assets	(14,887,847)	9,012,989	6,878,811
Net financial assets, beginning of year:			
As previously reported	102,923,158	102,923,158	97,475,338
Transition adjustment for asset retirement obligations (note 11)	—	—	(1,430,991)
Adjusted net financial assets, beginning of year	102,923,158	102,923,158	96,044,347
Net financial assets, end of year	\$ 88,035,311	\$ 111,936,147	\$102,923,158

See accompanying notes to consolidated financial statements.

Consolidated Statement of Accumulated Remeasurement Gains and Losses

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Unrealized gains attributable to portfolio investments	\$ 2,915,835	\$ —
Amounts reclassified to the statement of operations:		
Portfolio investments	—	—
Net change in accumulated remeasurement gains	2,915,835	—
Accumulated remeasurements gains, beginning of year	—	—
Accumulated remeasurement gains, end of year	\$ 2,915,835	\$ —

Consolidated Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in)		
Operating activities:		
Annual surplus	\$ 36,228,453	\$ 44,824,258
Items not involving cash:		
Amortization of tangible capital assets	9,731,774	11,680,281
Accretion expense	70,916	68,984
Contributed tangible capital assets	(2,909,143)	(17,819,917)
Loss (gain) on sale of tangible capital assets	(187,750)	(183,339)
Change in non-cash operating items:		
Taxes receivable	(2,409,164)	(1,740,210)
User charges receivable	(426,804)	(1,146,055)
Accounts receivable	253,668	(1,965,298)
Accounts payable and accrued liabilities	(660,407)	13,095,009
Employee and elected official future salaries and benefits payable	165,313	173,707
Deposits and deferred revenue	(109,466)	(175,950)
Obligatory reserve funds	(13,788,499)	(12,622,291)
Prepaid expenses	(125,471)	4,911
	25,833,420	34,194,090
Capital activities:		
Proceeds from sale of tangible capital assets	468,091	190,904
Acquisition of tangible capital assets	(37,108,800)	(31,818,287)
	(36,640,709)	(31,627,383)
Investing activities:		
Disposal (Acquisition) of short-term investments	25,538,000	(31,411,000)
Increase (decrease) in cash	14,730,711	(28,844,293)
Cash, beginning of year	43,612,299	72,456,592
Cash, end of year	\$ 58,343,010	\$ 43,612,299

See accompanying notes to consolidated financial statements.

Notes to the Financial Statements

The Town of East Gwillimbury (the "Town") is a lower-tier municipality located in York Region within the Greater Toronto Area of the Province of Ontario. It provides essential infrastructure and services to its residents, including local roads, water distribution and sewage collection, recreational facilities, libraries, emergency services, and waste collection. The Town is governed by a municipal council comprised of seven Members of Council. The Mayor is elected at large and Councillors each represent a ward of the community. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. Significant accounting policies:

(a) Management's responsibility for the consolidated financial statements:

The consolidated financial statements of the Town are the responsibility of management and have been prepared by management in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants of Canada.

(b) Basis of consolidation:

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Town which comprises all of the organizations that are accountable for the administration of their financial affairs and resources to Council and are controlled by the Town.

The operations of the East Gwillimbury Public Library Board ("Library") have been fully consolidated in these consolidated financial statements.

All inter-organizational transactions and balances have been eliminated on consolidation.

The taxation, other revenue, expenses, assets and liabilities with respect to the School Boards and the Region of York are not reflected in the Town's consolidated financial statements except to record any resulting receivable or payable with the Town at year-end.

(c) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting whereby revenue are recognized as they are earned and measurable. Expenses are recognized in the year goods and services are acquired and a liability is incurred or transfers are due.

(d) Cash:

Cash includes cash on hand and balances held with financial institutions.

1. Significant accounting policies (continued):

(e) Government transfers:

Government transfers include entitlements, transfers under shared cost agreements and grants. Government transfers are recognized in the consolidated financial statements as revenue in the year 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. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations and accumulated surplus as the stipulation liabilities are settled.

(f) Financial instruments:

PS 3450 Financial Instrument establishes standards on how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments (such as receivables, payables, and equity instruments) and derivative financial instruments (such as financial options, futures and forwards, interest rate swaps and currency swaps). The Town's investments in Principal Protected Notes (PPN) meet the requirements of a financial instrument that has an embedded derivative included in the financial instrument. The standards allow for the financial instruments that contain one or more embedded derivatives; the Town may designate the entire hybrid (combined) instrument carried at fair value. This designation is irrevocable. The Town has made an election for the PPN to report the combined instrument at fair value. Any unrealized gains and losses are reported through a new statement called statement of accumulated remeasurement gains and losses. Unrealized gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity.

g) Employee future benefits:

Employee future benefits include health and basic dental coverage that the Town pays on behalf of its current and retired employees. The Town records these future benefits as they are earned during the employee's tenure of service. The Town also estimates future benefits relating to accumulated vacation and overtime as they are earned but not yet paid.

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs. Vacation entitlements and banked overtime are accrued for as entitlements are earned.

1. Significant accounting policies (continued):

(h) 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.

(i) Tangible capital assets:

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

Transportation infrastructure	5 - 75 years
Environmental infrastructure	15 - 75 years
Facilities	20 - 100 years
Vehicles	5 - 15 years
Machinery and equipment	3 - 25 years
Land improvements	15 - 50 years

Amortization is pro-rated to six months in the year of acquisition and in the year of disposal. Capital work in progress is not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt when fair value can be reasonably estimated. Tangible capital assets conveyed from developers are recorded at the estimated engineering value at the time of title transfer and as approved by Council.

(i) Leases:

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefit and risks incidental to the ownership of property is classified as a capital lease.

All other leases are accounted for as operating leases wherein rental payments are expensed on a straight-line basis.

1. Significant accounting policies (continued):

(j) Deferred revenue - obligatory reserve funds:

Deferred revenue represents user charges and fees which have been collected but for which the related services have yet to be performed. These accounts will be recognized as revenue in the fiscal year the services are performed. The Town receives development charges, parkland, Canada Community Building, Ontario Municipal Partnership, main street revitalization, cannabis legalization and technology modernization funding under the authority of provincial and federal legislation and Town by-laws. These funds, by their nature, are restricted in their use and, until applied to specific capital works, are recorded as deferred revenue.

(k) Investment income:

Investment income is reported as revenue in the year earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue balance.

