

**THE CORPORATION OF THE  
TOWN OF GRAVENHURST  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**THE CORPORATION OF THE TOWN OF GRAVENHURST**  
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**INDEPENDENT AUDITORS' REPORT**

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To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Town of Gravenhurst

*Opinion*

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

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

*Basis for Opinion*

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

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

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

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

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

*Auditor's Responsibility for the Audit of the Financial Statements*

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



**PAHAPILL and ASSOCIATES Chartered Professional Accountants**  
**Professional Corporation**

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

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

Huntsville, Ontario  
June 21, 2022

*Pahapill and Associates*

Pahapill and Associates Professional Corporation  
Chartered Professional Accountants  
Authorized to practise public accounting by  
The Chartered Professional Accountants of Ontario

**THE CORPORATION OF THE TOWN OF GRAVENHURST**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 23,782,902	\$ 21,580,823
Accounts receivable, net of allowance of \$24,440 (2020 - \$21,955)	3,251,854	3,243,223
	<b>27,034,756</b>	<b>24,824,046</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,229,248	3,830,215
Prepaid property taxes	2,000,353	2,131,008
Deferred revenue (Note 5)	3,992,235	2,672,251
Municipal debt (Note 6)	12,952,080	13,958,486
	<b>22,173,916</b>	<b>22,591,960</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>4,860,840</b>	<b>2,232,086</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net (Note 10, Schedule 1)	77,840,843	77,030,801
Inventories of supplies	120,086	135,125
Prepaid expenses	464,050	380,338
	<b>78,424,979</b>	<b>77,546,264</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 83,285,819</b>	<b>\$ 79,778,350</b>

CONTINGENT LIABILITIES (Note 8)

COMMITMENTS (Note 9)

APPROVED ON BEHALF OF COUNCIL:

  
 \_\_\_\_\_ Mayor

The accompanying notes and schedules are an integral part of these financial statements

**THE CORPORATION OF THE TOWN OF GRAVENHURST**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget 2021 (Note 12)	Actual 2021	Actual 2020
<b>REVENUE</b>			
Property taxes	\$ 17,363,913	\$ 17,392,267	\$ 16,964,694
User fees	2,844,850	4,002,013	3,009,720
Government transfers	1,991,600	3,208,739	2,960,231
Other	612,671	55,358	969,453
<b>TOTAL REVENUE</b>	<b>22,813,034</b>	<b>24,658,377</b>	<b>23,904,098</b>
<b>EXPENSES</b>			
General government	4,644,127	4,510,151	4,595,223
Protection to persons and property	2,499,887	2,537,009	2,487,211
Transportation services	7,549,775	7,313,259	7,373,146
Environmental services	145,987	185,796	149,638
Health services	193,727	189,555	147,686
Recreation and culture	6,343,737	5,242,297	5,085,807
Planning and development	1,290,976	1,172,841	1,218,756
<b>TOTAL EXPENSES</b>	<b>22,668,216</b>	<b>21,150,908</b>	<b>21,057,467</b>
<b>ANNUAL SURPLUS</b>	<b>144,818</b>	<b>3,507,469</b>	<b>2,846,631</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>79,778,350</b>	<b>79,778,350</b>	<b>76,931,719</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 79,923,168</b>	<b>\$ 83,285,819</b>	<b>\$ 79,778,350</b>

The accompanying notes and schedules are an integral part of these financial statements

**THE CORPORATION OF THE TOWN OF GRAVENHURST**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget 2021 (Note 12)	Actual 2021	Actual 2020
<b>Annual surplus (deficit)</b>	\$ 144,818	\$ 3,507,469	\$ 2,846,631
Acquisition of tangible capital assets	(8,483,492)	(8,483,492)	(7,961,873)
Amortization of tangible capital assets	6,040,318	6,040,318	6,275,999
Allocation from work in progress	1,538,151	1,538,151	1,150,415
Loss (gain) on sale of tangible capital assets	-	65,554	32,584
Proceeds on sale of tangible capital assets	-	29,427	54,909
Acquisition and consumption of supplies inventories	-	15,039	(13,271)
Use of prepaid expenses	-	(83,712)	(20,032)
<b>Increase (decrease) in net financial assets</b>	(760,205)	2,628,754	2,365,362
<b>Net financial assets (debt), beginning of year</b>	2,232,086	2,232,086	(133,276)
<b>Net financial assets (debt), end of year</b>	\$ 1,471,881	\$ 4,860,840	\$ 2,232,086

