

Consolidated financial statements of

**The Corporation of the
City of Barrie**

December 31, 2024

Draft

The Corporation of the City of Barrie

December 31, 2024

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Draft

Independent Auditor's Report

To the Members of Council of
The Corporation of the City of Barrie

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Barrie (the "City"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, change in net debt, remeasurement gains, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2024, and the results of its operations, changes in net debt, remeasurement gains, 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 ("Canadian GAAS"). 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 City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the 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 to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the City as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

The Corporation of the City of Barrie

Consolidated statement of operations and accumulated surplus year ended December 31, 2024

	Budget (Note 17)	2024	2023
	\$	\$	\$
Revenue			
Property taxation (Note 12)	304,059,254	306,155,239	284,380,008
User fees and service charges	105,866,057	114,798,246	104,514,123
Government transfers and grants	17,150,179	22,270,604	25,979,554
Provincial Offences Act (POA) (Note 16)	6,209,403	9,489,329	5,712,668
Licenses and permits	9,072,986	7,617,944	7,723,671
Investment income	6,918,374	16,801,899	12,231,046
Other	11,251,456	12,457,427	10,264,661
Contributed tangible capital assets (Note 9)	-	38,538,008	66,096,691
Equity earnings of government business enterprise (Note 3)	6,563,256	7,393,258	6,954,692
Municipal contributions	2,341,781	2,484,238	2,333,652
Utilization of obligatory reserve funds (Note 5)	79,291,299	67,279,767	68,872,682
	548,724,045	605,285,959	595,063,448
Expenses (Note 13)			
General government	54,928,142	63,958,558	60,328,030
Protection services	137,947,310	141,842,972	149,702,928
Transportation services	75,645,309	77,599,715	70,878,311
Environmental services	97,376,027	100,495,869	92,496,379
Health services	11,109,470	14,266,073	11,600,474
Social and family services	9,622,823	11,238,239	9,535,597
Social housing	7,848,000	12,050,981	11,105,233
Recreation and cultural services	50,739,766	50,857,580	47,877,880
Planning and development	8,066,169	8,635,650	9,271,726
	453,283,016	480,945,637	462,796,558
Annual surplus	95,441,029	124,340,322	132,266,890
Accumulated surplus, beginning of year	2,305,961,346	2,305,961,346	2,173,694,456
Accumulated surplus, end of year	2,401,402,375	2,430,301,668	2,305,961,346

The accompanying notes are an integral part of the consolidated financial statements.

The Corporation of the City of Barrie

Consolidated statement of change in net debt year ended December 31, 2024

	Budget (Note 17)	2024	2023
	\$	\$	\$
Annual surplus	95,441,029	124,340,322	132,266,890
Acquisition of tangible capital assets	(43,222,232)	(106,963,149)	(114,372,781)
Contributed tangible capital assets	-	(38,538,008)	(66,096,691)
Amortization of tangible capital assets	70,550,716	70,550,716	68,603,149
Loss (gain) on disposal of tangible capital assets	-	991,313	(211,675)
Proceeds on disposition of tangible capital assets	-	594,842	893,182
Acquisition of tangible capital assets under construction, net	-	(47,495,363)	(33,290,311)
Increase in inventories of assets for resale	-	2,552,157	-
Change in asset retirement obligation asset cost	-	1,416,908	-
	122,769,513	7,449,738	(12,208,237)
(Increase) decrease in inventories of supplies	-	(841,646)	341,120
Increase in prepaid expenses	-	(1,557,862)	(323,417)
Increase in remeasurement gains	-	8,616,367	3,841,255
	-	6,216,859	3,858,958
Change in net debt	122,769,513	13,666,597	(8,349,279)
Net debt, beginning of year	(101,427,144)	(101,427,144)	(93,396,421)
Adjustment on adoption of PS 3450	-	-	318,556
Net asset (debt), end of year	21,342,369	(87,760,547)	(101,427,144)

The accompanying notes are an integral part of the consolidated financial statements.

The Corporation of the City of Barrie

Consolidated statement of financial position as at December 31, 2024

	2024	2023
	\$	\$
Financial assets		
Cash and cash equivalents (Notes 4 and 5)	42,266,250	56,400,122
Taxes receivable	31,747,792	24,268,000
Accounts receivable	46,150,198	53,374,253
Inventories of assets for resale	3,820,089	1,267,932
Other receivables (Note 2)	24,934,461	2,126,034
Promissory note receivable (Note 3b)	-	20,000,000
Investments (Note 4)	408,900,728	332,841,291
Investment in Lake Simcoe Regional Airport Inc. (Note 1 and 22)	-	2,044,193
Investment in government business enterprise (Note 3)	155,689,491	155,726,233
	713,509,009	648,048,058
Liabilities		
Accounts payable and accrued liabilities	155,169,542	140,305,631
Deferred revenue - general	22,025,011	12,418,784
Deferred revenue - obligatory reserve funds (Note 5)	186,503,940	139,381,894
Post employment benefits liabilities (Note 6)	143,180,524	134,160,651
Net long-term liabilities (Note 7)	274,333,101	301,733,896
Asset retirement obligations (Note 8)	20,057,438	21,474,346
	801,269,556	749,475,202
Net debt	(87,760,547)	(101,427,144)
Non-Financial assets		
Tangible capital assets (Note 9)	2,308,832,943	2,239,437,722
Tangible capital assets under construction (Note 9)	213,958,011	166,462,648
Inventories of supplies	3,196,275	2,354,629
Prepaid expenses	4,851,164	3,293,302
	2,530,838,393	2,411,548,301
Accumulated surplus (Note 10)	2,430,301,668	2,305,961,346
Accumulated remeasurement gains	12,776,178	4,159,811
	2,443,077,846	2,310,121,157

The accompanying notes are an integral part of the consolidated financial statements.

