



Consolidated financial statements

The Corporation of the City of Richmond Hill

December 31, 2023

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Independent auditor's report

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To the Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Richmond Hill

Opinion

We have audited the consolidated financial statements of the Corporation of the City of Richmond Hill ("the City"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of the Corporation of the City of Richmond Hill as at December 31, 2023, and its results of operations, its results of remeasurement gains and losses, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 City's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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 City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Grant Thornton LLP

Markham, Canada
June 21, 2024

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the City of Richmond Hill

Consolidated Statement of Financial Position


For the Year Ended December 31

(\$000's)	2023	2022
Financial assets		
Cash and cash equivalents	\$ 94,777	\$ 51,967
Portfolio investments (Note 3)	514,068	517,552
Taxes and payments-in-lieu receivable (Note 5)	43,976	43,785
Accounts receivable	53,550	47,807
	<u>706,371</u>	<u>661,111</u>
Liabilities		
Accounts payable and accrued liabilities	60,695	60,247
Other liabilities (Note 6)	21,718	16,217
Deferred revenue (Note 7)	270,132	252,977
Employee future benefits liability (Note 8)	26,996	25,562
	<u>379,541</u>	<u>355,003</u>
Net financial assets	<u>326,830</u>	<u>306,108</u>
Non-financial assets		
Tangible capital assets (Note 18)	999,412	982,406
Inventories	1,300	1,178
Prepaid expenses	3,345	2,929
	<u>1,004,057</u>	<u>986,513</u>
Accumulated surplus		
Accumulated surplus from operations	1,324,493	1,292,621
Accumulated remeasurement gain	6,394	-
	<u>\$ 1,330,887</u>	<u>\$ 1,292,621</u>


Commitments (Note 15)

Contingencies (Note 16)

Approved by:



 Mayor



 Director

See accompanying notes to the financial statements

The Corporation of the City of Richmond Hill

Consolidated Statement of Operations

For the Year Ended December 31

(\$000's)	2023	2023	2022
	<u>Budget</u> (Note 17)	<u>Actual</u>	<u>Actual</u>
Revenue			
Taxation (Note 10)	\$ 137,147	\$ 137,496	\$ 129,846
User charges	114,578	115,491	107,678
Grants (Note 11)	12,001	17,784	12,318
Permits, penalties, rents and other	21,373	23,916	22,293
Investment income	13,346	19,316	11,021
Revenue recognized on contributed tangible capital assets	18,350	8,178	6,854
Developer and other contributions earned	27,789	23,040	16,068
Total revenues	344,584	345,221	306,078
Expenses (Note 13)			
General government	57,668	51,456	56,764
Protection to persons and property	45,547	44,834	42,315
Transportation services	50,041	35,722	36,134
Environmental services	116,977	103,816	101,538
Recreation and cultural services	96,049	67,103	57,470
Planning and development	12,183	9,968	10,155
Health and social services	493	450	430
Total expenses	378,958	313,349	304,806
Annual (deficit) surplus	(34,374)	31,872	1,272
Accumulated surplus, beginning of year	1,292,621	1,292,621	1,291,349
Accumulated surplus, end of year	\$ 1,258,247	\$ 1,324,493	\$ 1,292,621

See accompanying notes to the financial statements

The Corporation of the City of Richmond Hill

Consolidated Statement of Remeasurement Gains and Losses

For the Year Ended December 31

(\$000's)	2023	2022
Accumulated remeasurement gains at beginning of year	\$ -	-
Unrealized gains attributable to portfolio investments (Note 1-c-iii)	6,394	-
Amounts reclassified to the statement of operations		
Portfolio investments	-	-
Net remeasurement gains for the year	6,394	-
Accumulated remeasurement gains at end of year	\$ 6,394	-

See accompanying notes to the financial statements

The Corporation of the City of Richmond Hill Consolidated Statement of Change in Net Financial Assets

For the Year Ended December 31

(\$000's)

	2023	2023	2022
	<u>Budget</u> (Note 17)	<u>Actual</u>	<u>Actual</u>
Annual (deficit) surplus	\$ (34,374)	\$ 38,266	\$ 1,272
Acquisition of tangible capital assets	(18,350)	(54,465)	(32,625)
Amortization of tangible capital assets	38,634	40,314	38,634
Loss on disposal of tangible capital assets	-	737	(94)
Proceeds from sale of tangible capital assets	-	154	1,023
Addition to tangible capital assets relating to asset retirement obligation	-	(3,746)	-
Change in prepaid expenses	-	(416)	(128)
Change in inventory	-	(122)	(99)
Change in net financial assets (debt)	(14,090)	20,722	7,983
Net financial assets, beginning of year	306,108	306,108	298,125
Net financial assets, end of year	\$ 292,018	\$ 326,830	\$ 306,108

See accompanying notes to the financial statements

The Corporation of the City of Richmond Hill

Consolidated Statement of Cash Flow

For the Year Ended December 31

(\$000's)	2023	2022
Operating activities		
Annual surplus	\$ 31,872	\$ 1,272
Items not involving cash		
Amortization of tangible capital assets	40,314	38,634
Revenue recognized on contributed capital assets	(8,178)	(6,854)
Loss/(gain) on disposal of tangible capital assets	737	(94)
Non-cash addition to tangible capital assets	(3,746)	-
Change in non-cash assets and liabilities		
Change in taxes and payments-in-lieu receivable	(191)	(4,892)
Change in inventories	(122)	(99)
Change in prepaid expenses	(416)	(128)
Change in accounts receivable	(5,743)	(1,273)
Change in accounts payable and accrued liabilities	448	2,628
Change in other liabilities	5,501	1,251
Change in deferred revenue	17,155	24,438
Change in employee future benefits liability	1,434	1,504
	79,065	56,387
Capital activities		
Acquisition of tangible capital assets	(46,287)	(25,771)
Proceeds from sale of tangible capital assets	154	1,023
	(46,133)	(24,748)
Investing activities		
Purchase of investments	(97,906)	(168,315)
Proceeds from maturity of investments	107,784	123,025
	9,878	(45,290)
Net change in cash and cash equivalents during the year	42,810	(13,651)
Cash and cash equivalents, beginning of year	51,967	65,618
Cash and cash equivalents, end of year	\$ 94,777	\$ 51,967