The accompanying notes and schedules are an integral part of these financial statements

**THE CORPORATION OF THE TOWN OF GRAVENHURST**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021	2020
<b>Operating transactions</b>		
Annual surplus	\$ 3,507,469	\$ 2,846,631
Non-cash charges to operations:		
Amortization	6,040,318	6,275,999
Loss on sale of tangible capital assets	65,554	32,584
	<b>9,613,341</b>	<b>9,155,214</b>
Changes in non-cash assets and liabilities:		
Accounts receivable	(8,631)	(307,740)
Accounts payable and accrued liabilities	(600,967)	(130,878)
Prepaid property taxes	(130,655)	362,877
Deferred revenue	1,319,984	33,384
Inventories of supplies	15,039	(13,271)
Prepaid expenses	(83,712)	(20,032)
	<b>511,058</b>	<b>(75,660)</b>
<b>Cash provided by operating transactions</b>	<b>10,124,399</b>	<b>9,079,554</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(8,483,492)	(7,961,873)
Allocation from work in progress	1,538,151	1,150,415
Proceeds on disposal of tangible capital asset	29,427	54,909
<b>Cash applied to capital transactions</b>	<b>(6,915,914)</b>	<b>(6,756,549)</b>
<b>Financing transactions</b>		
Debt principal repayments	(1,006,406)	(960,772)
<b>Cash applied to financing transactions</b>	<b>(1,006,406)</b>	<b>(960,772)</b>
<b>Net change in cash and cash equivalents</b>	<b>2,202,079</b>	<b>1,362,233</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>21,580,823</b>	<b>20,218,590</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 23,782,902</b>	<b>\$ 21,580,823</b>
<b>Cash flow supplementary information:</b>		
Taxation and investment interest income received	\$ 732,272	\$ 615,170
Interest paid	549,011	594,064
<b>Net interest received</b>	<b>\$ 183,261</b>	<b>\$ 21,106</b>

The accompanying notes and schedules are an integral part of these financial statements



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended December 31, 2021

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The Corporation of the Town of Gravenhurst is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Planning Act, Building Code Act and other related legislation.

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Reporting Entity**

These consolidated statements reflect the assets, liabilities, revenues, expenses and reserve and reserve fund balances of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

**(i) Consolidated entities**

The following local boards are consolidated:

Gravenhurst Public Library Board  
Gravenhurst Business Improvement Area

Inter-organizational transactions and balances between these organizations are eliminated.

**(ii) Accounting for school board and the District of Muskoka transactions**

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the District Municipality of Muskoka are not reflected in these consolidated financial statements.

**(iii) Trust funds**

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

**(b) Basis of Accounting****(i) Accrual basis of accounting**

Sources of financing and expenditures are reported on the accrual basis of accounting. This method recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

**(ii) Non-financial assets**

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of Municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2021

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**(a) Tangible capital assets**

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

Land improvements - 10 to 30 years  
Buildings - 10 to 75 years  
Machinery, equipment and furniture - 5 to 20 years  
Computer hardware and software - 3 years  
Vehicles - 5 to 25 years  
Roads - 5 to 30 years  
Bridges and culverts - 35 to 75 years  
Street lighting - 10 to 30 years  
Storm system - 40 to 100 years

Amortization is taken in the month of purchase up to the month of disposal. Assets under construction are not amortized until the asset is available for productive use.

The Municipality has a capitalization threshold of \$2,500; individual tangible capital assets, or pooled assets of lesser value are expensed in the year of purchase.

**(b) Inventories of supplies**

Inventories held for consumption are recorded at cost.

**(iii) Reserves and reserve funds**

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.