(l) Budget figures:

The budgets originally approved by the Town for 2024, adjusted as noted below, are reflected on the consolidated statement of operations and accumulated surplus and the consolidated statement of change in net financial assets.

- Amounts for the cost of contributed tangible capital assets and the related revenue have been added and are based on actual amounts, as neither the cost of the contributed tangible capital assets nor the revenue was included in the original Council approved budget.
- Amounts included in the original Council approved capital budget which are not recognized as tangible capital assets are included in consolidated statement of operations and accumulated surplus under the appropriate functional expense category, while those recognized as tangible capital assets are included in the consolidated statement of change in net financial assets.

Budget figures have been restated for purposes of these consolidated financial statements to comply with PSAB reporting requirements and are not audited.

1. Significant accounting policies (continued):

(m) Pension plan:

The Town 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 Town has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The Town records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.

(n) Revenue recognition:

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivables are recognized net of an allowance for anticipated uncollectable amounts. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized.

Conditional grant revenue is recognized to the extent the conditions on it have been fulfilled. Unconditional grant revenue is recognized when the funds have been received. Developer credit agreements relating to assets transferred to the Town are recognized as revenue as the related developer credits are owed on associated building permits.

Charges for sewer and water usage are recorded as user fees. Connection fee revenue is recognized when the connection has been established. User fees and other revenue are reported on accrual basis.

Where there is no exchange of service, such as fines and penalties, the Town records revenue at the time of the transaction.

Where there is an exchange of services, the Town records revenue when the performance obligation is satisfied. Performance obligation can be satisfied immediately, such as with water and sewer user fees, licenses and sale, or over time, such as building permits and recreation user fees.

(o) Development charge credit liabilities:

Development charge credit liabilities arise from contractual obligations with developers and are recorded at the time the asset is assumed by the Town. The liability is reduced by annual payments made to the developer based on the proportionate share of development charge receipts for the applicable service component received in the year.

1. Significant accounting policies (continued):

(p) Asset retirement obligations:

An asset retirement obligations should be recognized when, as at the financial reporting date, all the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset.
- The past transaction or event giving rise to the liability has occurred.
- It is expected that future economic benefits will be given up.
- A reasonable estimate of the amount can be made.

A liability has been recognized for the removal of asbestos in multiple buildings owned by the Town, based on estimated future expenses on closure of the site.

The liability is discounted using a present value technique and is adjusted annually for accretion expense. The recognition of a liability resulted in an increase to the respective tangible capital assets. This increase is being amortized in accordance with the amortization accounting policies outlined above in (h).

The carrying value of the liability is reconsidered at each financial reporting date with changes to the timing or amount of original estimate of cash flows recorded as an adjustment to the asset retirement obligation and tangible capital assets. Actual costs incurred are charged against the asset retirement obligation to the extent of the liability recorded. Differences between the actual costs incurred and the liability recognized in the consolidated statement of operations when remediation is complete.

(q) Future accounting pronouncements:

These following standards and amendments were not yet effective for the year ended December 31, 2024, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of these accounting standards updates on future financial statements.

PS 1202, Financial Statement Presentation was approved in March 2023. This standard supersedes PS 1201, Financial Statement Presentation and covers a new conceptual framework and reporting model. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026 (the Town's December 31, 2027 year-end).

(r) Use of estimates:

The preparation of these consolidated financial statements in conformity with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during

1. Significant accounting policies (continued):

the reporting period. The principal estimates used in the preparation of these financial statements include allowance for doubtful accounts, the useful life and valuation of tangible capital assets, contingent liabilities, employee future benefits, taxes receivable, accrued liabilities, the fair value of contributed tangible assets, and asset retirement obligations.

Actual results could differ from those estimates as additional information becomes available in the future.

2. Change in accounting policies:

(a) PS 3400, Revenue:

The Town adopted PS 3400, Revenue on January 1, 2024. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions" and transactions that do not have performance obligations, referred to as "non-exchange transactions". The standard aims to enhance transparency, consistency, and comparability in revenue reporting. Certain revenue streams are excluded from the scope of PS 3400 as they are accounted for under another Public Sector Accounting Standard section.

As at December 31, 2024, the Town has determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

(b) Public Sector Guideline 8 Purchased Intangibles:

Public Sector Guideline 8 Purchased Intangibles allows public sector entities to recognize intangibles purchased through an exchange transaction. As at December 31, 2024, the Town has determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

(c) PS 3160, Public Private Partnerships:

PS 3160, Public Private Partnerships ("P3s") identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets from private sector entities. As at December 31, 2024, the Town does not have any current P3 arrangements that meet the definition of this standard therefore the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

Budget Reconciliation

The authority of Council is required before monies can be spent by the Town. Approvals are given in the form of an annual budget. The budget approved by Council differs from the budget in the consolidated statement of operations and accumulated surplus. The difference is due primarily to the capitalization of tangible capital assets. A supplementary capital budget was approved subsequent to the initial budget approval. The budget has also been adjusted to account for material changes due to PSAB reporting requirements.

	Revenue	Expenses
Operating fund and capital budget	\$ 127,296,398	\$ 127,296,397
Transfer to/from other funds	—	18,820,178
Total Council approved budget	127,296,398	146,116,575
Less tangible capital assets capitalized	—	(3,932,330)
Adjusted budget per consolidated statement of operations	\$ 127,296,398	\$ 142,184,245

Financial instruments:

All financial instruments must be classified in accordance with the significance of the inputs used in making fair value measurements. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

- Level 1: when valuation can be based on quoted prices in active markets for identical assets and liabilities;
- Level 2: when they are valued using quoted prices for similar assets and liabilities, quoted prices in markets that are not active, or models using inputs that are observable; and
- Level 3: when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

Fair value inputs are taken from observable markets where possible, but if they are unavailable, judgement is required in establishing fair value. The Town's fair value hierarchy is classified as Level 2 for PPN. The classification for disclosure purposes has been determined in accordance with generally accepted pricing models, based on discounted cash flow analysis, with the most significant inputs being the contractual terms of the instrument and the market discount rates that reflect the credit risk of counterparties. All other financial instruments are classified as Level 1.

The carrying amount of cash, investments, taxes receivable, accounts receivable, customer deposits, accounts payable and accrued liabilities, employee future benefits liabilities, long term liabilities, and contract holdbacks approximate their fair value due to the short-term maturity of these financial instruments.