See accompanying notes to the financial statements

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

1. Summary of significant accounting policies

The consolidated financial statements of The Corporation of The City of Richmond Hill (the "City") are the representations of management prepared in accordance with local government accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Significant accounting policies adopted include:

(a) *i) Reporting entity*

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees controlled by the City, including the following:

Richmond Hill Public Library
Village of Richmond Hill Business Improvement Area

All material inter-entity and interfund transactions and balances are eliminated on consolidation.

ii) Accounting for region and school board

The taxation, other revenues, expenditures, assets, and liabilities with respect to the operations of The York Region District School Board, The York Catholic District School Board, and The Region of York are not reflected in the municipal fund balances of these consolidated financial statements.

iii) Trust Funds

Trust funds and their related operations administered by the City are not included in the financial statements but are reported separately on the Trust Funds Statement of Revenue, Expenditure and Fund Balance.

(b) *Basis of accounting*

i) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and bankers' acceptances, all of which are highly liquid, subject to insignificant risk of changes in value and have a short-term maturity of less than 90 days.

ii) Revenues and expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred when they are earned and measurable; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

1. Summary of significant accounting policies (continued)

(b) *Basis of accounting (continued)*

iii) *Non-financial assets*

Non-financial assets are not available to discharge existing liabilities unless they are sold and are held for use in the provision of services. They have lives extending beyond the current year and are not intended for sale in the ordinary course of operations. Tangible capital and other non-financial assets are accounted for as assets by the City because they can be used to provide services in future periods.

iv) *Tangible capital assets*

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

<u>Asset Category</u>	<u>Asset Sub Category</u>	<u>Useful Life</u> (in years)
<u>General assets</u>		
Land		Indefinite
Land improvements	Parks & Parkettes	10 – 40
	Parking Lots	15
Buildings	Structural & Architectural Comp	40
	Mechanical	25
	Electrical	20
Vehicles	Vehicles	3 – 10
Machinery & Equipment	Fire equipment	5 – 15
	Arena & Fitness Equipment	4 – 20
	Hardware & Software	4 – 15
Other	Library Material	7
<u>Infrastructure Assets</u>		
Roads network	Travelled roads	20
	Sidewalk & walkways	40 – 80
	Bridges & culverts	30 – 100
Water network	Water main	50 – 100
	Valves	35
	Water meter	20
Waste water network	Sanitary sewers	75 – 100
	Pump & Lift station	10 – 50
Storm water network	Storm sewer	30 – 100

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

1. Summary of significant accounting policies (continued)

(b) *Basis of accounting (continued)*

iv) *Tangible capital assets*

Amortization

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives. One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value as the date of receipt and also are recorded as revenue.

Intangible assets

Intangible assets are not recognized as assets in the financial statements.

Interest capitalization

The City's tangible capital asset policy does not allow for the capitalization of interest costs associated with the acquisition or construction of tangible capital assets.

v) *Inventories*

Inventories held for consumption are recorded at the lower of cost and replacement cost.

vi) *Deferred revenue*

Deferred revenues represent government transfers, user charges, development charges and other fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

vii) *Employee future benefits*

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

Actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of all employees covered.

viii) *Investment income*

Investment income earned is reported as revenue in the period earned. Investment income earned on development charges and cash-in-lieu of parkland obligatory reserve funds is added to the obligatory reserve fund balance and forms part of the respective deferred revenue balances.

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

1. Summary of significant accounting policies (continued)

(b) Basis of accounting (continued)

ix) Contaminated sites

Contaminated sites are the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceed an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met: a) an environmental standard exists; b) contamination exceeds the environmental standard; c) the organization is directly responsible or accepts responsibility for the liability; d) future economic benefits will be given up; and e) a reasonable estimate of the liability can be made. Changes in this estimate are recorded in the City's statement of operations.

x) Government transfers

Government transfers are recognized in the financial statements as revenue in the financial period in which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be determined.

xi) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenditures during the period. Actual results could differ from these amounts. Significant estimates include employee future benefits and useful lives of tangible capital assets.

(c) Change in Accounting Policy by Adopting New Standards

i) Financial Instruments

Effective January 1, 2023, City of Richmond Hill adopted Public Accounting Standard Section PS 3450 *Financial Instruments* and Section PS 2601 *Foreign Currency Translation*.

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the statement of operations.

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

In accordance with PS 2601 *Foreign Currency*, the City has made the irrevocable election to directly recognize foreign exchange gains/losses in the statement of operations.

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

1. Summary of significant accounting policies (continued)

(c) Change in Accounting Policy by Adopting New Standards (continued)

ii) Portfolio Investments

Effective January 1, 2023, City of Richmond Hill adopted Public Accounting Standard Section PS 3041 *Portfolio Investment*. As a result of adopting PS 3041, the basis of valuation of portfolio investment is disclosed. Portfolio investments are being tested for impairment on an annual basis.

iii) Financial Statement Presentation

Effective January 1, 2023, City of Richmond Hill adopted Public Accounting Standard Section PS 1201 *Financial Statement Presentation*. PS1201 replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses. Upon adoption of Section PS 1201, the City of Richmond Hill recognized unrealized losses of \$6,394 from remeasurement of portfolio investment in 2023.

iv) Liability for Asset Retirement Obligations

Effective January 1, 2023, City of Richmond Hill adopted new Public Sector Accounting Standard Section PS 3280 *Asset Retirement Obligations* (ARO) on a prospective basis, with no prior period restatement. PS 3280 establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

In the past, the City has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. Costs include post-retirement operation, maintenance, and monitoring that are an integral part of the retirement of the tangible capital asset (if applicable). When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from City buildings. The City reports liabilities related to the legal obligations where the City is obligated to incur costs to retire a tangible capital asset.