**(iv) Government transfers**

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

**(v) Deferred revenue**

The Municipality receives gas tax revenue from the Federal Government, development charge contributions, payments in lieu of parkland and building permit fees under the authority of provincial legislation and Municipal by-laws. These funds are restricted in their use and until applied to the applicable expenditures are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended. The Municipality also defers recognition of certain government grants which have been collected but for which the related expenditures have yet to be incurred. These amounts will be recognized as revenues in the fiscal year the services are performed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2021

- (vi) Taxation and related revenues  
Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.
- (vii) Pensions  
The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan.
- (viii) Use of estimates  
The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include valuation allowances for accounts receivable, estimated useful lives of tangible capital assets and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future. The estimates are reviewed periodically and any resulting adjustments are reported in earnings in the year in which they become known.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for bank account balances as of December 31, 2021 consists of the following:

	2021	2020
General Account	\$ 8,084,320	\$ 6,843,250
Petty Cash	1,410	1,410
Reserve Funds - Restricted		
Community Reinvestment	4,983,446	4,816,150
Discretionary Reserve Funds	6,762,036	5,976,346
Terence Haight Endowment	1,053,917	1,030,895
Henderson Endowment (Gravenhurst Public Library Board)	438,861	468,060
Other	49,251	49,251
Obligatory Reserve Funds - Restricted		
Development Charges	1,566,183	1,388,189
Parkland Dedication	175,040	322,617
Federal Gas Tax	668,438	684,655
	<b>\$ 23,782,902</b>	<b>\$ 21,580,823</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2021

3. OPERATIONS OF SCHOOL BOARDS AND THE DISTRICT OF MUSKOKA

Further to Note 1(a)(ii), the Municipality is required to collect property taxes and payments-in-lieu of taxes on the behalf of the school boards and the District of Muskoka. The amounts collected, remitted and outstanding are as follows:

	2021 School Boards	2021 District	2021 Total	2020 Total
Payable (receivable) at the beginning of the year	\$ -	\$ -	\$ -	\$ (120,070)
Taxation and payments-in-lieu, net of adjustments	6,909,434	15,907,694	22,817,128	22,363,161
Remitted during the year	(6,909,434)	(15,907,694)	(22,817,128)	(22,243,091)
<b>Payable (receivable) at the end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

4. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$588,768 (2020 \$569,932) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

5. DEFERRED REVENUE

The 2021 continuity of transactions within the obligatory reserve funds are described below:

	Balance beginning of year	Contributions received	Interest earned	Amounts taken into revenue	Balance end of year
Parkland Dedication	\$ 173,292	\$ 43,238	\$ 1,447	\$ (9,212)	\$ 208,765
Development charges	1,551,974	593,357	12,947	(286,618)	1,871,660
Building Code Act	284,901	499,578	6,743	(40,812)	750,410
Federal gas tax	662,084	765,791	5,525	(272,000)	1,161,400
	<b>\$ 2,672,251</b>	<b>\$ 1,901,964</b>	<b>\$ 26,662</b>	<b>\$ (608,642)</b>	<b>\$ 3,992,235</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2021

6. MUNICIPAL DEBT

(a) The balance of the municipal debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2021	2020
2004 Debenture payable to District Municipality of Muskoka, for the Muskoka Wharf, repayable in semi-annual instalments of \$337,343 including interest at 5.685% per annum, due October 2024.	\$ 1,837,028	\$ 2,383,854
2011 Debenture payable to District Municipality of Muskoka, for the Centennial Centre Expansion and Aquatic Facility, repayable in semi-annual instalments of \$181,450 including interest at 3.88% per annum, due December 2041.	5,016,288	5,179,783
2011 Debenture payable to District Municipality of Muskoka, for the Town Hall and Health Clinic, repayable in semi-annual instalments of \$89,975 including interest at 3.76% per annum, due December 2036.	2,048,764	2,148,849
2012 Debenture payable to District Municipality of Muskoka, for the Centennial Centre and Aquatic Facility, repayable in annual instalments of principal of varying amounts in each of the years 2013 to 2024, interest is paid semi-annual at varying interest rates ranging from 1.45% to 3.55%, due November 2024.	4,050,000	4,246,000
	<b>\$ 12,952,080</b>	<b>\$ 13,958,486</b>