4. Financial instruments (continued):

The carrying value and fair value of the Town's other financial instruments are as follows:

	2024		2023	
	Carrying value	Fair Value	Carrying value	Fair Value
Assets				
Level One: Guaranteed investment certificates	\$ 43,335,005	\$ 43,335,005	\$ 73,335,005	\$ 73,335,005
Level Two: Principal protected notes	65,352,000	68,267,835	60,890,000	60,890,000
	\$ 108,687,005	\$ 111,602,840	\$ 134,225,005	\$ 134,225,005

The Town may be exposed to a variety of financial risks including credit risk, liquidity risk and market risk:

(a) Credit risk:

Credit risk is the risk of a financial loss to the Town if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Town consisting of cash, accounts receivables, and investments.

The Town's credit risk is primarily attributable to its receivables. The amounts disclosed in the consolidated statement of financial position are net of an allowance for doubtful accounts, estimated by management of the Town.

The Town does not have any significant past due accounts receivable that are not provided for. The Town actively monitors accounts receivable and has the right to enforce payment as per the contract.

The credit risk on cash and investments is limited because the counterparties are chartered banks and financial institutions with high credit ratings assigned by national credit rating agencies. The Town's investment policy contains strict guidelines regarding the types of low-risk investments that are permitted, and the investments are managed by an investment manager to mitigate risk.

(b) Liquidity risk:

Liquidity risk is the risk that the Town will not be able to meet its financial obligations as they become due. The Town's objective is to have sufficient liquidity to ensure current and future obligations will be met when due. The Town monitors its cash balance and cash flows generated from operations to meet its liquidity requirements.

4. Financial instruments (continued):

(c) Market risk:

Market risk is comprised of three types of risk: interest rate risk, currency risk and price risk. Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Town limits its exposure to interest rate risk by investing in fixed income guaranteed investment certificates. As of December 31, 2024, the Town did not hold financial assets or liabilities that expose it to significant variation in cash flow due to fluctuations in interest rates.

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The Town is not exposed to any significant currency risk due to limited foreign currency transactions.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Town mitigates price risk by maintaining low-risk bearing investments that are assigned high credit ratings by national credit rating agencies.

5. Investments:

	2024	2023
Guaranteed investment certificates, interest rate between 1.65% and 4.25% (2023 - 1.60% to 6.50%)	\$ 43,335,005	\$ 73,335,005
Maturing by:		
March 2024	—	25,000,000
April 2024	—	—
October 2024	—	5,000,000
March 2025	15,518,500	15,518,500
March 2026	17,521,505	17,521,505
December 2026	—	—
October 2027	5,000,000	—
April 2028	5,295,000	5,295,000

5. Investments (continued):

	2024	2023
Principle protected notes, interest rate between 2.40% and 6.90% (2023 - 5.00%)	\$ 68,267,835	\$ 60,890,000
Maturing by:		
December 2026	5,504,450	—
March 2027	14,825,700	15,000,000
March 2030	—	20,538,000
April 2030	—	10,352,000
November 2030	11,950,000	10,000,000
December 2030	—	5,000,000
June 2031	11,311,630	—
August 2031	10,062,400	—
October 2031	4,793,400	—
July 2039	9,820,255	—

6. Employee and elected official future salaries and benefits payable:

The Town provides certain employee and elected official benefits that will require funding in future periods. The Town pays certain health and dental benefits to the age of 65 on behalf of those retired employees that were employed by the Town for 25 years or more. The liability recorded by the Town has been determined by an actuarial study completed in 2024 which covers the period from 2024 to 2026.

The Town recognizes the cost of its post retirement non-pension benefit costs and vacation entitlement obligations, in the period in which the employee rendered the services. The Town has a pay for performance program for senior management that is paid in the subsequent fiscal period based on an evaluation of accomplishments for the fiscal year. The cost of the pay for performance program is recognized in the period in which the employee rendered the services.

The Town also pays severance to elected officials based on length of continuous service to a maximum of six months remuneration. Severance cost obligations for elected officials are recognized in the period in which the elected official rendered the services.

	2024	2023
Vacation pay and banked overtime	\$ 1,234,789	\$ 1,163,697
Council severance	148,487	126,640
Accrued post retirement non-pension benefits	819,528	756,317
Pay for performance program	54,731	45,568
Total employee future benefits payable	\$ 2,257,535	\$ 2,092,222

6. Employee and elected official future salaries and benefits payable (continued):

As recommended by PSAB, the projected benefit method pro-rated on services has been adopted to attribute the cost of non-pension retirement benefits to the periods of employee service.

Under this method, the present value of all fiscal 2024 and later costs (premiums) to be paid by the Town for each active and retired employee for non-pension retirement benefits, as at December 31, 2024, are pro-rated. They are pro-rated over the employee's service from the date of employment to the date the employee first becomes eligible to receive the benefit.

(a) General inflation:

Future general inflation levels were assumed to increase at 2% (2023 - 1.75%) per year.

(b) Interest (discount) rate:

The present value of the post employment benefit liability was determined using a discount rate of 4.5% (2023 - 3.25%).

(c) Health costs:

Health costs were assumed to increase at an average of 6% for 2024 reducing by 0.3333% per year to reach 4% per year starting in 2030 and 3.75% per year thereafter (2023 - 5.0834%).

(d) Dental costs:

Dental costs were assumed to increase at an average of 4% (2021 - 3.75%) per year, set at consumer price index plus 2.00%

7. Deposits and deferred revenue:

The Town has total deposits and deferred revenue of \$10,482,364 (2023 - \$10,591,830). Deferred revenue represents \$7,358,265 (2023 - \$7,346,756) with the balance being held as deposits. Deferred revenue is comprised of contributions made to the Town for various purposes. The balances in the deferred revenue of the Town are summarized below:

	2024	2023
Balance, beginning of year	\$ 7,346,756	\$ 7,273,784
Contributions received	2,104,793	2,085,145
Amounts recognized as revenue	(2,093,284)	(2,012,173)
Balance, end of year	\$ 7,358,265	\$ 7,346,756

8. Obligatory reserve funds:

The balances in the obligatory reserve funds of the Town are summarized below:

