

Consolidated Financial Statements of

**THE CORPORATION OF THE  
TOWN OF OAKVILLE**

And Independent Auditor's Report thereon

Year ended December 31, 2024

DRAFT

# THE CORPORATION OF THE TOWN OF OAKVILLE

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## **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of The Corporation of the Town of Oakville (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Town Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP; independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

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Sheryl Ayres  
Commissioner, Corporate Services  
and Treasurer

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Jonathan van der Heiden  
Deputy Treasurer and  
Director of Finance

May 26, 2025

## INDEPENDENT AUDITOR'S REPORT

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

### ***Opinion***

We have audited the accompanying financial statements of The Corporation of the Town of Oakville (the Entity), which comprise:

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

(Hereinafter referred to as the “financial statements”)

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

### ***Basis for Opinion***

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario

May 26, 2025

# THE CORPORATION OF THE TOWN OF OAKVILLE

## Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023  
(In thousands of dollars)

	2024	2023
<b>Financial assets:</b>		
Cash	\$ 101,662	\$ 49,200
Accounts receivable (note 3):		
Taxes receivable	44,634	36,903
Other	66,504	52,735
Investments (note 4)	915,172	881,578
Investment in Municipal Development Corporation (note 5)	167	(6)
Investment in Halton Digital Access Services Corporation (note 6)	(50)	(25)
Investment in Oakville Enterprises Corporation (note 7)	324,179	304,354
	<u>1,452,268</u>	<u>1,324,739</u>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	80,565	60,048
Security deposits	35,304	39,207
Deferred revenue - obligatory reserve funds (note 8)	474,977	428,365
Deferred revenue (note 9)	35,730	37,930
Long-term liabilities (note 10)	145,011	100,567
Contaminated sites (note 11)	236	234
Asset retirement obligation (note 12)	8,383	6,715
Post employment benefit liability (note 13(a))	33,051	33,122
WSIB liability (note 13(b))	8,475	7,058
	<u>821,732</u>	<u>713,246</u>
Net financial assets	630,536	611,493
<b>Non-financial assets:</b>		
Tangible capital assets (note 14)	2,316,456	2,101,004
Prepaid expenses and inventory	6,315	5,901
	<u>2,322,771</u>	<u>2,106,905</u>
Contingent liabilities and guarantees (note 18)		
Accumulated surplus from operations (note 15)	2,955,611	2,718,850
Accumulated remeasurement losses	(2,304)	(452)
Total accumulated surplus	<u>\$ 2,953,307</u>	<u>\$ 2,718,398</u>

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

# THE CORPORATION OF THE TOWN OF OAKVILLE

## Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023  
(In thousands of dollars)

	2024 Budget (note 21)	2024 Actual	2023 Actual
Revenue (note 20):			
Taxation revenue	\$ 268,158	\$ 272,104	\$ 252,291
User fees and charges (note 16)	71,211	71,503	64,704
Government transfers:			
Government of Canada (note 19)	12,635	19,239	12,285
Province of Ontario (note 19)	3,340	11,173	5,785
Other Municipalities	5,583	4,373	5,378
Investment income	34,226	26,935	23,439
Revaluation of finance lease (note 7(a))	—	740	1,038
Interest on promissory notes from Oakville			
Enterprises Corporation (note 7(b))	4,622	4,622	4,622
Penalties and interest	4,000	14,155	5,057
Developer contributions and charges earned	45,351	148,966	111,875
Other	337	359	1,097
Gain on disposal of assets	—	925	500
Equity loss in MDC (note 5)	—	(526)	(601)
Equity loss in HDASC (note 6)	—	(25)	(25)
Equity income in Oakville Enterprises Corporation (note 7)	6,100	27,776	28,272
Total revenue	455,563	602,319	515,717
Expenses (note 20):			
General government	46,917	59,696	54,250
Protection services	59,319	60,253	56,936
Transportation services	98,007	105,686	96,867
Environmental services	6,930	10,280	7,499
Health services	4,065	4,406	4,050
Recreation and cultural services	87,933	97,217	86,375
Planning and development	23,269	28,020	26,545
Total expenses	326,440	365,558	332,522
Annual surplus from operations	129,123	236,761	183,195
Accumulated surplus from operations, beginning of year	2,718,850	2,718,850	2,535,655
Accumulated surplus from operations, end of year (note 15)	\$ 2,847,973	\$ 2,955,611	\$ 2,718,850

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



# THE CORPORATION OF THE TOWN OF OAKVILLE

## Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023.  
(In thousands of dollars)