Approved by:

_____, Director of Finance and Treasurer

The Corporation of the City of Barrie

Consolidated statement of remeasurement gains year ended December 31, 2024

	2024	2023
	\$	\$
Accumulated remeasurement gains, beginning of the year		
	(4,159,811)	-
Adjustment on adoption of PS 3450 - interest rate swap	-	(1,205,689)
Adjustment on adoption of PS 3450 - equity instruments	-	887,133
Accumulated remeasurement gains, beginning of year, as adjusted	(4,159,811)	(318,556)
Change in unrealized (gains) losses attributable to:		
Interest rate swap	461,236	376,179
Equity instruments	(13,943,548)	(4,275,691)
	(13,482,312)	(3,899,512)
Realized gains, reclassified to the consolidated statement of operations:		
Equity instruments	4,865,945	58,257
Net change in remeasurement gains for the year	(8,616,367)	(3,841,255)
Accumulated remeasurement gains, end of the year	(12,776,178)	(4,159,811)

The accompanying notes are an integral part of the consolidated financial statements.

The Corporation of the City of Barrie

Consolidated statement of cash flows year ended December 31, 2024

	2024	2023
	\$	\$
Operating activities		
Annual surplus	124,340,322	132,266,890
Items not involving cash		
Equity earnings of government business enterprise	(7,393,258)	(6,954,692)
Amortization of tangible capital assets	70,550,716	68,603,149
Loss (gain) on disposal of tangible capital assets	991,313	(211,675)
Loss on disposal on shares of Lake Simcoe Regional Airport Inc.	740,417	-
Contributed tangible capital assets	(38,538,008)	(66,096,691)
Change in asset retirement obligation asset cost	1,416,908	-
	152,108,410	127,606,981
Changes in non-cash working capital balances		
Taxes receivable	(7,479,792)	(6,735,062)
Accounts receivable	7,224,055	(11,412,881)
Other receivables	(22,808,427)	(42,380)
Accounts payable and accrued liabilities	14,863,911	11,677,765
Deferred revenue - general	9,606,227	1,506,216
Deferred revenue - obligatory reserve funds	47,122,046	8,055,470
Post employment benefits liabilities	9,019,873	29,176,007
Asset retirement obligations	(1,416,908)	1,376,142
Prepaid expenses	(1,557,862)	(323,417)
Inventories of supplies	(841,646)	341,120
	205,839,887	161,225,961
Capital activities		
Acquisition of tangible capital assets (net of transfers and contributions)	(106,963,149)	(114,372,781)
Acquisition of tangible capital assets under construction, net	(47,495,363)	(33,290,311)
Proceeds on disposition of tangible capital assets	594,842	893,182
	(153,863,670)	(146,769,910)
Investing activities		
Net (purchase) redemption of investments	(66,981,834)	480,898
Proceeds on disposition of shares of Lake Simcoe Regional Airport Inc.	1,303,776	-
Redemption of promissory note receivable	20,000,000	-
Dividends received from Barrie Hydro Holdings Inc.	7,430,000	6,825,460
	(38,248,058)	7,306,358
Financing activities		
Repayment of net long-term liabilities	(27,862,031)	(28,450,007)
	(27,862,031)	(28,450,007)
Net change in cash and cash equivalents	(14,133,872)	(6,687,598)
Cash and cash equivalents, beginning of year	56,400,122	63,087,720
Cash and cash equivalents, end of year	42,266,250	56,400,122
Cash and cash equivalents consist of:		
Cash	11,312,082	19,892,615
Cash equivalents	30,954,168	36,507,507
	42,266,250	56,400,122

The accompanying notes are an integral part of the consolidated financial statements.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

1. Summary of significant accounting policies

Management's responsibility

The consolidated financial statements of the Corporation of The City of Barrie (the "City") are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ("PSAB" or "PS") of the Chartered Professional Accountants of Canada ("CPA Canada").

Reporting entity

Consolidated entities

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees, and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These boards and entities include:

Barrie Police Services Board
Barrie Public Library Board
Downtown Barrie Business Improvement Area

All inter-entity transactions and balances have been eliminated.

Modified equity accounting

Barrie Hydro Holdings Inc., a government business enterprise, is accounted for by the modified equity method. Under this method a business enterprise's accounting principles are not adjusted to conform to those of the City and inter-entity transactions and balances are not eliminated. Financial information related to Barrie Hydro Holdings Inc. is disclosed in Note 3.

Cash and cash equivalents

Cash consists of balances held at financial institutions and cash equivalents consist of highly liquid financial instruments with maturities of 90 days or less at acquisition.

Inventories

Inventories of assets held for resale are valued at the lower of cost and net realizable value. Inventories of supplies are priced at average cost on a first-in, first-out basis.

Investments

Investments, excluding equity instruments quoted in an active market, are recorded at historical cost less any amounts written off to reflect a permanent decline in value. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investment. Equity instruments quoted in an active market are recorded at fair value. Changes in unrealized gains and losses are recorded in the consolidated statement of remeasurement gains. Accrued interest is included in accounts receivable. Investments consist of authorized investments pursuant to the provisions of the Municipal Act and comprise of government and corporate bonds, equity investments, and guaranteed investment certificates. Investments with original maturity dates greater than 90 days are classified as investments in the consolidated statement of financial position. Portfolio investments including the investment in Lake Simcoe Regional Airport Inc. are recorded at historical cost.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

1. Summary of significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including, but not limited to: transportation costs, installation costs, design and engineering fees, legal fees, site preparation costs, and asset retirement obligations. Contributed tangible capital assets are recorded at fair value at the time of contribution, with a corresponding amount recorded as revenue when fair value can be reasonably estimated. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year following that in which the asset is available for productive use as follows:

Asset class	Useful life
Building and building improvements	5 to 100 years
Machinery and equipment	2 to 85 years
Fleet	2 to 20 years
Land improvements	7 to 100 years
Underground and other networks	13 to 120 years
Roads and sidewalks	8 to 120 years

Tangible capital assets under construction

Tangible capital assets under construction are recorded at cost. When construction is completed, the tangible capital assets under construction will be transferred to their relevant tangible capital asset category and amortized based on their classification.