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

1. Summary of significant accounting policies (continued)

iv) *Liability for Asset Retirement Obligations (continued)*

The City's ongoing efforts to assess the extent to which designated substances exist in City assets, and new information obtained through regular maintenance and renewal of City assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to in the estimated cost to fulfil the obligation. The measurement of asset retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis. When obligations have reliable cash flow projections, the liability may be estimated using the present value of future cash flows. Subsequently, accretion of the discounted liability due to the passage of time is recorded as an in-year expense (if applicable).

To estimate the liability for similar buildings that do not have information on asbestos, the City uses buildings with assessments on the extent and nature of the designated substances in the building to measure the liability and those buildings and this information is extrapolated to a group of similar assets that do not have designated substances reports. As more information becomes available on specific assets, the liability is revised to be asset specific. In other situations, where the building might not be part of a large portfolio, other techniques are used such as using industry data, experts or basing the estimate on a specific asset that is similar (if applicable).

Under the prospective application method, all asset retirement obligations incurred before and after the transition date have been recognized/adjusted in accordance with the standard. For those tangible capital assets in productive use, there was a related increase in the carrying amount of the related tangible capital asset by the same amount; for those tangible capital assets no longer in productive use, an expense was recognized for the same amount as the liability.

As a result of the adoption of this new accounting policy, the following amounts were recognized in the financial statements as at January 1, 2023:

	As at January 1, 2023
Increase in carrying amount of tangible capital assets (Note 17)	\$3,911
Increase in ARO (Note 6)	\$3,911

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

2. Financial instruments

Financial instruments are classified into three categories: fair value, amortized cost or cost.

Fair value: The City manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

Cost: Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

The following table provides the carrying amount information of the City's financial instruments by category. The maximum exposure to credit risk for the financial assets would be the carrying values shown below.

	2023	2023	2022	2022
	Amortized cost/cost	Fair Value	Amortized cost/cost	Fair Value
Cash and cash equivalents	\$ 94,777		\$51,967	
Portfolio investments	440,663	73,405	517,552	
Accounts receivable	53,550		47,807	
Accounts payable and accrued liabilities	(60,695)		(60,247)	
Employee benefits payable		(26,996)		(25,562)

Credit risk

Credit risk is the risk of financial loss to the City if a debtor fails to discharge their obligation (e.g. pay the accounts receivable owing to the City). The City is exposed to this risk arising from its cash and cash equivalents, portfolio investments and receivables. The City holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. Portfolio investments primarily include investments in corporate bonds with terms to maturity greater than 5 years through the Canadian Corporate Bond Portfolio, which is a third party professionally managed fund administered by ONE Investment.

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

2. Financial Instruments (continued):

Credit risk (continued)

Accounts receivable is primarily due from school boards. The City measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the City's historical experience regarding collections. Impairment allowance related to receivables as at December 31, 2023 is \$1,775 (2022 - \$ 1,070). There were no changes in exposures to credit risk during the period.

Liquidity risk

Liquidity risk is the risk that the City will not be able to meet all cash outflow obligations as they come due. The City mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining sufficient cash on hand if unexpected cash outflows arise. The following table sets out the expected maturities, representing undiscounted cash-flows of its financial liabilities.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payables and accrued liabilities	\$ 58,104	\$ 1,209	\$ 618	\$ 763	\$ 60,695
Employee benefits payable	1,985	1,985	5,956	17,070	26,996
	<u>\$ 60,090</u>	<u>\$ 3,194</u>	<u>\$ 6,574</u>	<u>\$ 17,833</u>	<u>\$ 87,691</u>

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure that risk.

Market risk

Foreign currency risk

Foreign currency risk is the risk that an investment loses value based on exchange rate fluctuations upon. The City is exposed to foreign currency risk with regard to cash balances denominated in U.S. dollars (USD). As at December 31, 2023, City held USD 457 (2022 – USD 120). Additionally, the City does not hold any U.S. denominated investments. It is the City's opinion that the City is not exposed to significant foreign currency risk arising from cash balances denominated in U.S. dollars.

Interest rate risk

Interest rate risk is the risk that its fixed income investments decline in value in response to an increase in interest rates. The investment strategy at the City is based on a buy and hold approach, thereby reducing the need to speculate on the future changes in interest rates. Further, purchases are made through varying lengths of maturities to balance investment term exposures, to mitigate the effects of interest rate volatility, as investments mature at face value. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure that risk.

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

2. Financial Instruments (continued):

Market risk (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of an investment will decline due to changes in market prices other than those caused by interest rate risk or foreign currency risk. Portfolio owns units in the 'Canadian Equity Portfolio' through ONE Investment, which is subject to 'Equity Risk', however, this comprises the smallest allocation relative to the total portfolio, while supporting portfolio diversification. Exposure to equities is monitored on a frequent basis and rebalanced if necessary, in order to avoid overconcentration as market values change over time.