	2024	2023
Development charges, opening balance	\$ 47,226,317	60,631,369
Add:		
Allocation received	13,458,383	14,979,313
Interest earned	1,765,375	2,102,640
Deduct:		
Amounts used for eligible capital projects	(29,810,248)	(25,123,949)
Credit issued	(471,663)	(5,363,056)
Development charges, ending balance	32,168,164	47,226,317
Parkland, opening balance	2,091,502	2,002,681
Add:		
Developer contributions	653,733	9,332
Interest earned	110,030	79,489
Parkland, ending balance	2,855,265	2,091,502
Canada Community Building Fund, opening balance	4,718,765	4,121,622
Add:		
Allocation received	1,100,845	793,960
Interest earned	236,486	221,547
Deduct:		
Amounts used for eligible capital projects	(977,577)	(418,364)
Canada Community Building Fund, ending balance	5,078,519	4,718,765
Ontario Municipal Partnership Fund, opening balance	907,186	796,639
Add:		
Allocation received	848,404	884,756
Interest earned	49,819	43,220
Deduct:		
Amounts used for eligible capital projects	(648,702)	(817,429)
Ontario Municipal Partnership Fund, ending balance	1,156,707	907,186
Technology Modernization Fund, opening balance	121,347	135,098
Add:		
Allocation received	3,362	-
Interest earned		6,427
Deduct:		
Amounts used for eligible capital projects	(106,746)	(20,178)
Technology Modernization Fund, ending balance	17,963	121,347
Total obligatory reserve funds	\$ 41,276,618	\$ 55,065,117

9. Net taxation charges

Net taxation charges consist of the following:

	2024	2023
Total taxes levied by the Town	\$ 89,287,501	\$ 82,805,297
Less:		
Taxes levied on behalf of the Region of York	35,794,049	33,555,326
Taxes levied on behalf of the School Boards	19,630,904	18,292,505
	55,424,953	51,847,831
	\$ 33,862,548	\$ 30,957,466

10. Government transfers:

Government transfers include monetary transfers based on cost-sharing agreements between the three levels of government. Some funds are transferred when the Town provides evidence that the qualifying expenses have been incurred. The Town also receives government transfers once certain criteria have been met or with the stipulation that the funds are used for specific programs or expenses (entitlements with stipulations). Any transfers received where the transfer stipulations have not been met by year-end are recorded as deferred revenue (see notes 7 and 8). Grants are also received to support specific program areas such as recreation programs, etc.

	2024	2023
Grants with stipulations	\$ 2,054,591	\$ 1,615,747
Other grants	60,470	317,466
Total government transfers	\$ 2,115,061	\$ 1,933,213

11. Asset retirement obligations:

The Town owns and operates multiple buildings that are assumed to have asbestos based off criteria, such as building age and condition, which represents a health hazard upon demolition of the building and has a legal obligation to be removed. With the adoption of PS 3280, the Town recognized obligations relating to liability related to the removal of the asbestos in these buildings as estimated at January 1, 2023. A liability relating to the costs at present value has been recorded using a discount factor of 3.66% per annum. The corresponding expense is recorded in recreation and cultural services.

Changes to the asset retirement obligation in the year:

Asset retirement obligation	2024	2023
	Asbestos	Removal
Opening balance, January 1	\$ 1,499,975	\$ 1,430,991
Accretion expense	70,916	68,984
Closing balance, December 31	\$ 1,570,891	\$ 1,499,975

12. Tangible capital assets:

	Balance, December 31, 2023	Additions	Disposals	Asset Retirement obligation	Balance, December 31, 2024
Cost					
Transportation Infrastructure	\$ 85,766,856	\$137,361	\$ -	\$ -	\$85,904,217
Environmental Infrastructure	141,197,452	2,771,780	-	-	143,969,232
Facilities	48,095,914	179,882	-	-	48,275,796
Vehicles	10,646,559	1,507,999	(85,357)	-	12,069,201
Machinery and equipment	8,608,286	921,013	(273,200)	-	9,256,099
Land Improvements	21,047,568	1,644,880	-	-	22,692,448
Land	69,070,980	-	(277,918)	-	68,793,062
	384,433,615	7,162,915	(636,475)	-	390,960,055
Capital work in progress	36,381,990	34,485,534	(1,630,508)		69,237,016
	\$420,815,605	\$41,648,449	\$(2,266,983)	\$ -	\$460,197,071
	Balance, December 31, 2023	Additions	Disposals		Balance, December 31, 2024
Accumulated amortization					
Transportation Infrastructure	\$45,677,081	\$2,738,875	\$ -	-	\$48,415,956
Environmental Infrastructure	59,001,802	3,361,563	-	-	62,363,365
Facilities	14,703,030	1,253,110	-	-	15,956,140
Vehicles	6,199,207	885,162	(85,357)		6,999,012
Machinery and equipment	5,679,386	673,578	(270,779)		6,082,185
Land Improvements	8,798,831	819,486			9,618,317
	\$ 140,059,337	\$ 9,731,774	\$ (356,136)		\$ 149,434,975
	Net book value, December 31, 2023				Net book value, December 31, 2024
Transportation Infrastructure	\$ 40,089,775				\$ 37,488,261
Environmental Infrastructure	82,195,650				81,605,867
Facilities	33,392,884				32,319,656
Vehicles	4,447,352				5,070,189
Machinery and equipment	2,928,900				3,173,914
Land Improvements	12,248,737				13,074,131
Land	69,070,980				68,793,062
	244,374,278				241,525,080
Capital work in progress	36,381,990				69,237,016
	\$280,756,268				\$ 310,762,096

12. Tangible capital assets (continued):

Contributed assets, excluding land, are recorded at the time the Town assumes responsibility for the maintenance of the municipal services such as roads, sidewalks, and storm sewers. Assets under construction:

Assets under construction and other capital work in progress having a value of \$69,237,016 (2023 - \$36,381,990) have not been amortized. Amortization of these assets will commence when the asset is put into service.

13. Contractual obligations:

During the year, the Town had work done on several major projects with contract values totaling \$111,552,339 (2023 - \$88,821,059). These contracts relate to the construction and expansion of certain permanent facilities that will be constructed in 2024 or later periods. As at December 31, 2024, \$47,734,804 (2023 - \$60,081,609) relating to these contracts had not been expended.

14. Pension plan:

The Town makes contributions to OMERS, which is a multi-employer pension plan, on behalf of full-time members of staff. The plan is a defined benefit plan, which specifies that amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. 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 benefits. OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employees.