Other receivables

Other receivables include the outstanding principal portions of expenditures incurred to benefit landowners and deferred development charges from various organizations. These other receivables are reported on the consolidated statement of financial position. The City records allowances for impairment when it is determined that it will be unable to collect amounts due according to the terms of the underlying agreement. Interest earned in relation to the receivables is recorded as revenue when earned.

Taxation and related revenues

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established by City Council, incorporating amounts to be raised for local municipal services and service partners. The City is also required to bill and collect education taxes on behalf of the Province of Ontario at rates determined by the Province. The municipal portion of property tax revenue is recognized subsequent to the passing of a property tax by-law in the period in which the tax is levied.

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

Assessments and related property taxes are subject to appeal. The City evaluates the likelihood of having to repay taxes as a result of tax appeals or other changes and recognizes a liability and a reduction to revenue if the amount can be reasonably estimated.

User fees and other revenues

User fees and other revenues are recognized when earned.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

1. Summary of significant accounting policies (continued)

Investment income

The City invests excess funds that are not required for immediate use. Investment income, including interest, dividends, and realized gains and losses, is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the associated reserve funds and forms part of the respective deferred revenue - obligatory reserve fund balances.

Government transfers

Government transfers are recognized as revenue by the City in the period in which the transfers are authorized and any eligibility criteria are met, unless they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer or discharge the liability. For such transfers, revenue is recognized when the stipulation has been met.

Pension plan

The City is an employer member of the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer, defined benefit pension plan (the "Plan"). The OMERS Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The City uses defined contribution plan accounting principles for this Plan. The City records as pension expense the amount paid to OMERS for the year plus any amounts owing to OMERS at the end of the year.

Non-pension post-employment benefits

The City accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits. The City has adopted the following valuation methods and assumptions:

Actuarial cost method

Accrued benefit obligations are computed using the projected benefit method prorated on service, as defined in PS 3250 and PS 3255. The objective under this method is to expense each member's benefit under the plan taking into consideration projections of benefit costs to and during retirement. Under this method an equal portion of the total estimated future benefit is attributed to each year of service.

Workplace Safety and Insurance (WSIB) obligation

The costs of WSIB obligations are actuarially determined and the cost is recognized immediately in the period the event giving rise to the obligation occurs.

Funding policy

The non-pension post-retirement and post employment benefits plans are funded on a pay-as-you-go basis. The City funds the plans on a cash basis as benefits are paid. No assets have been formally segregated and restricted to provide for non-pension retirement and post-employment benefits.

Accounting policies

Actuarial gains and losses are amortized over the expected average remaining service life ("EARS"), of members expected to receive benefits under the plan, with amortization commencing in the period following the determination of gain or loss. Obligations are attributed to the period beginning on the date the member became eligible for benefit and ending on the expected date of termination, death, or retirement, depending on the benefit value. The City's fiscal year end is December 31, and the measurement date of the City's obligation is as at December 31.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

1. Summary of significant accounting policies (continued)

Deferred revenue

Obligatory reserve funds

Funds received for specific purposes which are externally restricted by legislation, regulation, or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purposes.

General

User charges and fees which have been collected but for which the related services have yet to be performed are recorded as deferred revenue. These amounts will be recognized as revenues in the fiscal year the services are performed.

Asset retirement obligations

An asset retirement obligation liability is recognized when at the financial reporting date there is a statutory, contractual, or legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. Asset retirement obligations are initially measured at management's best estimate of the future cash flows required to settle the retirement obligation. If there is certainty on the timing of the cash flows to settle the retirement obligations, the future cash flows will be present valued using discounted cash flows.

When a liability for an asset retirement obligation is initially recognized, a corresponding amount is added to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset.

At each reporting date, the City reviews the carrying amount of the liability. Where present value techniques are used, an accretion expense is recorded in the period to record the change in the liability due to the passage of time. Changes to the liability arising from revisions to the amount of the original estimate of undiscounted cash flows, the discount rate, and/or the timing of when an obligation will be settled will be recognized in the period as a change to the liability and carrying amount of the related tangible capital asset.

The City recognizes the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability in the period they are incurred.

Liability for contaminated sites

The City records a liability if it has a contaminated site that meets the requirements set out in the standard PS 3260 "Liability for Contaminated Sites". The standard generally applies to sites that are not in productive use. Sites that are in productive use are considered under the standard if there was an unexpected event that resulted in contamination.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

1. Summary of significant accounting policies (continued)

Financial instruments

The City initially recognizes financial instruments at fair value and subsequently measures them at each reporting date, as follows:

Financial instrument	Measurement method
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Other receivables	Amortized cost
Promissory note	Amortized cost
Investments - equity instruments	Fair value
Investments - corporate and government bonds	Amortized cost
Investments - guaranteed investment certificates	Amortized cost
Investment in Lake Simcoe Regional Airport Inc.	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost
Interest rate swap	Fair value

Unrealized gains on financial instruments measured at fair value are recognized in the consolidated statement of remeasurement gains until they are realized upon derecognition, when they are transferred to the consolidated statement of operations. Transactions costs in the fair value category are expensed in the period they are incurred.

Financial instruments measured at amortized cost are amortized using the effective interest method. Transaction costs in the amortized cost category are added to the carrying value upon initial recognition.