3. Investments

Investments in the consolidated statement of financial position are reported at cost with the exception of equity investments, that are traded in the active market being reported at market value. In the prior year, investments in the consolidated statement of financial position were reported at cost. Investments had a market value of \$506,961 (2022 - \$495,588) at the end of the year. They consist of investments pursuant to provisions of the City's investment policy and comprise government and corporate bonds, debentures and long-term instruments of various financial institutions. Investments are comprised of the following:

	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>Recorded at cost</u>	<u>Recorded at Market value</u>	<u>Reported Total</u>	<u>Market Value</u>	<u>Recorded at cost</u>	<u>Market value</u>
Reported at Cost						
Term Deposits	\$ 119,000		\$ 119,000	\$ 119,000	\$ 132,000	\$ 132,104
Accrual Notes	83,000	-	83,000	84,748	63,000	57,862
Strips	85,801	-	85,801	82,861	87,838	81,207
Bonds	21,080	-	21,080	20,819	31,984	30,905
Deposit Notes	26,000	-	26,000	24,060	26,000	22,766
Principal Protected Notes	35,000	-	35,000	35,724	51,819	53,184
Investment Funds- Bonds	70,782	-	70,782	66,344		
Reported at Market Value						
Investment Funds- Equity	-	73,405	73,405	73,405	124,911	117,560
	\$ 440,663	\$ 73,405	\$ 514,068	\$ 506,961	\$ 517,552	\$ 495,588

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

(\$000's)

4. Trust funds

Trust funds administrated by the City amount to \$20 (2022 - \$19). As the City holds these funds in trust for the benefit of others, they are not presented as part of the City's financial position or financial activities.

5. Taxes and payments-in-lieu receivable

The balance in taxes and payments-in-lieu receivable, including penalties and interest, is comprised of the following:

	<u>2023</u>	<u>2022</u>
Current year	\$ 20,979	\$ 22,456
Previous years	17,654	16,323
Penalties and interest	5,860	5,006
Allowance	<u>(517)</u>	<u>-</u>
	<u>\$ 43,976</u>	<u>\$ 43,785</u>

6. Other liabilities

The balance in other liabilities is comprised of the following:

	<u>2023</u>	<u>2022</u>
Liabilities for asset retirement obligation	\$ 3,929	-
Other liabilities	<u>17,789</u>	<u>16,217</u>
	<u>\$ 21,718</u>	<u>\$ 16,217</u>

The City of Richmond Hill has recognized an asset retirement obligation for the removal of asbestos from various City owned facilities.

A reconciliation of the aggregate carry amount of the asset retirement obligation is as follows:

	<u>2023</u>
Balance as at January 1, 2023	\$3,911
Increase due to new liability incurred in the current period	-
Decrease due to settlement of a liability	-
Accretion expense	18
Revisions in estimated cash flows	-
Balance as at December 31, 2023	<u>\$3,929</u>

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

6. Other liabilities (continued)

The liability is estimated using a present value technique that discounts the expected future expenditures. The City of Richmond Hill is using the prospective method to calculate the asset retirement obligation and used a 4.06% discount rate to reach the asset retirement obligation of \$3,911 as of January 1, 2023, and \$3,929 as of December 31, 2023. The discount rate is the rate of return for the City's investment portfolio for 2023.

The City has no plan to sell or dispose any buildings in the foreseeable future. The timing of rehabilitation projects that relate to asbestos removal will be available when the capital budget is approved.

The asbestos removal cost will be included in the capital project cost of facilities' major rehabilitation or replacement project and funded from reserves and reserve funds as approved in the City's Capital Budget process.

7. Deferred revenue

Deferred revenue represents government transfers, user charges and fees which have been collected but for which the related services have yet to be performed. Obligatory Reserve Funds are funds set aside and legally restricted by provincial legislation, a municipal by-law, or an agreement. The funds are raised for specific purpose and cannot be used for any other purpose. The main obligatory reserve funds are the Development Charges Reserve Funds that are regulated by the Development Charges Act. These amounts will be recognized as revenues in the fiscal year the services are performed. The following is the current status of the deferred revenues:

	<u>2023</u>	<u>2022</u>
Obligatory Reserve Funds		
Development charges	\$ 162,513	\$ 143,733
Cash-in-lieu of Parkland	62,125	61,322
Government transfer	23,230	25,775
Other	4,497	6,274
Deferred revenue – general	<u>17,767</u>	<u>15,873</u>
Total	<u>\$ 270,132</u>	<u>\$ 252,977</u>

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

7. Deferred revenue (continued)

Continuity of deferred revenue is as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 252,977	\$ 228,539
Developer and other contributions collected	21,926	20,719
Cash in lieu of Parkland collected	2,771	7,961
General deferred revenues collected	941	1,860
Federal Gas Tax Grant collected	6,454	6,880
Other Government transfers	8,096	711
Other	2,726	2,622
Interest earned	7,129	5,437
	50,043	46,190
Less		
Developer and other contributions used in capital operations	7,483	6,028
Cash in lieu – Parkland used in operations	4,035	3,092
Federal Gas Tax Grant used in operations	9,438	7,091
Other Government Transfers	6,587	3,362
Developer and other contributions used in current operations	93	93
General deferred revenues used	5,252	2,086
	32,888	21,752
Balance, end of year	\$ 270,132	\$ 252,977

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

8. Employee future benefits

(a) Employee future benefits

Health and dental benefits

Employee future benefits include health and dental benefits that the City pays on behalf of its current and retired employees. The City recognizes these post-retirement costs as they are earned during the employees' tenure of service.

Vested sick leave benefit

Under the sick leave benefit plan available only to the City's firefighters, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the City's employment, provided they have ten years of service.

The benefit liability at December 31, 2023 of \$19,069 (2022 - \$18,281) was determined by actuarial valuation. The accrued benefit liability and the expense for the year ended December 31, 2023 were based on assumptions used for the December 31, 2023 actuarial valuation.

An actuarial loss is being amortized on a straight-line basis over the expected average remaining service life, estimated to be 15 years for firefighter and 14 years for City and Library employees.