(b) Future estimated principal and interest payments on the municipal debt are as follows:

	Principal	Interest
2022	\$ 1,054,139	\$ 508,354
2023	1,104,084	457,743
2024	4,582,363	404,392
2025	306,827	236,022
2026	318,705	224,144
2027 onwards	5,585,962	1,657,034
	<b>\$ 12,952,080</b>	<b>\$ 3,487,689</b>

(c) Total charges for the year for municipal debt which are reported in the financial statements are as follows:

	2021	2020
Principal payments	\$ 1,006,406	\$ 960,773
Interest	549,011	601,113
	<b>\$ 1,555,417</b>	<b>\$ 1,561,886</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended December 31, 2021

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**7. CREDIT FACILITY AGREEMENT**

The Municipality has a revolving credit facility agreement with the National Bank. The amount available at any time is limited to \$1,000,000 (2020 \$1,000,000) to finance general operating requirements. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.75% per annum. Council authorized the temporary borrowing limit by By-law 2021-89, which authorizes \$3,100,000, of which NIL (2020 NIL) was used at the end of the year.

**8. CONTINGENT LIABILITIES**

In the normal course of business, the municipality is named to lawsuits related to its operations. Management is of the view that these lawsuits are without merit and any settlement would not be material to the financial position of the municipality.

**9. COMMITMENTS**

During the year the Town entered into a five year service agreement for a Cloudpermit Building Module. Five years remain on this agreement which has annual costs of \$26,000 per year.

**10. TANGIBLE CAPITAL ASSETS**

Schedule 1 provides information on the tangible capital assets of the Municipality by major asset class. Additional information relating to these assets is provided below.

**(a) Contributed tangible capital assets**

The Municipality records all tangible capital assets contributed by external parties at the fair market value. During the year \$NIL (2020 \$NIL) such contributions were recorded.

**(b) Tangible capital assets recorded at nominal value**

There were no tangible capital assets assigned a nominal value in the financial statements.

**(c) Works of art and historical artifacts**

Works of art and historical artifacts owned by the Municipality are not included in the tangible capital assets reported on the Consolidated Statement of Financial Position. The Municipality has on loan a number of paintings and other pieces of artwork that are prominently displayed in municipal buildings from the Historical Society.

**(d) Capitalization of interest**

The Municipality has a policy of capitalizing borrowing costs related to the acquisition of qualifying tangible capital assets net of any investment income earned on the unexpended portion of the borrowings. Other borrowing costs are expensed when incurred.

# THE CORPORATION OF THE TOWN OF GRAVENHURST

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2021

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### 11. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule and segment disclosure provides a breakdown of the annual surplus reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

#### General Government

This segment includes Council, Corporate Administration, Clerks and Finance. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery. General Government also includes the operation of non-municipal buildings such as the Train Station, Seniors Centre, Muskoka Steamships ticket office and Discovery Centre, and the Terence Haight-Carnegie Centre (Gravenhurst Chamber of Commerce).

#### Protection to Persons and Property

This segment includes fire, police, emergency measures, building inspection, and bylaw enforcement.

#### Transportation Services

Transportation Services include roadway systems and winter control.

#### Environmental Services

This segment includes the urban storm sewer system.

#### Health Services

This segment represents the revenues and expenses related to the operation of cemeteries.

#### Recreation and Culture

This segment includes parks, recreation programs, recreation facilities, community services, library, opera house, barge concerts, wharf properties and the Muskoka heritage centre.

#### Planning and Development

This segment includes activities related to planning, zoning and economic development.

#### Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and the municipality's annual Ontario Municipal Partnership Fund unconditional grant.

In preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of rent to specific segments.