Use of estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these consolidated financial statements are liabilities for contaminated sites, post employment benefits liabilities, asset retirement obligations, fair value of certain financial instruments, Provincial Offences Act receivables, allowances for doubtful accounts, the estimated useful lives of tangible capital assets and other accrued liabilities and/or obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

2. Other receivables

Other receivables consist of:

	2024	2023
	\$	\$
Receivables from benefiting landowners. These have various maturity dates between 2027 to 2032 and interest rates ranging from 0.0% to 5.2% (2023 - 0.0% to 5.2%).	544,792	626,734
Receivables from benefiting landowners. Maturity dates and interest rates will be determined at the time of billing.	915,093	493,950
Deferred development charge receivables from various organizations. These have various maturity dates between 2028 to 2030 and an interest rate of 5.2%	739,595	788,087
Deferred development charge receivables from various organizations. Maturity dates and payment terms will be determined at the date of occupancy. These have interest rates ranging from 3.8% to 8.2%.	22,734,981	217,263
	24,934,461	2,126,034

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

3. Investment in government business enterprise

The following summarizes the financial position and operations of the government business enterprise which has been reported in these consolidated financial statements using the modified equity method:

a. Barrie Hydro Holdings Inc.

As at December 31, 2024, the City holds 100% of the shares of Barrie Hydro Holdings Inc. ("Holdings"). Holdings holds 100% of the shares in Barrie Hydro Energy Services Inc. and 8.37% of the common shares of Alectra Inc. ("Alectra").

The following provides condensed combined financial information for Barrie Hydro Holdings Inc.:

	2024	2023
	\$	\$
Financial position		
Current assets	149,191	185,559
Other assets	182,102,578	182,102,578
Total assets	182,251,769	182,288,137
Current liabilities	36,413	36,039
Long-term liabilities	26,525,865	26,525,865
Total liabilities	26,562,278	26,561,904
Total net assets	155,689,491	155,726,233
Results of operations		
Revenues	7,535,081	7,206,554
Expenses	(110,310)	(112,997)
Taxes	(2,879,681)	(2,755,292)
Net income for the year	4,545,090	4,338,265
Dividend refund received	2,848,168	2,616,427
Equity earnings in government business enterprise	7,393,258	6,954,692

b. Promissory note receivable

An unsecured promissory note receivable from Alectra matured on May 31, 2024. As at December 31, 2024 the promissory note amounted to \$nil (2023 - \$20,000,000) and bore interest up to maturity at 4.41% (2023 - 4.41%). Interest received in the year, which is included in investment income, is \$362,553 (2023 - \$882,000).

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

4. Investments

Included in cash and cash equivalents are highly liquid short-term investments of \$30,954,168 (2023 - \$36,507,507).

Investments reported on the consolidated statement of financial position have a carrying value of the following:

	Measurement method	2024
		\$
Equity instruments	Fair value	69,607,841
Corporate and government bonds	Amortized cost	260,292,887
Guaranteed investment certificates	Amortized cost	79,000,000
		408,900,728

	Measurement method	2023
		\$
Equity instruments	Fair value	45,664,813
Corporate and government bonds	Amortized cost	132,176,478
Guaranteed investment certificates	Amortized cost	155,000,000
		332,841,291

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

5. Deferred revenue - obligatory reserve funds

The continuity and balances in the obligatory reserve funds of the City are summarized below:

	2024	2023
	\$	\$
Balance, beginning of year	139,381,894	131,326,424
Canada community-building fund contributions	9,435,283	9,361,253
Development contributions	94,908,358	57,525,187
Provincial gas tax contributions	1,881,467	2,274,100
Investment income	8,176,705	7,767,612
Utilization of funds	(67,279,767)	(68,872,682)
Deferred revenue - obligatory reserve funds, end of year	186,503,940	139,381,894
Analysed as follows:		
Canada community-building fund	15,512,793	16,830,630
Development charges	117,745,521	74,864,407
Other	17,895,998	14,651,471
Provincial gas tax	9,546,327	8,510,266
Cash in lieu of parkland	25,783,581	24,506,414
Federal transit tax	19,720	18,706
Deferred revenue - obligatory reserve funds, end of year	186,503,940	139,381,894

There is legislation and/or actions and communications by the City which restricts how these funds may be used. Cash and cash equivalents, and other liquid assets such as investments needed to fund these above noted obligatory reserve funds is \$186,503,940 (2023 - \$139,381,894). Actual cash and cash equivalents on hand at year end is \$42,266,250 (2023 - \$56,400,122) and investments on hand at year end have a market value of \$413,499,739 (2023 - \$330,758,845).

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

6. Post employment benefits liabilities

	2024	2023
	\$	\$
Accumulated post retirement benefits - accrued obligation	56,846,658	53,655,485
Unamortized net actuarial gains	17,412,953	18,614,253
Post retirement benefits - accrued benefit liability	74,259,611	72,269,738
Accumulated sick leave benefits - accrued obligation	18,877,249	17,160,018
Unamortized net actuarial losses	(1,054,751)	(1,101,184)
Sick leave benefits - accrued benefit liability	17,822,498	16,058,834
Long-term disability - accrued benefit liability	3,753,026	3,628,943
WSIB obligation - accrued benefit liability	47,345,389	42,203,136
	143,180,524	134,160,651

Information about post retirement benefits is as follows:

	2024	2023
	\$	\$
Current year benefit cost	2,434,000	2,800,838
Past service cost	57,300	-
Interest on accrued benefit obligation	2,599,300	2,721,984
Amortization of actuarial gains	(833,200)	(285,447)
Expense	4,257,400	5,237,375

Information about compensated absences is as follows:

	2024	2023
	\$	\$
Current year benefit cost	1,615,900	1,487,400
Interest on accrued benefit obligation	935,900	856,300
Amortization of actuarial losses	342,300	1,082,900
Expense	2,894,100	3,426,600

The amount paid during the year was \$2,267,500 (2023 - \$1,801,506) for post retirement benefits and \$1,405,000 (2023 - \$1,119,490) for compensated absence benefits.

Post retirement benefits

Post retirement life insurance and health care benefits

The City provides life insurance, dental, and health care benefits to certain employee groups after retirement until the members reach 65 years of age and to certain Barrie Police Services Board employee groups after retirement until the members reach 75 years of age. The costs and liabilities recorded for these benefits in 2024 are based on an actuarial valuation prepared by an independent actuarial firm. The date of the last actuarial valuation was as at December 31, 2023, extrapolated to December 31, 2024.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

6. Post employment benefits liabilities (continued)

Compensated absences benefits

Workplace Safety and Insurance Board

The City is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for financing its workplace safety insurance costs. The accrued benefit liability represents the actuarial valuation of claims to be insured based on the history of claims with City employees. A workers' compensation reserve is established to help reduce the future impact of these obligations. As at December 31, 2024, the balance in the workers' compensation reserve is \$814,112 (2023 - \$719,654), which is included in the reserves balance in Note 10.