The significant actuarial assumptions employed in the actuarial valuations are as follows:

i) General inflation

Future general inflation levels were assumed to be 1.75% in 2023 and thereafter.

ii) Interest (discount) rate

The present value as at December 31, 2023 of the future benefits was determined using a discount rate of 3.25%. This corresponds to the assumed inflation rate plus an assumed rate of return of 1.50%.

iii) Health costs

The 12-month ending March 31, 2020 Combined (active & retiree) Health Cost Rates, projected to July 1, 2022, are used as the basis for projecting the future retiree Health Cost Rates. The management assumption for the annual Health Cost Rate escalation for the City is 4.4167% for 2023 vs. 2022 and decreasing by 0.3333% per year over the following 5 years, to 2.75% in 2028 vs. 2027 and later.

iv) Dental costs

Dental costs were assumed to increase at 2.75% per year for 2023 and thereafter.

(b) Workplace Safety and Insurance Board Liability

The Corporation of the City of Richmond Hill is a Schedule II employer under the Workplace Safety and Insurance Act and follows a policy of self insurance for all its employees.

The Workplace Safety and Insurance Board liability at December 31, 2023 of \$7,927 (2022 - \$7,281) was determined by an actuarial update for the year ended December 31, 2023.

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

(\$000's)

8. Employee future benefits (continued)

(b) Workplace Safety and Insurance Board Liability (continued)

The significant actuarial assumptions employed in the actuarial valuations are as follows:

i) Interest (discount) rate

The present value as at December 31, 2023 of the future benefits was determined using a discount rate of 3%.

ii) WSIB administration rate

The WSIB administration rate at December 31, 2023 is set at 23% which reflects 21% for Schedule 2 administration fees and 2% for physician fees.

Information about the City's employee future benefits liability is as follows:

	<u>Retirees</u>	<u>WSIB</u>	<u>2023</u>	<u>2022</u>
Accrued future benefits liability, beginning of year	\$ 18,281	\$ 7,281	\$ 25,562	\$ 24,058
Current service costs	1,127	964	2,091	2,009
Interest accrued	659	328	987	960
Benefits paid during the period	(1,207)	(1,067)	(2,274)	(2,096)
Increase due to plan amendment				
Amortization of actuarial loss	209	421	630	631
Employee future benefits liability, end of year	<u>\$ 19,069</u>	<u>\$ 7,927</u>	<u>\$ 26,996</u>	<u>\$ 25,562</u>
Accrued benefit obligations	20,887	11,201	32,088	31,283
Unamortized actuarial loss	(1,818)	(3,274)	(5,092)	(5,721)
Employee future benefits liability, end of year	<u>\$ 19,069</u>	<u>\$ 7,927</u>	<u>\$ 26,996</u>	<u>\$ 25,562</u>

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

9. Accumulated surplus

Accumulated surplus consists of individual fund surplus, invested in tangible capital assets, reserves, and reserve funds as follows:

	<u>2023</u>	<u>2022</u>
Surplus		
Operating funds	\$ 6,350	\$ (3,020)
Unspent capital funds	4,427	2,555
Invested in tangible capital assets	999,412	982,406
Employees future benefits	(26,996)	(25,562)
Unfunded Library's vacation pay	(155)	(183)
Increase in asset retirement obligation	(3,929)	-
Remeasurement gains/(losses)	6,394	-
	<u>985,503</u>	<u>956,196</u>
Reserves set aside for special purposes by Council		
Elections	200	-
Contingencies	12,149	11,163
Acquisition of tangible capital assets	14,512	12,317
Operations and special purposes	32,356	27,354
Total Reserves	<u>59,217</u>	<u>50,834</u>
Reserve Funds set aside for special purposes by Council		
Acquisition of tangible capital assets	160,180	163,741
Insurance	2,978	2,597
W.S.I.B.	5,419	5,567
Fire fighters' sick leave	1,028	508
Operating and special purposes	116,562	113,178
Total Reserve funds	<u>286,167</u>	<u>285,591</u>
Total accumulated surplus	<u>\$ 1,330,887</u>	<u>\$ 1,292,621</u>

10. Taxation

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Municipal Council establishes the tax rates annually, incorporating amounts to be raised for local services, the requisitions made by the Region of York in respect to Regional services and amounts the City is required to collect on behalf of the School Board(s) in respect of education taxes. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessments can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are processed by the City upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose no collection risk.

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

11. Grants and government transfers

	<u>2023</u>	<u>2022</u>
Government of Canada	\$ 9,570	\$ 7,225
Province of Ontario	6,617	3,794
Other grants	1,597	1,299
	<hr/>	
	\$ 17,784	\$ 12,318
	<hr/>	

12. Segment information

The Corporation of the City of Richmond Hill is a diversified municipal government institution that provides a wide range of services to its residents, including water, fire, library, and arena. For management reporting purposes the municipal operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to accomplish certain objectives in accordance with special regulations, restrictions or limitations. City services are provided by departments/divisions and their activities are reported in these funds. Divisions that have been separately disclosed in the segmented information as follows:

General government

The Corporate and Financial Services department is primarily responsible for the provision of internal services that support the work of management and staff across all municipal departments as well as for the provision of external services to the public. These services are provided through governance and corporate management divisions that include Council, CAO's office, City Clerk, IT, HR, Taxation, and Corporate finance.

Protection to persons and property

Protection to person and property is comprised of the Fire and Emergency Services , Building and Community Standard divisions. The Fire Service is responsible providing fire suppression service; fire prevention, training and other emergency services to the City. The Fire and Emergency Services respond to a variety of calls including fires, medical assistance, rescue, auto extrication, public assistance, spills, and release of materials hazardous to the environment.

The Building and Community Standard division ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards, parking, and by-law for the protection of occupants.

Transportation services

The Infrastructure and Engineering Services department provides the majority of the capital transportation services, such as road design construction, maintenance, and assessment of infrastructure. The Roads section of the Community Services (CS) department is responsible for the maintenance of all municipal roads, sidewalks, storm sewers, road and sidewalk snow clearing and winter control.