Each year an independent actuary determines the status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2024. The results of this valuation disclosed total actuarial liabilities of \$142.5 billion in respect of benefits accrued for service with actuarial assets at that date of \$139.6 billion indicating an actuarial deficit of \$2.9 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit. Matching contributions made by the Town to OMERS for 2024 were \$2,161,536 (2023 - \$1,835,406).

15. Contingencies:

The Town is subject to various legal claims arising in the normal course of its operations. The ultimate outcome of these claims cannot be determined at this time; however, the Town's management believes that the ultimate resolution of these matters will not have a material adverse effect on its consolidated financial position.

16. Insurance coverage:

Effective January 1, 2021, the Town retained the services of Marsh Canada Limited to provide insurance and risk management services. The current policy provides a \$25,000 deductible limit per incident.

17. Accumulated surplus:

Accumulated surplus is comprised of the following:

	2024	2023
Town reserves		
Corporate/operating:		
Working Capital/Tax Stabilization	\$ 3,299,747	\$ 3,427,257
General Capital	5,702,043	7,508,484
COVID Operating Grant	569,940	679,009
	9,571,730	11,614,750
Program Specific:		
Election	248,316	123,383
Emergency Services	512,398	490,100
Insurance	699,153	649,525
Winter Maintenance	613,035	577,569
Real Estate Legal and Administration	1,280,592	746,622
Climate Change Initiatives	165,424	158,225
Farmers Market	10,100	9,660
Public Art	176,750	199,819
Library Operating	151,642	143,973
Library Fundraising	172,082	157,382
	4,029,492	3,256,258
Development Specific:		
Building Code Enforcement	16,192,440	16,874,101
Planning Act	(301,201)	(122,188)
Engineering Fees	3,822,346	3,656,008
Parks Development Fees	(469,121)	(428,985)
Fill and Site Alteration	51,440	377,512
	19,295,904	20,356,448

17. Accumulated surplus (continued):

Asset Management:		
Parks Structures	665,750	1,139,829
Tree Planting and Protection	1,556,721	
Library Asset Replacement	707,731	663,838
Public Works Roads	185,056	177,003
Vehicle and Equipment Replacement – Tax Levy	4,213,083	5,042,659
Information Technology	1,928,902	2,187,966
Buildings	10,419,983	9,075,690
Roads Tax Levy	9,092,197	6,597,954
Municipal Parking	246,628	235,896
	29,016,051	25,120,835
Community Capital Contribution:		
Environment & Watershed Enhancement	751,347	719,014
Ineligible Due to Level of Service	2,959,362	2,815,303
10% Mandatory Development Credit Reduction	773,345	1,837,823
Parkland Acquisition	4,079,455	3,874,294
Administration Facilities	5,092,608	4,874,315
Art and Culture Heritage	1,813,948	1,731,326
Economic Development Initiatives and Servicing	1,460,334	1,418,225
	16,930,399	17,270,300
Water and wastewater		
Stabilization:		
Water and Sewer Rate Stabilization	3,060,160	2,874,193
Asset Management:		
Vehicle and Equipment Replacement - Water and Sewer	299,349	265,079
Infrastructure - Water and Sewer	30,815,956	25,956,345
Rate Supported - Water and Sewer	23,726	22,693
	31,139,031	26,244,117
Total reserves before the undernoted	113,099,542	106,860,315
Supplementary taxes - unbilled	56,775	123,414
Total reserves	113,099,542	106,860,315
Advanced capital projects to be reimbursed by development charges	(1,946,557)	(2,000,871)
Invested in tangible capital assets	310,762,096	280,756,268
Asset retirement obligation	(1,570,891)	(1,499,975)
Accumulated surplus	\$ 420,344,190	\$ 384,115,737

18. Segmented information:

The Town provides a range of services to its citizens. For management reporting and stewardship purposes, all operations are organized and reported by the services they supply. Town services are provided by departments and their activities are reported. The following departments have been separately disclosed in the segmented information, along with a description of their services. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

(a) General government:

All support staff and services are included here such as Town Council, the Office of the CAO, Clerks, and Finance.

(b) Protection to persons and property:

Protection is comprised of emergency services, By-law enforcement and Building Code enforcement. These departments are responsible for maintaining and enhancing public safety through emergency management planning, prevention and public education programs, enforcement and emergency response.

(c) Transportation services:

The Transportation department is responsible for the Town's road infrastructure. This includes the safety and maintenance of the Town's paved roads, sidewalks, streetlights, trees, traffic control devices and the school crossing guard program.

(d) Environmental services:

This segment consists of water and wastewater and waste/recycling collection.

(e) Recreation and cultural services:

Recreation and cultural services are comprised of the Recreation department and the Library. The Recreation department is responsible for the planning, administration, operation and maintenance of municipal parks and facilities. Recreation and cultural services are provided through programs as well as parks, playgrounds, open spaces and trail systems. Library provides leisure, information and cultural services to the public.

(f) Planning and development:

The Planning and Building Services department administers and oversees key aspects of the land use and development approval process in the Town. Certain allocation methodologies are employed in the preparation of segmented financial information. Government grants, user charges, transfers from other funds, and other revenue are allocated to the specific program or service they relate to. Internal and external expenses are allocated. Activity based costing is used to allocate internal support costs to departments. These costs include the net expenses for departments, such as human resources, information systems, finance and others, commonly referred to as overhead. Measures of activity, or drivers, are used to apportion the support costs.

18. Segmented Information (continued)

	Consolidated		General government	
	2024	2023	2024	2023
REVENUE				
Net taxation charges	(33,862,548)	(30,957,466)	(33,862,548)	(30,957,466)
User charges	(22,405,508)	(22,519,344)	(211,739)	(254,584)
Charges to developers	(30,594,686)	(27,140,974)	(472,950)	(1,404,113)
Grants	(2,115,061)	(1,933,213)	(129,026)	(284,156)
Penalties on taxes	(1,174,069)	(955,759)	(1,174,069)	(955,759)
Investment income	(4,841,408)	(3,737,998)	(4,834,858)	(3,732,537)
Contributed tangible capital assets	(2,909,143)	(17,819,917)	(2,909,143)	(17,819,917)
Sale of Assets	(513,376)	(77,851)	(481,909)	127,616
Other Revenue	(653,408)	(655,738)	(67,363)	(148,228)
	(99,069,207)	(105,798,260)	(44,143,605)	(55,429,144)
EXPENSES				
Salaries and wages	30,232,420	26,803,535	6,212,461	5,238,576
Materials	4,808,620	4,139,875	1,199,206	1,200,370
Contracted services	17,986,431	18,284,578	3,079,142	3,514,087
Rents and Financial	198,344	180,088	42,399	44,822
Amortization	9,731,774	11,680,281	868,396	905,544
Accretion	70,915	68,984	—	—
	63,028,504	61,157,341	11,401,604	10,903,399
Annual Surplus (deficit) before gain (loss) of tangible capital assets	36,040,703	44,640,919	32,742,001	44,525,745
Gain (loss) on sale of tangible capital assets	187,750	183,339	187,750	183,339
Annual surplus (deficit)	36,228,453	44,824,258	32,929,751	44,709,084