Sick leave benefits

The City provides paid sick leave that can be accumulated up to a maximum defined by the employee group. The costs and liabilities recorded for this benefit in 2024 are based on an extrapolation of an actuarial valuation prepared by an independent actuarial firm. The date of the last actuarial valuation was as at December 31, 2023, extrapolated to December 31, 2024. A sick leave reserve is established to help reduce the future impact of these obligations. As at December 31, 2024, the balance in the sick leave reserve is \$3,040,051 (2023 - \$2,886,356), which is included in the reserves balance in Note 10.

The accrued benefit obligations for the City's post employment benefits liabilities as at December 31, 2024 are based on an extrapolation of actuarial valuations for accounting purposes as at December 31, 2023. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are management's best estimates of expected rates of:

	2024	2023
	%	%
Expected wage and salary increases	3.6%	3.6%
Discount on accrued benefit obligations	4.5%	4.5%
Health care costs escalation	See (i)	See (i)
Dental costs escalation	See (i)	See (i)

- (i) Health care and dental costs are assumed to increase at 4.2% annually from 2024 to 2028, increase at 5.3% annually from 2029 to 2033, increase at 5.0% annually from 2034 to 2038, increase at 4.4% annually from 2039 to 2041, and increase at 4.0% annually in 2042 and thereafter.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

7. Net long-term liabilities

The balance of net long-term liabilities reported on the consolidated statement of financial position is comprised of the following:

	2024	2023
	\$	\$
Debentures, bearing interest at rates ranging from 0.82% to 5.08%, maturing between 2026 and 2051, incurred by the City.	271,473,520	299,076,284
Barrie transit facility public-private partnership long-term	3,227,855	3,487,122
Total	274,701,375	302,563,406
Interest rate swap - asset	(368,274)	(829,510)
	274,333,101	301,733,896

Principal repayments in each of the next five years and thereafter are as follows:

	\$
2025	26,278,660
2026	26,372,412
2027	24,723,844
2028	24,530,804
2029	24,643,753
Thereafter	148,151,902
	274,701,375

The interest expense relating to the above long-term liabilities is \$10,711,668 (2023 - \$11,474,937).

The debentures reported above, issued in the name of the City, have been approved by municipal by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

The City has entered into an interest rate swap agreement to reduce its exposure to interest rate risk related to its debentures. The fair market value of the swap at year end is an asset to the City of \$368,274 (2023 - \$829,510). The fair value of the interest rate swap is recorded in the consolidated statement of financial position with the change in fair value of \$461,236 during 2024 (2023 - \$376,179) recorded in the consolidated statement of remeasurement gains.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

8. Asset retirement obligations

The City's asset retirement obligations liability, recognized under PS 3280 Asset Retirement Obligations, is comprised of the following:

Landfill obligation

The City owns and operates a landfill. Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The asset retirement obligation for the landfill is recorded as the present value of the City's estimated future cash flows using a 2024 assessment of expected expenses extending over the closure and post-closure care period of the landfill. The landfill is expected to reach its capacity in 20 years (2023 - 12 years) and the estimated length of time needed for post-closure care is 50 years.

The discount rate used to remeasure the landfill obligation as at December 31, 2024 is 4.5% (2023 - 4.5%).

All other asset retirement obligations

The City owns and operates several buildings that are known or assumed to have designated hazardous materials. Under the Occupational Health and Safety Act, there is a legal obligation to handle and dispose of designated hazardous materials when disturbed. Upon the adoption of PS 3280 Asset Retirement Obligations, the City recognized a liability for the removal of designated hazardous materials in buildings known or assumed to contain them using best estimates as at December 31, 2024. There is uncertainty on the timing of remediation, therefore present value techniques have not been used.

Changes to the asset retirement obligations in the year are as follows:

	2024	2023
	\$	\$
Asset retirement obligations, beginning of year	21,474,346	20,098,204
Change in discount rate	-	1,698,702
Change in cost estimate	194,127	(322,560)
Change in timing of estimated cash flows	(1,611,035)	-
Asset retirement obligations, end of year	20,057,438	21,474,346

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

9. Tangible capital assets

Information relating to tangible capital assets is as follows:

Contributed tangible capital assets

The City records tangible capital assets contributed by an external party at fair value on the date contributed. Typical examples are roads, storm sewers and sidewalks installed by a developer as part of a subdivision or development agreement. Contributions of tangible capital assets in 2024 amounted to \$38,538,008 (2023 - \$66,096,691).

Assets under construction

The amount of tangible capital assets under construction is \$213,958,011 (2023 - \$166,462,648). These items will be transferred to their relevant tangible capital asset categories when construction is completed. Amortization will commence in the year following that in which the asset is available for productive use.