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

(\$000's)

12. Segment information (continued)

Environmental services

The Infrastructure and Engineering Services department and Public Works Operations of the Community Services department provide environmental services. The Infrastructure and Engineering Services is responsible for the capital design and construction of water, wastewater, and sewer infrastructure. The operation and maintenance of the City's water, wastewater, and sewage infrastructure is the responsibility of the Public Works Operations Division of the Community Services Department.

Health and social services

The expenses grouped in this segment relate primarily to services and contributions to seniors and voluntary organizations.

Recreation and cultural services

The Community Services department provides public services that contribute to neighborhood development and sustainability through the provision of parks operations, recreation, and leisure services such as fitness, skating, and aquatic programs. The department also contributes towards information and cultural needs of the City's residents through the provision of theater services and special events. Library services provided by Richmond Hill Library Board are also included.

Planning and development

The Development Planning, Policy Planning and Building division in Planning and Building Services department manage urban development, local neighborhood planning, community development and heritage matters. It deals with planning from a broad policy perspective, formulating and promoting long-term planning policy. The Heritage Richmond Hill (HRH) Committee provides advice on Heritage matters, as well as recommendations to Council under the Ontario Heritage Act with respect to the heritage designation of properties. The Development Planning division processes and makes recommendations on development applications. Such applications include Official Plan and zoning by-law amendments, plans of subdivisions and site plans. The Committee of Adjustment processes applications related to minor variances and consents to sever parcels of land.

For each reporting segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

13. Classification of expenditures by object

The Consolidated Statement of Operations presents the expenditures by function, whereas the following classifies those same expenditures by object:

	<u>2023</u>	<u>2022</u>
Salaries, wages and employee benefits	\$ 139,972	\$ 127,978
Operating materials and supplies	40,659	47,278
Contracted services	87,572	86,980
Rents and financial expenses	3,833	3,139
External transfers to others	816	797
Amortization of tangible capital assets	40,497	38,634
	<hr/>	<hr/>
Total expenditures by objects	<u>\$ 313,349</u>	<u>\$ 304,806</u>

14. Pension agreements

The City is required to participate in and make contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The pension plan is financed by equal contributions from participating employers and employees, and by the investment earnings of the fund. The most recent actuarial valuation of the Plan was conducted at December 31, 2023. The results of this valuation disclosed total actuarial liabilities of \$136,185 million with respect to benefits accrued for service with actuarial assets at that date of \$131,983 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees.

The contribution rate for 2023 was 9.0% (2022 – 9.0%) up to CPP earnings limit and 14.6 % above CPP earnings limit (2022 – 14.6%). The amount contributed to OMERS for 2023 was \$10,261 (2022 - \$9,499) for current service and is included as an expenditure on the Consolidated statement of operations.

CPP earning's limit (Year's Maximum Pensionable Earnings or YMPE) in 2023 was \$68,500 (2022 - \$64,900).

15. Commitments

- a) The City has entered into various contracts for maintenance and repairs of City's infrastructure. The obligations over the remaining life of these contracts are as follows:

2024	\$ 11,651
2025	9,460
2026	1,285
2027	24
	<hr/>
	<u>\$ 22,420</u>

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

15. Commitments (continued)

b) For the supply and delivery of insurance and the remaining obligations are as follows:

2024	\$	273
2025		237
2026		237
2027		237
2028		237
2029		109
		<hr/>
	\$	1,330

c) The City continues to be in a contract for the handling of garbage, recycling materials, and snow removal. The obligations over the remaining life of this contract are as follows:

2024	\$	9,845
2025		9,125
2026		8,304
2027		3,732
2028		1,658
2029		412
		<hr/>
	\$	33,076

d) The City has entered into contracts for the construction of major tangible capital assets. The unpaid portion of these contracts amounted to \$26,235 as at December 31, 2023 (2022 - \$24,718).

e) The City continues to be in a common area maintenance agreement for the City hall building. The obligations over the remaining life of this contract are as follows:

2024	\$	204
2025		208
2026		212
2027		216
2028		221
Thereafter		455
		<hr/>
	\$	1,516

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

15. Commitments (continued)

- f) The City has entered into various security, janitorial, and consulting contracts. The obligations over the remaining life of these contracts are as follows:

2024	\$	1,389
2025		755
2026		718
2027		247
2028		110
2029		11
		<hr/>
	\$	3,230
		<hr/>

- g) The City has entered into contracts for shelter for domestic animals and control wildlife services. The obligations over the remaining life of these contracts are as follows:

2024	\$	612
2025		510
		<hr/>
	\$	1,122
		<hr/>

- h) The City has entered into contracts relating to environmental maintenance and the supply of materials. The obligations over the remaining life of these contracts are as follows:

2024	\$	1,140
2025		863
2026		693
2027		396
2028		21
		<hr/>
	\$	3,113
		<hr/>

- i) The City has entered into contracts to support and protect IT hardware and software resources. The remaining obligations of these contracts are as follows:

2024	\$	11,426
2025		8,322
2026		2,868
2027		1,328
2028		669
		<hr/>
	\$	24,613
		<hr/>

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

15. Commitments (continued)

j) The City has entered into contracts for the delivery and supply of material and supplies. The remaining obligations of these contracts are as follows:

2024	\$	1,286
2025		850
2026		474
2027		194
		<hr/>
	\$	2,804
		<hr/>

16. Contingencies

The City is the defendant in several legal actions claiming personal, property, and other damages. Many of these claims are being handled by the City's insurers. The outcome of these actions is not determinable as at the date of reporting and accordingly, to the extent not covered by insurance or inclusion in the financial statements, management is of the opinion that no liability would be material to the City's financial position.