18. Segmented Information (continued)

	Protection to Persons and property		Transportation Services	
	2024	2023	2024	2023
REVENUE				
Net taxation charges	—	—	—	—
User charges	(1,908,663)	(2,748,353)	(1,423,440)	(829,150)
Charges to developers	(14,962)	(69,887)	(571,833)	(845,420)
Grants	(2,509)	(514)	(1,700,261)	(1,344,227)
Penalties on taxes	—	—	—	—
Investment income	—	—	—	—
Contributed tangible capital assets	—	—	—	—
Sale of Assets	(2,456)	(30,000)	(11,425)	(70,950)
Other Revenue	(144,659)	(211,038)	(27,876)	(28,296)
	(2,073,249)	(3,059,792)	(3,734,835)	(3,118,043)
EXPENSES				
Salaries and wages	8,373,909	7,796,455	4,066,443	3,610,034
Materials	516,797	523,890	948,720	741,541
Contracted services	1,107,754	1,095,356	2,280,756	1,844,589
Rents and Financial	—	—	—	—
Amortization	791,627	827,985	3,136,889	4,405,396
Accretion	—	—	—	—
	10,790,087	10,243,686	10,432,808	10,601,560
Annual Surplus (deficit) before gain (loss) of tangible capital assets	(8,716,838)	(7,183,894)	(6,697,973)	(7,483,517)
Gain (loss) on sale of tangible capital assets	—	—	—	—
Annual surplus (deficit)	(8,716,838)	(7,183,894)	(6,697,973)	(7,483,517)

18. Segmented Information (continued)

	Environmental Services		Recreation and Cultural Services	
	2024	2023	2024	2023
REVENUE				
Net taxation charges	—	—	—	—
User charges	(15,974,348)	(16,187,731)	(2,049,481)	(1,800,930)
Charges to developers	(137,359)	(104,329)	(29,207,132)	(24,658,331)
Grants	(175,356)	(164,950)	(73,316)	(138,959)
Penalties on taxes	—	—	—	—
Investment income	—	—	(6,550)	(5,461)
Contributed tangible capital assets	—	—	—	—
Sale of Assets	(11,931)	(22,267)	(5,655)	(82,250)
Other Revenue	(326,876)	(181,667)	(86,634)	(86,420)
	(16,625,870)	(16,660,944)	(31,428,768)	(26,772,351)
EXPENSES				
Salaries and wages	3,248,626	3,233,483	6,844,190	5,920,278
Materials	408,853	506,278	1,628,868	1,143,248
Contracted services	10,411,668	9,714,808	788,597	1,553,925
Rents and Financial	—	—	155,945	135,266
Amortization	3,423,763	4,129,193	1,511,099	1,412,162
Accretion	—	—	70,915	68,984
	17,492,910	17,583,762	10,999,614	10,233,864
Annual Surplus (deficit) before gain (loss) of tangible capital assets	(867,040)	(922,818)	20,429,154	16,538,487
Gain (loss) on sale of tangible capital assets	—	—	—	—
Annual surplus (deficit)	(867,040)	(922,818)	20,429,154	16,538,487

18. Segmented Information (continued)

	Planning and Development	
	2024	2023
REVENUE		
Net taxation charges	—	—
User charges	(837,837)	(698,596)
Charges to developers	(190,450)	(58,894)
Grants	(34,593)	(407)
Penalties on taxes	—	—
Investment income	—	—
Contributed tangible capital assets	—	—
Sale of Assets	—	—
Other Revenue	—	(89)
	(1,062,880)	(757,986)
EXPENSES		
Salaries and wages	1,486,791	1,004,709
Materials	106,176	24,548
Contracted services	318,514	561,813
Rents and Financial	—	—
Amortization	—	—
Accretion	—	—
	1,911,481	1,591,070
Annual Surplus (deficit) before gain (loss) of tangible capital assets	(848,601)	(833,084)
Gain (loss) on sale of tangible capital assets	—	—
Annual surplus (deficit)	(848,601)	(833,084)



**STATISTICAL
INFORMATION**

Five Year Financial Review

	2024	2023	2022	2021	2020
REVENUE					
Net taxation charges	33,862,548	30,957,466	28,792,550	27,428,019	26,715,840
User charges	22,405,508	22,519,344	23,011,595	22,998,166	19,072,713
Charges to developers	30,594,686	27,140,974	10,762,540	10,798,387	18,469,012
Grants/Government Transfers	2,115,061	1,933,213	1,679,633	3,179,510	2,921,242
Penalties on taxes	1,174,069	955,759	723,477	787,797	486,592
Investment income	4,841,408	3,737,998	1,835,443	907,082	1,047,554
Other Revenue	1,166,784	733,589	462,538	366,505	458,476
Contributed tangible capital assets	2,909,143	17,819,917	21,527,543	13,720,136	26,898,791
Total Revenue	99,069,207	105,798,260	88,795,316	80,185,602	96,070,220

NET TAXATION CHARGES					
Total Taxes levied by Town	89,287,501	82,805,297	78,472,155	74,326,044	71,854,023
Less: Taxes Levied on behalf of York Region	35,794,049	33,555,326	31,270,839	29,223,061	28,044,820
Less: Taxes Levied on behalf of School Boards	19,630,904	18,292,505	18,408,766	17,674,964	17,093,363
Total net taxation charges	33,862,548	30,957,466	28,792,550	27,428,019	26,715,840