**THE CORPORATION OF THE TOWN OF GRAVENHURST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2021

**11. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)**

FOR THE YEAR ENDED DECEMBER 31, 2021

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Culture	Planning and Development	Unallocated Amounts	Consolidated
<b>REVENUE</b>									
Property taxes	\$ 7,871,515	\$ 1,343,562	\$ 3,129,407	\$ 60,500	\$ 122,455	\$ 3,589,975	\$ 1,136,999	\$ 137,854	\$ 17,392,267
User fees	351,560	1,453,178	730,278	-	77,245	436,837	952,915	-	4,002,013
Government transfers	-	7,600	1,206,645	-	-	42,894	-	1,951,600	3,208,739
Other	453,867	(397,973)	-	-	5,314	191,772	336,686	(534,308)	55,358
<b>TOTAL REVENUE</b>	<b>8,676,942</b>	<b>2,406,367</b>	<b>5,066,330</b>	<b>60,500</b>	<b>205,014</b>	<b>4,261,478</b>	<b>2,426,600</b>	<b>1,555,146</b>	<b>24,658,377</b>
<b>EXPENSES</b>									
Salaries, wages and benefits	2,125,862	1,768,381	1,617,589	38,473	115,890	1,465,087	973,394	-	8,104,696
Long-term debt charges (interest)	79,865	-	28,129	-	-	441,017	-	-	549,011
Operating expenses	1,988,860	440,793	1,985,566	85,836	63,513	1,697,002	195,313	-	6,456,883
Amortization	315,544	327,835	3,681,975	61,487	10,152	1,639,191	4,134	-	6,040,318
<b>TOTAL EXPENSES</b>	<b>4,510,151</b>	<b>2,537,009</b>	<b>7,313,259</b>	<b>185,796</b>	<b>189,555</b>	<b>5,242,297</b>	<b>1,172,841</b>	<b>-</b>	<b>21,150,908</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 4,166,791</b>	<b>\$ (130,642)</b>	<b>\$ (2,246,929)</b>	<b>\$ (125,296)</b>	<b>\$ 15,459</b>	<b>\$ (980,819)</b>	<b>\$ 1,253,759</b>	<b>\$ 1,555,146</b>	<b>\$ 3,507,469</b>



**THE CORPORATION OF THE TOWN OF GRAVENHURST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2021

**11. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)**

FOR THE YEAR ENDED DECEMBER 31, 2020

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Culture	Planning and Development	Unallocated Amounts	Consolidated
<b>REVENUE</b>									
Property taxes	\$ 7,870,183	\$ 1,301,140	\$ 3,074,054	\$ 58,000	\$ 112,455	\$ 3,368,671	\$ 1,158,818	\$ 21,373	\$ 16,964,694
User fees	313,748	971,337	683,274	-	73,605	301,285	666,471	-	3,009,720
Government transfers	11,687	-	909,461	-	-	49,103	49,280	1,940,700	2,960,231
Other	363,925	(5,473)	450,292	-	7,574	204,001	257,517	(308,383)	969,453
<b>TOTAL REVENUE</b>	<b>8,559,543</b>	<b>2,267,004</b>	<b>5,117,081</b>	<b>58,000</b>	<b>193,634</b>	<b>3,923,060</b>	<b>2,132,086</b>	<b>1,653,690</b>	<b>23,904,098</b>
<b>EXPENSES</b>									
Salaries, wages and benefits	2,070,657	1,629,527	1,625,033	28,269	120,491	1,425,131	1,040,408	-	7,939,516
Long-term debt charges (interest)	83,524	-	34,687	-	-	475,853	-	-	594,064
Operating expenses	2,147,697	585,533	1,774,251	63,153	25,646	1,482,572	175,960	-	6,254,812
Amortization	293,345	272,151	3,939,175	58,216	1,549	1,702,251	2,388	-	6,269,075
<b>TOTAL EXPENSES</b>	<b>4,595,223</b>	<b>2,487,211</b>	<b>7,373,146</b>	<b>149,638</b>	<b>147,686</b>	<b>5,085,807</b>	<b>1,218,756</b>	<b>-</b>	<b>21,057,467</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 3,964,320</b>	<b>\$ (220,207)</b>	<b>\$ (2,256,065)</b>	<b>\$ (91,638)</b>	<b>\$ 45,948</b>	<b>\$ (1,162,747)</b>	<b>\$ 913,330</b>	<b>\$ 1,653,690</b>	<b>\$ 2,846,631</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 Year Ended December 31, 2021

**12. BUDGET FIGURES**

The unaudited budget adopted for the current year was prepared on a fund basis, and has been amended to conform with the accounting and reporting standards adopted for the current year actual results. Town Council approved a balanced budget as required under the Municipal Act. The budget in the financial statements has been amended in order to comply with PSAB requirements to prepare the financial statements on a full accrual basis.