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The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

9. Tangible capital assets (continued)

	2024							
	Land	Buildings and building improvements	Machinery and equipment	Fleet	Land improvements	Underground and other networks	Roads and sidewalks	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	519,696,815	455,163,122	479,113,660	80,993,217	295,910,508	775,641,904	632,653,348	3,239,172,574
Additions	2,878,874	5,528,358	13,253,022	8,978,581	6,513,790	45,906,952	62,441,580	145,501,157
Disposals/transfers	(963,242)	(8,649,303)	(5,180,065)	(3,445,793)	(1,758,686)	-	-	(19,997,089)
Cost, end of year	521,612,447	452,042,177	487,186,617	86,526,005	300,665,612	821,548,856	695,094,928	3,364,676,642
Accumulated amortization, beginning of year	-	174,270,535	293,612,230	44,325,222	104,228,328	162,407,213	220,891,324	999,734,852
Amortization	-	14,547,083	19,633,875	6,238,762	7,311,084	9,646,048	13,173,864	70,550,716
Disposals/transfers	-	(6,024,007)	(5,120,396)	(2,936,163)	(361,303)	-	-	(14,441,869)
Accumulated amortization, end of year	-	182,793,611	308,125,709	47,627,821	111,178,109	172,053,261	234,065,188	1,055,843,699
Net carrying amount, end of year	521,612,447	269,248,566	179,060,908	38,898,184	189,487,503	649,495,595	461,029,740	2,308,832,943

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

9. Tangible capital assets (continued)

	2023							
	Land	Buildings and building improvements	Machinery and equipment	Fleet	Land improvements	Underground and other networks	Roads and sidewalks	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	472,003,182	452,136,928	474,825,249	76,154,028	280,413,045	739,862,377	578,142,277	3,073,537,086
Additions	48,094,082	9,506,165	9,329,349	7,301,926	15,947,352	35,779,527	54,511,071	180,469,472
Disposals/transfers	(400,449)	(6,479,971)	(5,040,938)	(2,462,737)	(449,889)	-	-	(14,833,984)
Cost, end of year	519,696,815	455,163,122	479,113,660	80,993,217	295,910,508	775,641,904	632,653,348	3,239,172,574
Accumulated amortization, beginning of year	-	165,970,955	278,930,837	40,963,286	97,792,239	153,241,539	208,385,324	945,284,180
Amortization	-	14,594,732	19,657,455	5,795,206	6,884,082	9,165,674	12,506,000	68,603,149
Disposals/transfers	-	(6,295,152)	(4,976,062)	(2,433,270)	(447,993)	-	-	(14,152,477)
Accumulated amortization, end of year	-	174,270,535	293,612,230	44,325,222	104,228,328	162,407,213	220,891,324	999,734,852
Net carrying amount, end of year	519,696,815	280,892,587	185,501,430	36,667,995	191,682,180	613,234,691	411,762,024	2,239,437,722

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

10. Accumulated surplus

The City segregates its accumulated surplus into the following categories:

	2024	2023
	\$	\$
Invested in tangible capital assets	2,522,790,954	2,405,900,370
Unallocated	(98,722,619)	(50,774,933)
Reserves	294,372,328	237,876,042
Equity in government business enterprise	155,689,491	175,726,233
Amounts to be recovered		
Vacation payable liability	(6,257,423)	(5,397,473)
Post employment benefits liabilities	(143,180,524)	(134,160,651)
Asset retirement obligations	(20,057,438)	(21,474,346)
Net long-term liabilities	(274,333,101)	(301,733,896)
	2,430,301,668	2,305,961,346

11. Pension agreement

OMERS provides pension services to more than 600,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension ("the Plan") by comparing the actuarial value of the 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 as at December 31, 2024. The results of this valuation disclosed total actuarial liabilities as at that date of \$142,489 million (2023 - \$136,185 million) (includes \$1,723 million (2023 - \$1,611 million) of Additional Voluntary Contribution (AVC) component) in respect of benefits accrued for service with actuarial net assets at that date of \$139,576 million (2023 - \$131,983 million) (includes \$1,723 million (2023 - \$1,611 million) of AVC component) indicating an actuarial deficit of \$2,913 million (2023 - \$4,202 million). The actuarial deficit may result in future payments by participating employers and their employees because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the City does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the City to OMERS for the year were \$16,978,680 (2023 - \$15,772,113).

12. Property taxation information

	2024	2023
	\$	\$
Property taxes and payments-in-lieu	306,155,239	284,380,008
Collections on behalf of governments		
Province of Ontario - school board tax	64,648,784	63,545,577
	370,804,023	347,925,585
Transfers		
Province of Ontario - school board tax	(64,648,784)	(63,545,577)
Municipal property taxation	306,155,239	284,380,008

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

13. Expenses

	2024	2023
	\$	\$
Salaries, wages and employee benefits	223,713,578	227,722,402
Materials	35,131,202	32,360,603
Contracted services	86,457,477	77,823,551
Rents and financial expenses	9,394,128	9,021,292
Transfer payments	43,255,138	36,002,299
Interest on long-term debt	10,711,668	11,474,937
Amortization on tangible capital assets	70,550,716	68,603,149
Loss (gain) on disposal of tangible capital assets	991,313	(211,675)
Loss on disposal of shares of Lake Simcoe Regional Airport Inc.	740,417	-
	480,945,637	462,796,558

14. Commitments

(a) Victoria Village Projects:

By motion #10-G-345, the City provided a loan guarantee with the Toronto-Dominion Bank for Victoria Village Projects in the amount of \$16,875,000. The guarantee and amount were required to provide long-term financing for the capital construction costs and financial payment requirements of Victoria Village Projects, a long-term care and supportive housing complex located at 76 Ross Street (site of the old Royal Victoria Hospital). The outstanding balance of the loan as at December 31, 2024 is \$6,735,400.

(b) Public-private partnership ("P3") commitment:

The City has entered into a multiple-year P3 contract to design, build, finance, operate, and maintain the Barrie Transit Facility. The facility reached substantial completion in 2015. The information presented below shows the annual amounts under this contract for the capital cost, financing of the asset, and operating costs. The actual payments to the private partner are contingent on specified performance criteria and will include an annual inflation factor based on CPI from the preceding September where applicable.

	Capital and Financing	Operating	Total Annual Payments
	\$	\$	\$
Annual service payment:	356,967	21,873,500	22,230,467

(c) Miscellaneous:

The City has also made commitments through numerous contracts, in the normal course of business, with a variety of suppliers for future capital projects.