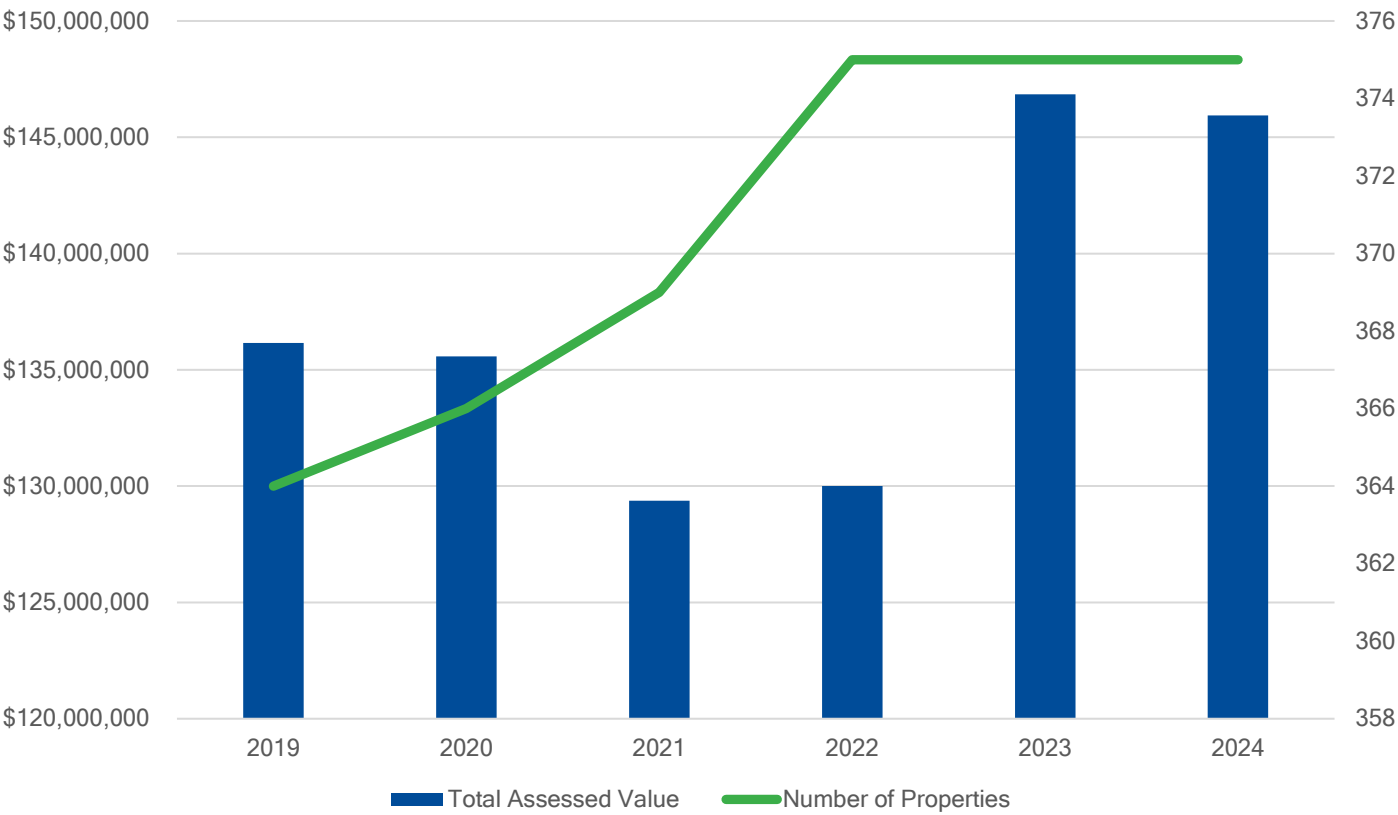
EXPENSES BY FUNCTION					
General government	11,401,604	10,903,401	9,353,546	7,758,684	7,134,689
Protection to persons and property	10,790,087	10,243,686	9,846,267	9,340,277	9,138,734
Transportation services	10,432,808	10,601,560	9,984,453	9,386,567	8,981,564
Environmental services	17,492,910	17,583,761	16,829,268	14,891,516	14,339,485
Recreation and cultural services	10,999,614	10,233,864	9,546,951	9,434,269	8,058,139
Planning and development	1,911,481	1,591,069	1,431,282	1,840,487	2,097,215
Total Expense by Function	63,028,504	61,157,341	56,991,767	52,651,800	49,749,826

Five Year Financial Review (continued)

	2024	2023	2022	2021	2020
EXPENSES BY OBJECT					
Salaries and wages	30,232,434	26,803,535	24,666,136	23,146,164	21,704,209
Materials	4,808,613	4,139,875	5,478,871	5,229,443	5,327,626
Contracted Services	17,986,424	18,284,578	15,647,137	15,053,382	13,165,947
Rents and financial exp	198,344	180,088	151,930	133,946	35,672
Amortization	9,731,774	11,680,281	11,047,693	9,088,865	9,516,372
Accretion	70,915	68,984	-	-	-
Total Expense by Object	63,028,504	61,157,341	56,991,767	52,651,800	49,749,826
Gain/(Loss) on sale of tangible capital assets	187,750	183,339	(8,299)	96,403	(202,688)
Annual Surplus	36,228,453	44,824,258	31,795,253	27,630,205	46,117,706
ACCUMULATED SURPLUS					
Reserves	96,112,368	89,466,601	82,145,249	69,865,244	59,311,383
Community Capital Contribution	16,930,399	17,270,300	17,102,222	16,674,756	13,589,775
Supplementary Taxes	56,775	123,414	186,191	170,546	150,195
Total Reserves	113,099,542	106,860,315	99,433,662	86,710,546	73,051,353
Front Ended Capital Projects to be recovered by development charges	(1,946,557)	(2,000,871)	(1,517,103)	(1,781,649)	(1,861,297)
Investments in tangible capital assets	310,762,096	280,756,268	241,374,920	222,567,332	208,675,968
Asset Retirement Obligation	(1,570,891)	(1,499,975)	-	-	-
Total Accumulated Surplus	420,344,190	384,115,737	339,291,479	307,496,229	279,866,024
Acquisition of Tangible Capital Assets	41,648,449	53,079,288	53,276,041	24,712,562	47,574,909
Net Financial Assets	111,936,147	102,923,158	97,475,337	84,586,719	71,001,754
Total Debt Outstanding Per Capita	-	-	-	-	-