The following schedule provides additional detail regarding the 2021 unconsolidated municipal operating surplus.

**SUPPLEMENTARY MUNICIPAL INFORMATION**

	Municipal Budget 2021
<b>CONSOLIDATED ANNUAL SURPLUS (DEFICIT)</b>	144,818
Transfer (to) from municipal reserves	(5,178,730)
Transfer to unfunded liabilities	(1,006,406)
Municipal amortization	6,040,318
<b>MUNICIPAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>

**13. PENSION AGREEMENTS**

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2021. The results of this valuation disclosed total actuarial liabilities of \$119,342 million with respect to benefits accrued for service with actuarial assets at that date of \$116,211 million indicating an actuarial deficit of \$3,131 million. Because OMERS is a multi employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2021 was \$528,722 (2020 \$546,040) for current service and is included as an expense on the Consolidated Statement of Operations.

**14. IMPACT OF COVID-19**

As the impacts of COVID-19 continue, there could be further impact on the Municipality, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Municipality's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Municipality is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Municipality's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The Municipality will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

**THE CORPORATION OF THE TOWN OF GRAVENHURST  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Schedule 1**

	Land and Land Improvements	Buildings	Machinery, Equipment and Furniture	Vehicles	Roads and Bridges	Storm Systems	Assets Under Construction	TOTAL 2021	TOTAL 2020
<b>COST</b>									
Balance, beginning of year	\$ 29,705,463	\$ 33,372,968	\$ 7,242,743	\$ 8,691,315	\$ 113,080,976	\$ 4,276,370	\$ 4,159,309	\$ 200,529,144	\$ 197,706,888
Additions and betterments	382,923	487,513	516,077	81,300	1,181,507	-	5,834,172	8,483,492	7,961,873
Allocation from Work in Progress	-	-	-	-	-	-	(1,538,151)	(1,538,151)	(1,150,415)
Disposals and write-downs	(73,412)	(90,735)	(150,660)	(499,812)	(101,414)	-	(67,814)	(983,647)	(3,989,202)
<b>BALANCE, END OF YEAR</b>	<b>30,014,974</b>	<b>33,769,746</b>	<b>7,608,160</b>	<b>8,273,003</b>	<b>114,161,069</b>	<b>4,276,370</b>	<b>8,387,516</b>	<b>206,490,838</b>	<b>200,529,144</b>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	8,913,801	16,530,901	4,820,370	5,050,208	87,237,960	945,103	-	123,498,343	121,124,053
Annual amortization	769,139	1,386,492	509,385	557,939	2,755,876	61,487	-	6,040,318	6,275,999
Amortization disposals	(73,412)	(81,902)	(150,038)	(481,900)	(101,414)	-	-	(888,666)	(3,901,709)
<b>BALANCE, END OF YEAR</b>	<b>9,609,528</b>	<b>17,835,491</b>	<b>5,179,717</b>	<b>5,126,247</b>	<b>89,892,422</b>	<b>1,006,590</b>	<b>-</b>	<b>128,649,995</b>	<b>123,498,343</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 20,405,446</b>	<b>\$ 15,934,255</b>	<b>\$ 2,428,443</b>	<b>\$ 3,146,756</b>	<b>\$ 24,268,647</b>	<b>\$ 3,269,780</b>	<b>\$ 8,387,516</b>	<b>\$ 77,840,843</b>	<b>\$ 77,030,801</b>