15. Contingent liabilities

Legal actions and claims have been instituted against the City. However, after reviewing the merits of these actions and claims with counsel and insurers, it is management's opinion that there will be no significant uninsured liability arising from these claims. Accordingly, no provision has been made in the accounts for any amounts claimed. Any future liability will be recorded if an amount is likely and measurable.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

16. Provincial Offences Act ("POA")

The Ministry of the Attorney General requires all municipal partners administering the Provincial Offences Act to disclose in the year end audited consolidated financial statements a note on the gross and net provincial offences revenues earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding ("MOU") for the 2024 fiscal year with comparative figures for the year 2023:

	2024	2023
	\$	\$
<u>Barrie POA Office:</u>		
Revenues (net of refunds)	7,723,625	4,200,955
Expenses		
Provincial charges	486,300	360,079
City operating expenses	4,845,594	2,962,341
	5,331,894	3,322,420
Net revenue	2,391,731	878,535
Other		
Participating partners' share	1,663,602	658,435
City of Barrie share	728,129	220,100
<u>Orillia POA Office:</u>		
Revenues (net of refunds)	1,765,704	1,511,713
Expenses		
Provincial charges	120,225	137,987
City operating expenses	1,043,837	1,089,959
	1,164,062	1,227,946
Net revenue	601,642	283,767
Other		
Participating partners' share	601,642	283,767
City of Barrie share	-	-

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

17. Budget

The City of Barrie prepares its budget on a modified accrual basis. Council approved the City budget on December 6, 2023 and the Service Partner budgets on January 31, 2024. Canadian public sector accounting standards (PSAB) require actual results be reported on a full accrual basis. The reported budget in these consolidated financial statements includes adjustments to capital expenditures, revenues, amortization expenses, post-employment benefits, and operating transfers, as identified below:

	2024 Council approved operating budget	2024 Council approved capital budget	2024 In year operating budget amendments	2024 In year capital budget amendments	2024 Actual amortization adjustment	2024 Post employment benefit liabilities expense	2024 Elimination of operating	2024 Budget as
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Taxation	304,059,254	-	-	-	-	-	-	304,059,254
User fees and service charges	105,479,109	-	386,948	-	-	-	-	105,866,057
Government transfers and grants	8,350,040	(9,134,118)	8,354,530	9,579,727	-	-	-	17,150,179
POA	6,209,403	-	-	-	-	-	-	6,209,403
Licenses and permits	9,072,986	-	-	-	-	-	-	9,072,986
Investment income	6,918,374	-	-	-	-	-	-	6,918,374
Other	10,340,872	734,749	105,583	70,252	-	-	-	11,251,456
Equity earnings of government business enterprise	6,563,256	-	-	-	-	-	-	6,563,256
Municipal contributions	2,341,781	-	-	-	-	-	-	2,341,781
Utilization of obligatory reserve funds	28,579,400	62,530,356	-	(11,818,457)	-	-	-	79,291,299
	487,914,475	54,130,987	8,847,061	(2,168,478)	-	-	-	548,724,045

The Corporation of the City of Barrie

Notes to the consolidated financial statements

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17. Budget (continued)

	2024 Council approved operating budget	2024 Council approved capital budget	2024 In year operating budget amendments	2024 In year capital budget amendments	2024 Actual amortization adjustment	2024 Post employment benefit liabilities expense	2024 Elimination of operating	2024 Budget as
Expenses								
General government	23,921,197	-	12,841,999	-	7,903,868	350,660	9,910,418	54,928,142
Protection services	122,353,971	-	302,452	-	8,167,563	7,987,039	(863,715)	137,947,310
Transportation services	54,604,410	-	340,179	-	20,914,641	132,200	(346,121)	75,645,309
Environmental services	79,212,468	-	(18,482)	-	26,409,874	281,614	(8,509,447)	97,376,027
Health services	11,109,470	-	-	-	-	-	-	11,109,470
Social and family services	9,544,833	-	-	-	77,625	-	365	9,622,823
Social housing	7,848,000	-	-	-	-	-	-	7,848,000
Recreation and culture services	43,423,062	-	150,000	-	7,057,345	268,359	(159,000)	50,739,766
Planning and development	8,068,540	-	10,329	-	19,800	-	(32,500)	8,066,169
	360,085,951	-	13,626,477	-	70,550,716	9,019,872	-	453,283,016
Budgeted debt repayment	28,632,363	-	-	-	-	-	-	-
Budgeted interfund transfers	99,196,161	(39,842,751)	(4,779,416)	21,688,188	-	-	-	-
Budgeted capital expenditures	-	71,113,762	-	(27,891,530)	-	-	-	-
Reduction in debenture funding	-	22,859,976	-	4,034,864	-	-	-	-
	-	-	-	-	-	-	-	-

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

18. Segmented information

The City is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, police, fire, and water. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities that they encompass are as follows:

General government

This item encompasses the revenues and expenses related to administrative departments and activities including Council, the Chief Administrative Officer Division, Finance, Human Resources, Legislative and Court Services, Legal Services, Information Technology and Corporate Facilities.

Protection services

This section represents Policing activities, Fire and Emergency Services, Building Code administration and enforcement, Municipal By-law enforcement including animal control and Provincial Offences administration including Court Services.

Transportation services

This segment services represent the activities for all roads maintenance and administration including winter control and responses, transit services, sidewalks, traffic signals and systems, parking and street lighting.

Environmental services

Activities of this segment include the property tax funded aspects of the environmental services, which are garbage collection, disposal, and recycling as well as storm water management and control. User rate funded activities for Water and Wastewater are mandated by the Province to be self funding and are included in this segment.

Health and social services

The expenses grouped in this segment relate primarily to services provided by the County of Simcoe as the Consolidated Service Manager, which includes Ontario Works, Land Ambulance, Social Housing, Homes for the Aged, and Childcare. District Health Unit contributions are also included.

Recreation and cultural services

All recreation facilities, program costs, parks maintenance, and related direct administration revenues and expense are included in this section. Library services are also included as well as costs related to cultural initiatives.

Planning and development

The Development Services department and Economic and Creative Development department activities are represented in this segment, along with revenues and expenses related to the Business Improvement Area in the downtown core.