	2024 Budget (note 21)	2024 Actual	2023 Actual
Annual surplus	\$ 129,199	\$ 236,761	\$ 183,195
Acquisition of tangible capital assets	–	(268,213)	(172,806)
Amortization of tangible capital assets	47,000	50,388	47,745
Gain on disposal of tangible capital assets	–	(925)	(500)
Proceeds on disposition of tangible capital assets	–	3,298	913
	176,199	21,309	58,547
Acquisition of prepaid expenses and inventory	–	(6,315)	(5,901)
Use of prepaid expenses and consumption of inventory	–	5,901	6,094
	–	(414)	193
Change in net financial assets	176,199	20,895	58,740
Net financial assets, beginning of year	611,493	611,493	553,205
Accumulated remeasurement loss	–	(1,852)	(452)
Net financial assets, end of year	\$ 787,692	\$ 630,536	\$ 611,493

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

# THE CORPORATION OF THE TOWN OF OAKVILLE

## Consolidated Statement of Remeasurement Losses

Year ended December 31, 2024, with comparative information for 2023  
(In thousands of dollars)

	2024	2023
Accumulated remeasurement losses, beginning of year	\$ (452)	\$ —
Other comprehensive loss from Oakville Enterprises Corporation	(1,852)	(452)
Accumulated remeasurement losses, end of year	\$ (2,304)	\$ (452)

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

# THE CORPORATION OF THE TOWN OF OAKVILLE

## Consolidated Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023  
(In thousands of dollars)

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 236,761	\$ 183,195
Items not involving cash:		
Amortization	50,388	47,745
Gain on disposal of tangible capital assets	(925)	(500)
Developer contributions of tangible capital assets	(109,360)	(77,618)
Change in contaminated sites liability	2	49
Change in asset retirement obligation	1,668	—
Change in post-employment benefit liability	(71)	(386)
Change in WSIB liability	1,417	1,373
Equity income in Municipal Development Corporation	526	601
Equity income in Oakville Enterprises Corporation	(27,776)	(28,272)
Equity income in Halton Digital Access Services Corporation	25	25
Gain on revaluation of OEC capital lease	(740)	(1,038)
Change in non-cash assets and liabilities:		
Taxes receivable	(7,731)	(8,499)
Other accounts receivable	(13,769)	(8,463)
Accounts payable and accrued liabilities	20,517	19,493
Security deposits	(3,903)	(1,987)
Deferred revenue - obligatory reserve funds	46,612	63,132
Deferred revenue	(2,200)	2,020
Prepaid expenses and inventory	(414)	193
Net change in cash from operating activities	191,027	191,063
Capital activities:		
Cash used to acquire tangible capital assets	(158,853)	(95,188)
Proceeds of disposition on tangible capital assets	3,298	913
Net change in cash used in capital activities	(155,555)	(94,275)
Investing activities:		
Net change in investments	(33,594)	(173,879)
Increase in shareholder loan to MDC	(699)	(235)
Decrease in direct financing lease receivable from Oakville Enterprises Corporation	739	738
Dividends from Oakville Enterprises Corporation	6,100	6,100
Net change in cash used in investing activities	(27,454)	(167,276)
Financing activities:		
Debt issued	50,000	—
Debt principal repayment	(5,268)	(5,455)
Capitalized debt service costs	(288)	—
Net change in cash from (used in) financing activities	44,444	(5,455)
Net change in cash	52,462	(75,943)
Cash, beginning of year	49,200	125,143
Cash, end of year	\$ 101,662	\$ 49,200

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

# THE CORPORATION OF THE TOWN OF OAKVILLE

## Notes to Consolidated Financial Statements

Year ended December 31, 2024  
(In thousands of dollars)

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The Corporation of the Town of Oakville (the “Town”) is a municipality that provides municipal services such as fire, public works, planning, parks and recreation, library, and other general government operations.

### 1. Significant accounting policies:

The consolidated financial statements of the Town are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Town are as follows:

(a) Basis of consolidation:

(i) Consolidated entities

The 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 Town and which are owned or controlled by the Town except for the Town’s government business enterprises (Oakville Municipal Development Corporation, Halton Digital Access Services Corporation, and Oakville Enterprises Corporation).

These entities and organizations include:

The Oakville Public Library Board  
Downtown Oakville Business Improvement Area  
Bronte Business Improvement Area  
Kerr Village Business Improvement Area

Interdepartmental and inter-organizational transactions and balances between these entities and organizations have been eliminated.

(ii) Oakville Municipal Development Corporation

The Town’s investment in Oakville Municipal Development Corporation (“MDC”) is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards as recommended by PSAB for government business enterprises. Under the modified equity basis, MDC’s accounting policies are not adjusted to conform with those of the Town and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of MDC in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from MDC will be reflected as reductions in the investment asset account.