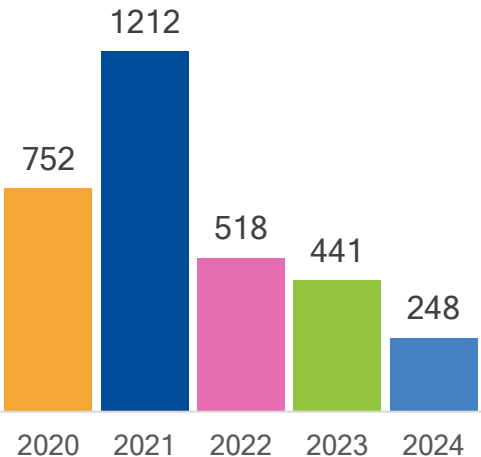
Value of Town Owned Land

As seen in the charts below, the Town's inventory of owned properties saw a gradual increase over the past five years, growing from 366 properties in 2020 to 375 properties by 2022. The number of properties has remain unchanged since 2022. The value of these lands have flucuated during this period due to changes in market value and the types of properties held by the Town. As of 2024, the total assessed value of properties owned by the Town was \$145,934,700.

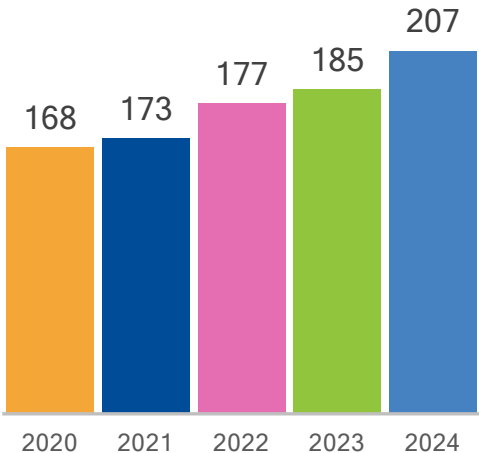


Statistical Data

Total Building Permits Issued

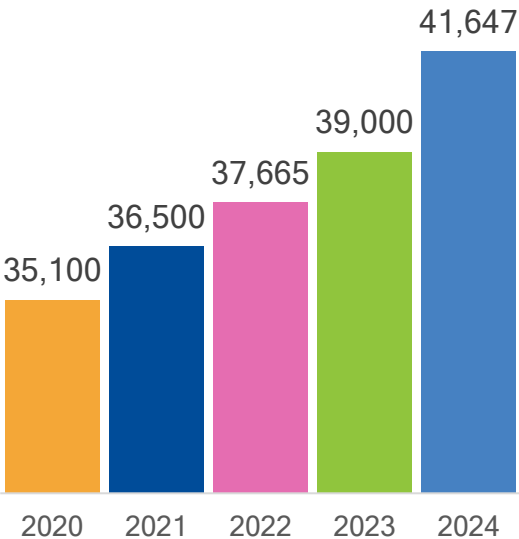


Full Time Equivalent Employees

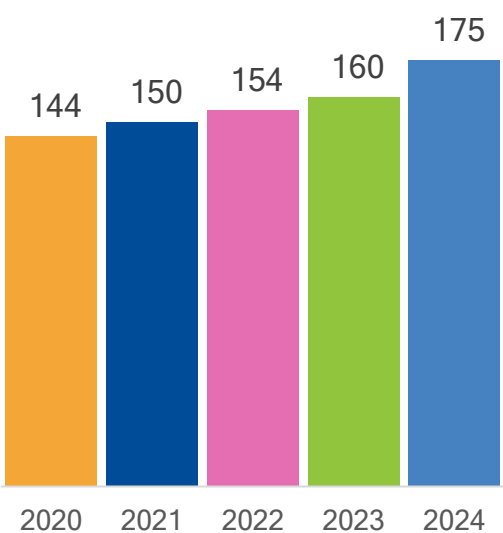


(per 2025 Business Plan and Budget)

Population

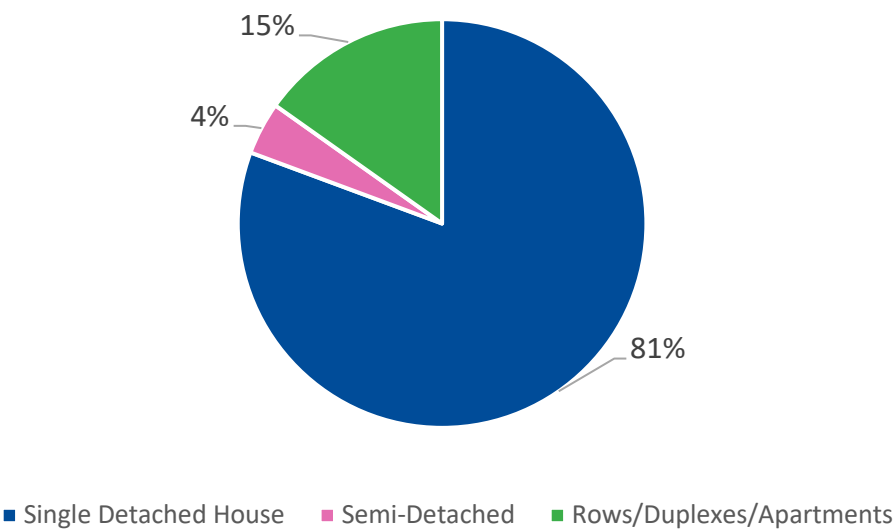


Population Density per sq. kilometre



All data sourced from the York Region Growth and Development Review Report, unless otherwise noted.

Estimated Number of Occupied Households



Top Employers
(By Number of Employees)

- Greenworks Tools
- Kelson Mechanical Inc.
- Loblaw Supply Chain
- Multimatic
- New Leaf
- Skelton Truck Lines
- Technicore Underground
- Ward and Burke Microtunnelling
- Witron



Largest Corporate Tax Payers

- Yonge & Green Lane South Developments Corp.
- Fetlar Holdings Limited
- Riotrin Properties (Newmarket) Inc.
- Wycliffe Revera Sharon Inc.
- Yonge & Green Lane SE Limited
- Regional Municipality of York
- Yonge & Green Lane Developments Corp.
- CP REIT Ontario Properties Limited
- 125 Corcoran TP Ltd.
- Costco Wholesale Canada Ltd.



All data sourced from the York Region Growth and Development Review Report, unless otherwise noted.



Information on the Town of East Gwillimbury is
available at **www.eastgwillimbury.ca**

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