17. Budget figures

The budgets originally approved by City Council for 2023, for the current year was prepared on a modified accrual basis and has been restated on the Consolidated Statement of Operations to conform with the Canadian Public Sector Accounting Standards except for the effect of amortization of tangible capital assets. A reconciliation of the adopted and reported budgets is presented below:

Adopted budget:

Budgeted annual surplus for the year (per By-law # 24-23, 23-23, 9-23)

Adjustments to adopted budget

Decrease in reserves and reserve funds	\$	(14,090)
Amortization of tangible capital assets		(38,634)
Acquisition of contributed tangible capital assets		18,350
		<hr/>
Restated budgeted annual deficit	\$	(34,374)
		<hr/>

The Corporation of the City of Richmond Hill

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023
(\$000's)

18. Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, or betterment of the asset.

	<u>Net Book Value</u> <u>2023</u>	<u>Net Book Value</u> <u>2022</u>
General		
Land	\$ 127,097	\$ 127,097
Land improvements	79,335	76,370
Buildings	183,183	185,705
Vehicles	10,218	11,735
Machinery and equipment	27,280	27,695
Other	4,315	4,807
Total General	<u>431,428</u>	<u>433,409</u>
	<u>Net Book Value</u> <u>2023</u>	<u>Net Book Value</u> <u>2022</u>
Infrastructure		
Land	14,309	14,309
Road network	141,063	137,813
Water network	78,182	72,994
Wastewater network	171,806	171,166
Storm water network	57,540	56,955
Total Infrastructure	<u>462,900</u>	<u>453,237</u>
Work in Progress	<u>105,084</u>	<u>95,760</u>
Total	<u>\$ 999,412</u>	<u>\$ 982,406</u>

a) Contributed Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.

The value of contributed tangible assets received during the year is \$8,178 (2022 - \$2,648) comprised of roads infrastructure \$2,005 (2022 - \$32), storm water \$4,345 (2022 - \$938), and water and wastewater infrastructure in the amount of \$1,828 (2022 - \$1,593).

b) Capital Work in Progress (WIP)

Tangible capital assets under construction are not amortized until the assets are available for productive use. The value of WIP at the end of year is \$ 105,084 (2022 - \$95,760).

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 2).

The Corporation of the City of Richmond Hill

Consolidated Schedule of Segmented Disclosure – Schedule 1

For the year ended December 31, 2023

(\$000's)

	General Government	Protection to persons and Property	Trans- portation Services	Environ- mental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Consolidated
Expenses								
Salaries, wages and employee benefits	\$ 29,801	\$ 40,707	\$ 13,229	\$ 14,002	\$ -	\$ 32,660	\$ 9,573	\$ 139,972
Operating materials and supplies	11,735	1,690	7,363	5,438	-	14,320	113	40,659
Contracted services	2,616	1,050	4,219	75,358	-	4,117	212	87,572
Rents and financial expenses	2,439	51	380	814	-	149	-	3,833
External transfers to others	5	-	-	-	450	291	70	816
Amortization expenses	4,860	1,336	10,531	8,204	-	15,566	-	40,497
Total expenses	51,456	44,834	35,722	103,816	450	67,103	9,968	313,349
Revenues								
Tax revenues	22,579	19,673	12,914	46,116	198	31,642	4,374	137,496
User charges	1,951	1,606	480	96,763	-	12,396	2,295	115,491
Grants	7,300	-	4,326	934	-	4,822	402	17,784
Permits, penalties, rents and other	8,328	8,068	3	77	-	7,191	249	23,916
Investment Income Developers and other contribution	12,328	-	2,861	3,138	-	354	635	19,316
Contributed TCA	3,158	1,464	4,491	915	-	8,636	4,376	23,040
Contributed TCA	-	-	2,004	6,174	-	-	-	8,178
Total revenues	55,644	30,811	27,079	154,117	198	65,041	12,331	345,221
Annual surplus	\$ 4,188	\$ (14,023)	\$ (8,643)	\$ 50,301	\$ (252)	\$ (2,062)	\$ 2,363	\$ 31,872

The Corporation of the City of Richmond Hill
Consolidated Schedule of Segmented Disclosure – Schedule 1 (continued)

Year ended December 31, 2022

(\$000's)

	General Government	Protection to persons and Property	Trans- portation Services	Environ- mental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Consolidated
Expenses								
Salaries, wages and employee benefits	\$ 27,053	\$ 38,204	\$ 12,097	\$ 13,114	\$ -	\$ 27,761	\$ 9,749	\$ 127,978
Operating materials and supplies	19,959	1,674	8,597	5,918	-	10,996	134	47,278
Contracted services	3,871	999	4,472	73,556	-	3,952	130	86,980
Rents and financial expenses	1,456	143	386	1,083	-	71	-	3,139
External transfers to others	2	-	-	-	430	223	142	797
Amortization expenses	4,423	1,295	10,582	7,867	-	14,467	-	38,634
Total expenses	56,764	42,315	36,134	101,538	430	57,470	10,155	304,806
Revenues								
Tax revenues	22,424	18,509	16,442	43,558	198	23,599	5,116	129,846
User charges	1,817	1,391	426	94,597	-	7,245	2,202	107,678
Grants	3,548	-	3,623	1,042	-	3,547	558	12,318
Permits, penalties, rents and other	7,523	8,795	11	78	-	5,601	285	22,293
Investment Income Developers and other contribution	5,863	-	2,155	2,159	-	363	481	11,021
Contributed TCA	2,671	1,197	2,205	957	-	5,188	3,850	16,068
Contributed TCA	85	-	3,180	3,589	-	-	-	6,854
Total revenues	43,931	29,892	28,042	145,980	198	45,543	12,492	306,078
Annual surplus	\$ (12,833)	\$ (12,423)	\$ (8,092)	\$ 44,442	\$ (232)	\$ (11,927)	\$ 2,337	\$ 1,272

The Corporation of the City of Richmond Hill Consolidated Schedule of Tangible Capital Assets – Schedule 2

Year ended December 31, 2023
(\$000's)