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

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## 1. Significant accounting policies (continued):

### (a) Basis of consolidation (continued):

#### (iii) Halton Digital Access Municipal Services Corporation

The Town's investment in Halton Digital Access Services Corporations ("HDASC") is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards as recommended by PSAB for government business enterprises. Under the modified equity basis, HDASC's accounting policies are not adjusted to conform with those of the Town and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of HDASC in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from HDASC will be reflected as reductions in the investment asset account.

#### (iv) Oakville Enterprises Corporation

The Town's investment in Oakville Enterprises Corporation ("OEC") is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards as recommended by PSAB for government business enterprises. Under the modified equity basis, OEC accounting policies are not adjusted to conform with those of the Town and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of OEC in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from OEC will be reflected as reductions in the investment asset account.

#### (v) Accounting for Region and School Board transactions

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

#### (vi) Trust funds

Trust funds and their related operations administered by the Town are not included in these consolidated financial statements.

### (b) Basis of accounting:

The Town follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 1. Significant accounting policies (continued):

### (c) Government transfers:

Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except when, and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

### (d) Deferred revenue - obligatory reserve funds:

Deferred revenue - obligatory reserve funds represent development charge contributions, building permits fees, payments in lieu of parkland, and government funding, levied or received under the authority of federal and provincial legislation and Town by-laws. These amounts have been collected but the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

### (e) Deferred revenue:

Deferred revenue represents licenses, permits, grants and other fees which have been collected, but for which the related services or inspections have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

### (f) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to deferred revenue and forms part of the deferred revenue balance.

### (g) Financial instruments and Risk Management:

Financial Instruments are classified into three categories; fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial statement instrument:

Financial Instrument	Measurement
Cash	Amortized cost
Accounts receivable	Amortized cost
Investments	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long term debt	Amortized cost

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

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## 1. Significant accounting policies (continued):

### (g) Financial instruments and Risk Management (continued):

For financial assets and financial liabilities measured at amortized cost, interest is to be recorded using the effective interest rate (EIR) method. The EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or, where appropriate, a shorter period.

The fair value of the Town's financial instruments related to cash and accounts receivable approximate their carrying value due to their short-term nature and are measured at cost or amortized cost in the statement of financial position. The fair value of investments is disclosed in note 4.

The Town has exposure to a range of financial risks from its use of financial instruments and these risks include credit risk, liquidity risk and market risk (including foreign currency and interest rate risk). It is management's opinion that the Town is not exposed to significant risk arising from these financial instruments and there have been no significant changes to these risk exposures from 2023.

#### a) Credit Risk

The Town is exposed to credit related losses through cash, accounts receivable and investments in the event of non-performance by counter parties to the financial instruments. Credit risk is minimized by dealing with reputable financial institutions. Accounts receivables are recognized net of any allowances for doubtful accounts and the Town does not have any significant past due accounts receivable. The Town manages the credit risk on investments through its established credit quality requirements of its investments.

#### b) Liquidity risk

Liquidity risk is the risk that the Town will be unable to meet all cash outflow obligations as they come due. Liquidity risk is minimized by maintaining strong liquidity from adequate levels of cash and investments as well as monitoring cash activities and through cash flow forecasting.

#### c) Market risk

Market risk is the risk that changes in market price such as foreign exchange rates, interest rates and other price risks will affect the annual surplus or the fair value of financial instruments. The Town is not significantly exposed to foreign currency risk due to amounts held in foreign currency to be nominal. Interest rate risk is minimized through a diversified investment portfolio and long-term liabilities have fixed rates of interest and are intended to be held to maturity.

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

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## 1. Significant accounting policies (continued):

### (h) Taxation revenue:

Property taxes and property taxes receivable are recognized as revenue when they meet the definition of an asset, the tax is authorized, and the taxable event has occurred. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property taxation (after the return of the annual assessment roll used for billing purposes). The Town may receive supplementary assessment rolls over the course of the year from the Municipal Property Assessment Corporation (MPAC), identifying new or omitted assessments. Property taxes for these supplementary and/or omitted amounts are then billed according to the approved tax rate for the property class.

### (i) User fees:

User charges are paid by anyone using fee-based programs and services offered by the Town, regardless of their status as a taxpayer. User fees are generally charged when services offered by the Town benefit specific individuals instead of the community as a whole. User fees include transit fares, parking revenues, attendance at recreation programs, various licenses, and building permits. User charges are recognized when earned and measurable.