Other funds and corporations

This segment captures the equity earnings from the City's Government Business Enterprise (Note 3) and contributed tangible capital assets.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2024

18. Segmented information (continued)

	2024								
	General government	Protection services	Transportation services	Environmental services	Health and social services	Recreation and cultural services	Planning and development	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue									
Taxation	306,155,239	-	-	-	-	-	-	-	306,155,239
User fees and service charges	1,671,479	2,951,642	11,428,995	83,543,604	40,571	11,325,097	3,836,858	-	114,798,246
Government transfers and grants	8,903,015	9,144,818	733,510	721,420	160,579	1,627,834	979,428	-	22,270,604
POA	-	9,489,329	-	-	-	-	-	-	9,489,329
Utilization of obligatory reserve funds	30,510,007	284,593	14,650,394	17,623,357	478,617	221,015	3,511,784	-	67,279,767
Other	22,983,164	9,068,185	14,652,083	8,834,491	26,536	2,896,142	1,691,691	25,140,482	85,292,774
	370,222,904	30,938,567	41,464,982	110,722,872	706,303	16,070,088	10,019,761	25,140,482	605,285,959
Expenses									
Salaries and benefits	31,266,377	116,801,715	15,226,712	25,197,137	86,258	28,521,363	6,614,016	-	223,713,578
Goods and services	20,134,012	10,799,490	38,380,788	37,937,536	229,920	12,582,741	1,524,192	-	121,588,679
Interest on long-term debt	46,022	789,570	1,422,111	8,425,929	-	28,036	-	-	10,711,668
Transfer payments	41,599	4,278,444	99,660	-	37,141,388	1,286,616	407,431	-	43,255,138
Amortization of tangible capital assets	7,903,868	8,167,563	20,914,641	26,409,874	77,625	7,057,345	19,800	-	70,550,716
Other	4,566,680	1,006,190	1,555,803	2,525,393	20,102	1,381,479	70,211	-	11,125,858
	63,958,558	141,842,972	77,599,715	100,495,869	37,555,293	50,857,580	8,635,650	-	480,945,637
Annual surplus (deficit)	306,264,346	(110,904,405)	(36,134,733)	10,227,003	(36,848,990)	(34,787,492)	1,384,111	25,140,482	124,340,322

The Corporation of the City of Barrie

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18. Segmented information (continued)

									2023
	General government	Protection services	Transportation services	Environmental services	Health and social services	Recreation and cultural Services	Planning and development	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue									
Taxation	284,380,008	-	-	-	-	-	-	-	284,380,008
User fees and service charges	1,175,953	2,863,860	10,388,636	77,175,305	37,753	10,046,749	2,825,867	-	104,514,123
Government transfers and grants	3,492,482	8,011,529	7,382,911	4,777,060	124,618	872,411	1,318,543	-	25,979,554
POA	-	5,712,668	-	-	-	-	-	-	5,712,668
Utilization of obligatory reserve funds	29,683,262	283,725	15,360,274	20,739,931	113,169	382,880	2,309,441	-	68,872,682
Other	17,535,648	8,921,710	15,480,391	8,782,085	137,446	2,649,732	3,207,240	48,890,161	105,604,413
	336,267,353	25,793,492	48,612,212	111,474,381	412,986	13,951,772	9,661,091	48,890,161	595,063,448
Expenses									
Salaries and benefits	28,865,101	128,227,705	14,503,550	23,117,315	204,176	26,144,060	6,660,495	-	227,722,402
Goods and services	18,380,602	9,362,391	35,664,688	31,958,687	343,438	12,309,719	2,164,629	-	110,184,154
Interest on long-term debt	143,715	894,173	1,621,841	8,808,838	-	6,370	-	-	11,474,937
Transfer payments	57,364	2,724,343	414,348	-	31,523,190	882,023	401,031	-	36,002,299
Amortization of tangible capital assets	9,212,847	7,618,806	18,200,909	26,351,849	151,663	7,065,852	1,223	-	68,603,149
Other	3,668,401	875,510	472,975	2,259,690	18,837	1,469,856	44,348	-	8,809,617
	60,328,030	149,702,928	70,878,311	92,496,379	32,241,304	47,877,880	9,271,726	-	462,796,558
Annual surplus (deficit)	275,939,323	(123,909,436)	(22,266,099)	18,978,002	(31,828,318)	(33,926,108)	389,365	48,890,161	132,266,890

The Corporation of the City of Barrie

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19. Financial instruments and risk management

The following classification system is used to describe the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - market based inputs other than quotes prices that are observable for the asset either directly or indirectly
- Level 3 - inputs for the assets or liabilities that are not based on observable market data

As at December 31, 2024, equity instruments and the interest rate swap are measured at fair value. Equity instruments (note 4) are classified as level 1 and the interest rate swap (note 7) is classified as level 2.

The City is exposed to a variety of financial risks including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in financial loss to the City. The City is exposed to credit risk with respect to its cash and cash equivalents, accounts receivable, other receivables, portfolio investments and interest rate swap. Cash is held in highly rated chartered banks. Credit risk is mitigated by the financial solvency of the organizations with balances due to the City.

Liquidity risk

Liquidity risk is the risk that the City will encounter difficulty in meeting its obligations associated with financial liabilities as they come due. The City is exposed to liquidity risk with respect to its accounts payable and accrued liabilities and net long-term liabilities. To manage liquidity risk, the City monitors its operations and cash flows to ensure sufficient resources exist to meet obligations. The City also holds liquid investments easily converted to cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of interest rate risk, currency risk, and other price risk. The City is exposed to interest rate risk through its net long-term liabilities and mitigates risk by issuing debt with a fixed interest rate unless there is a material financial advantage to enter into a variable interest rate and entering into an interest rate swap. The City is exposed to currency risk through its investments denominated in a foreign currency and other price risk through investments in equity instruments and bonds. The City mitigates currency risk and other price risk through regular monitoring by management.