	General					
	Land	Land Improvement	Buildings	Vehicles	Machinery & Equipment	Other
Cost						
Balance, beginning of year	\$ 127,097	\$ 153,644	\$ 354,663	\$ 28,130	\$ 56,837	\$ 13,630
Add: Additions during the year	-	-	240	-	16	602
Adjustment for PS3280 ¹	-	-	3,911	-	-	-
WIP completed	-	8,541	3,981	290	4,143	314
Contributed assets	-	-	-	-	-	-
Less: Disposals during the year	-	(1,589)	-	(197)	(1,454)	(1,156)
Balance, end of year	127,097	160,596	362,795	28,223	59,542	13,390
Accumulated amortization						
Balance, beginning of year	-	77,274	168,958	16,395	29,142	8,823
Add: Amortization during the year	-	5,083	10,654	1,787	4,292	1,408
Less: Accumulated amortization on disposal	-	(1,096)	-	(177)	(1,172)	(1,156)
Balance, end of year	-	81,261	179,612	18,005	32,262	9,075
Net book value of tangible capital assets	\$ 127,097	\$ 79,335	\$ 183,183	\$ 10,218	\$ 27,280	\$ 4,315

¹ See Note 1-c-i Change in Accounting Policy by Adopting New Standard – Liability for Asset Retirement Obligation. The increase in carrying amount of tangible capital asset is \$3,911

The Corporation of the City of Richmond Hill
Consolidated Schedule of Tangible Capital Assets – Schedule 2 (continued)

Year ended December 31, 2023
(\$000's)

	Infrastructure						
	Land (Infrastructure)	Roads	Water	Storm water	Wastewater	WIP	Total
Cost							
Balance, beginning of year	\$ 14,309	\$ 408,071	\$ 101,926	\$ 250,117	\$ 78,166	\$ 95,760	\$ 1,682,350
Add: Additions during the year	-	-	45	-	-	45,384	46,287
Adjustment for PS3280	-	-	-	-	-	-	3,911
WIP completed	-	10,876	6,646	637	632	(36,060)	-
Contributed assets	-	2,005	903	4345	925	-	8,178
Less: Disposals during the year	-	(4)	(242)	(2)	(2)	-	(4,646)
Balance, end of year	14,309	420,948	109,278	255,097	79,721	105,084	1,736,080
Accumulated amortization							
Balance, beginning of year	-	270,258	28,932	78,951	21,211	-	699,944
Add: Amortization during the year	-	9,631	2,312	4,341	971	-	40,479
Less: Accumulated amortization on disposal	-	(4)	(148)	(1)	(1)	-	(3,755)
Balance, end of year	-	279,885	31,096	83,291	22,181	-	736,668
Net book value of tangible capital assets	\$ 14,309	\$ 141,063	\$ 78,182	\$ 171,806	\$ 57,540	\$ 105,084	\$ 999,412

The Corporation of the City of Richmond Hill
Consolidated Schedule of Tangible Capital Assets – Schedule 2 (continued)

Year ended December 31, 2022
(\$000's)

	General					
	Land	Land Improvement	Buildings	Vehicles	Machinery & Equipment	Other
Cost						
Balance, beginning of year	\$ 127,012	\$ 138,227	\$ 308,411	\$ 28,116	\$ 41,883	\$ 13,813
Add: Additions during the year	-	-	240	-	-	529
WIP completed	-	15,973	46,012	1,248	16,166	879
Contributed assets	85	-	-	-	-	-
Less: Disposals during the year	-	(556)	-	(1,234)	(1,212)	(1,591)
Balance, end of year	<u>127,097</u>	<u>153,644</u>	<u>354,663</u>	<u>28,130</u>	<u>56,837</u>	<u>13,630</u>
Accumulated amortization						
Balance, beginning of year	-	72,995	159,303	15,080	26,297	8,917
Add: Amortization during the year	-	4,690	9,655	2,206	3,786	1,483
Less: Accumulated amortization on disposal	-	(411)	-	(891)	(941)	(1,577)
Balance, end of year	<u>-</u>	<u>77,274</u>	<u>168,958</u>	<u>16,395</u>	<u>29,142</u>	<u>8,823</u>
Net book value of tangible capital assets	<u>\$ 127,097</u>	<u>\$ 76,370</u>	<u>\$ 185,705</u>	<u>\$ 11,735</u>	<u>\$ 27,695</u>	<u>\$ 4,807</u>

The Corporation of the City of Richmond Hill
Consolidated Schedule of Tangible Capital Assets – Schedule 2 (continued)

Year ended December 31, 2022
(\$000's)

	Infrastructure							
	Land (Infrastructure)	Roads	Water	Storm	Wastewater	WIP	Total	
Cost								
Balance, beginning of year	\$ 14,309	\$ 396,528	\$ 100,743	\$ 243,034	\$ 77,228	\$ 165,544	\$ 1,654,848	
Add: Additions during the year	-	3,147	82	1,056	-	24,923	29,977	
WIP completed	-	8,397	816	5,216	-	(94,707)	-	
Contributed assets	-	32	655	938	938	-	2,648	
Less: Disposals during the year	-	(33)	(370)	(127)	-	-	(5,123)	
Balance, end of year	14,309	408,071	101,926	250,117	78,166	95,760	1,682,350	
Accumulated amortization								
Balance, beginning of year	-	260,912	26,973	74,773	20,254	-	665,504	
Add: Amortization during the year	-	9,379	2,178	4,300	957	-	38,634	
Less: Accumulated amortization on disposal	-	(33)	(219)	(122)	-	-	(4,194)	
Balance, end of year	-	270,258	28,932	78,951	21,211	-	699,944	
Net book value of tangible capital assets	\$ 14,309	\$ 137,813	\$ 72,994	\$ 171,166	\$ 56,955	\$ 95,760	\$ 982,406	