**THE CORPORATION OF THE TOWN OF GRAVENHURST  
SUPPLEMENTARY UNAUDITED SCHEDULE OF SURPLUS**

**2021**

	2021	2020
<b>RESERVES AND RESERVE FUNDS</b>		
Working Capital	\$ 1,352,096	\$ 1,352,096
Tax Stabilization	1,720,854	1,866,786
Employee Benefit	319,595	319,595
Strategic Property	188,646	181,587
Elections	101,954	82,832
Accessibility	14,371	14,371
Hall of Fame	22,194	22,194
Community Improvement Plan	166,652	132,708
Planning	118,138	108,138
Fleet and Heavy Equipment	379,746	218,491
Furniture and Light Equipment	159,396	172,273
Information Systems and Technology	111,917	297,259
Facilities	1,981,769	2,050,116
Fire and Emergency Services	347,364	314,099
Infrastructure	1,655,766	2,479,458
Wharf Capital	821,610	647,759
Gravenhurst Public Library Board	118,013	42,253
Opera House Capital Improvements	40,357	39,439
Gravenhurst Business Improvement Area	44,508	52,354
Community Reinvestment	7,271,362	4,855,434
<b>TOTAL RESERVES AND RESERVE FUNDS</b>	<b>16,936,308</b>	<b>15,249,242</b>
<b>ENDOWMENTS</b>		
Henderson Endowment (Gravenhurst Public Library Board)	436,330	427,678
Terence Haight Endowment	1,024,417	1,029,115
<b>TOTAL ENDOWMENTS</b>	<b>1,460,747</b>	<b>1,456,793</b>
<b>OTHER</b>		
Tangible Capital Assets	77,840,843	77,030,801
Amounts to be Recovered	(12,952,079)	(13,958,486)
<b>TOTAL OTHER</b>	<b>64,888,764</b>	<b>63,072,315</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 83,285,819</b>	<b>\$ 79,778,350</b>

**THE CORPORATION OF THE TOWN OF GRAVENHURST**  
**SUPPLEMENTARY UNAUDITED SCHEDULE OF INTERNAL FINANCING**

**2021**

The Town of Gravenhurst finances some of their capital expenditures from their reserves as opposed to borrowing externally. The loans from reserves are interest bearing and have specific terms of repayment. Interest is calculated using Infrastructure Ontario lending rates for Municipalities.

The following are the existing loans in place at December 31, 2021:

Description	Amount Borrowed	Loan Due	Balance Due at the end of 2021	Balance Due at the end of 2020
2008 Pierce Pumper - Fire Department	243,000	2021	-	16,082
2012 Terrastar Plow Truck #48	86,107	2021	-	9,103
2016 Kluey's Bay Dock	80,985	2021	-	17,494
2016 Pineridge Gate Storm Water Management	166,818	2021	-	33,208
2016 Muskoka Bay Storm Outfall	69,807	2021	-	14,525
2018 Lifeguard Building Roof	130,078	2021	-	34,479
2018 Macleans Sidewalk Plow	155,181	2021	-	40,142
2018 Chevrolet Equinox - Truck #11	33,763	2023	14,066	20,813
2018 Mahindra Tractor	44,215	2023	18,420	27,231
2018 Chevrolet Silverado - Truck #17	33,093	2023	13,787	20,402
2018 Chevrolet Silverado - Truck #19	54,268	2023	22,609	33,404
2018 North Muldrew Lake Road	103,350	2023	43,057	63,542
2018 North Morrison Landing Improvements	200,000	2023	83,322	123,292
2018 Kahshe River Bridge Barrier System	30,000	2024	11,455	18,494
2014 International Plow Truck #50	243,223	2024	80,759	106,106
2014 Roof Repairs - Opera House - 295 Muskoka Rd S	156,870	2024	50,394	66,532
2014 Roof Repairs - Centennial Centre - 101 Centennial Dr	106,000	2024	45,638	55,646
2019 Municipal Office Boilers	74,545	2024	45,751	26,349
2019 Public Works Fuel System	70,000	2024	42,730	56,636
2019 Muskoka Beach Breakwall	120,000	2024	73,648	97,090
2019 Splash Pad Rehabilitation	94,759	2024	59,274	70,423
2019 Roads Sweeper SW2	301,548	2024	177,828	234,432
2015 HVAC Repair -Opera House - 295 Muskoka Rd S	837,951	2025	354,530	438,822
2015 Roof Repairs - Discovery Centre - 275 Steamship Bay Rd	188,290	2025	78,933	97,700
2015 Streetlights - LED Conversion	409,868	2025	166,697	205,804
2015 Barkway Culvert replacement	125,277	2025	50,731	62,793
2015 Freightliner Plow Truck #51	219,100	2025	92,674	114,708
2015 Excavator EX-1	177,000	2025	75,069	92,918
2018 James Street Rehabilitation	87,149	2025	34,489	42,628
2010 Pierce Pumper- Fire Department	399,943	2025	123,558	152,311
2020 Jones Rd	90,000	2025	-	90,000
2020 South Morrison Lake - Evanswood to Green Place Rd	146,000	2025	117,807	146,000
2020 Conservation Rd	235,000	2025	189,620	235,000
2017 Greavette Street Storm Sewer	1,023,727	2026	668,615	793,365
2018 Wharf Boardwalk	355,934	2027	225,022	259,601
2013 Accessibility Renovation - Terence Haight Carnegie Arts Centre - 275 Muskoka Rd S	749,184	2028	380,843	431,029
2018 Capital Maintenance of HCB/LCB Roads	300,000	2028	27,327	246,402
2018 Kilworthy Road Reconstruction	137,000	2028	-	112,573
2018 Bridge Works	317,964	2028	225,511	253,955
2015 Refrigeration Project - Centennial Centre - 101 Centennial Dr	901,530	2029	408,685	484,474
2013 Spartan Tanker - Fire Department	423,322	2029	247,487	274,645
2019 Snowmobile Bridge Rehabilitation	156,188	2029	121,269	121,269
2019 Jones Road	593,000	2029	487,881	518,117
2019 Barkway Road	875,000	2029	766,785	551,070
2019 Franklin Park Dock	152,718	2029	127,370	113,857
2020 Barkway Culvert - 900mm drainage culvert	200,000	2029	-	200,000
2020 Barkway Road Improvement	446,045	2029	-	446,045
2020 Hopkins Bridge Replacement	385,000	2029	310,654	385,000
2020 Sparrow Lake Rte D - Elderberry to Sparrow D	300,000	2029	272,981	300,000
2020 Sparrow Lake Rte D - Elderberry to Southwood	535,000	2029	486,815	535,000
2020 Tandem Plow	335,000	2029	270,309	335,000

2021 Aerial Fire Truck	1,000,000	2030	909,935	-
2021 Winhara Road Rehabilitation	1,509,803	2030	1,372,823	-
2021 Single Axel Plow	300,000	2030	272,981	-
2007 Muskoka Wharf Construction Project	<u>6,266,238</u>	2030	<u>2,941,619</u>	<u>2,667,729</u>
	<u>\$ 22,775,841</u>		<u>\$ 12,591,758</u>	<u>\$ 11,893,240</u>

**THE CORPORATION OF THE TOWN OF GRAVENHURST**  
**SUPPLEMENTARY FINANCIAL INFORMATION**  
**GRAVENHURST PUBLIC LIBRARY BOARD**

Condensed financial information in respect to Gravenhurst Public Library Board is provided below.

	Budget 2021 <i>(Note 12)</i>	Actual 2021	Actual 2020
<b>REVENUE</b>			
Provincial grants	40,000	40,055	39,214
Fines and fees	4,500	1,384	1,631
Other	7,000	5,594	6,307
<b>TOTAL REVENUE</b>	<b>51,500</b>	<b>47,033</b>	<b>47,152</b>
<b>EXPENSES</b>			
Wages and benefits	566,300	516,283	436,051
Materials and contracted services	214,425	143,935	193,081
Amortization	95,307	95,307	95,588
<b>TOTAL EXPENSES</b>	<b>876,032</b>	<b>755,525</b>	<b>724,720</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(824,532)</b>	<b>(708,492)</b>	<b>(677,568)</b>