### (j) Investments:

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

### (k) Net investment in direct financing leases receivable:

Investment income related to the Town's net investment in direct financing leases is recognized in a manner that produces a constant rate of return on investment. The investment in the leases is composed of net minimum remaining lease payments net of unearned investment income.



# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

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## 1. Significant accounting policies (continued):

### (l) Post-employment benefits:

- (i) The Town provides certain employee benefits which will require funding in future periods. These benefits include long-term disability benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and extended health and dental benefits for early retirees.

The costs of long-term disability, benefits under the Workplace Safety and Insurance Board Act and extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, earned days accumulated for certain employees payable at retirement, health care cost trends, long term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as service payments and health and dental benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

- (ii) For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

- (iii) The costs of multi-employer defined benefit pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period. OMERS has been accounted for as a defined contribution plan since it is a multi-employer plan.

### (m) Non-financial assets:

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

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 1. Significant accounting policies (continued):

### (m) Non-financial assets (continued):

#### (i) Tangible capital assets:

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

Asset	Useful Life - Years
Land improvements	3 - 100
Buildings	10 - 75
Equipment	3 - 19
Vehicles	3 - 18
Roads Network	10 - 100
Environmental Network	10 - 100
Communications and Technology Services	3 - 8

Annual amortization is charged in the year of acquisition and in the year of disposal. Work-in-progress assets are not amortized until the asset is available for productive use.

#### (ii) Contributions of tangible capital assets:

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

#### (iii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

#### (iv) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recognized as assets in these consolidated financial statements.

#### (v) Interest capitalization:

The Town does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

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## 1. Significant accounting policies (continued):

(m) Non-financial assets (continued):

(vi) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(vii) Inventories of supplies:

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

(n) Sinking funds:

Sinking funds and their related operations are administered by Halton Region and, as such, are not included in these consolidated financial statements.

(o) Contaminated sites:

Contamination is a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is estimated based upon information that is available when the financial statements are prepared. It is based upon the costs directly attributable to the remediation activities required using a present value measurement technique. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- (i) an environmental standard exists
- (ii) contamination exceeds the environmental standard
- (iii) the Town is directly responsible or accepts responsibility
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

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## 1. Significant accounting policies (continued):

### (p) Asset retirement obligations:

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made.

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made.

The Town reports liabilities related to legal obligations where the Town is obligated to incur costs to retire a tangible capital asset. An asset retirement obligation liability has been recorded for activities to fulfill the retirement of obligations identified based on estimates for the extent and costs directly attributable to asset retirement activities. As at December 31, 2024, all liabilities for asset retirement obligations are reported at current cost without discounting. In subsequent years, the liability is adjusted for changes resulting from the passing of time and revisions to either the timing or amount of the original estimate of undiscounted cash flows associated with the retirement obligation.

A significant part of the asset retirement obligation results from the removal and disposal of soil contaminants from past land contamination and designated substances such as asbestos from the Town's buildings.

The tangible capital assets affected by the obligations are amortized in accordance with the accounting policies outlined in note 1(m)(i). The liability associated with settlement of the obligations are amortized in accordance with the useful life of the related assets.

### (q) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities and the contaminated sites liability, estimates of useful lives of tangible capital assets, and in performing actuarial valuations of post-employment benefits liability and WSIB liability. Actual results could differ from these estimates.

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

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## 2. Adoption of new accounting standards

The Town adopted the following standards concurrently beginning January 1, 2024: PS 3400 *Revenue*, PSG – 8 *Purchased Intangibles* and PS 3160 *Public Private Partnerships*.

PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligation (i.e., the payor expects a good or service from the Town), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a measurable component of a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

PSG- 8 *Purchased Intangibles* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 *Public Private Partnerships* ("P3s") provide specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

The Town has chosen to adopt these standards on a prospective basis. The implementation PS 3400 *Revenue* resulted in a change in how the Town records parking ticket revenues. The impact of this change resulted in an additional \$677 being recorded as revenue in 2024, and additional receivable of \$2,172 and an allowance for doubtful accounts of \$1,495.

PSG-8 *Purchased Intangibles* and PS 3160 *Public Private Partnerships* had no impact on the consolidated financial statements.

## 3. Accounts receivable:

Taxes receivable are reported net of a valuation allowance of \$375 (2023 - \$750). There is also a valuation allowance for general accounts receivable of \$1,638 (2023 - \$125).

## 4. Investments:

Investments reported on the consolidated statement of financial position have market values of \$915,802 (2023 - \$867,786).

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 5. Investment in Oakville Municipal Development Corporation:

Oakville Municipal Development Corporation ("MDC") is owned and controlled by the Town and as a government business enterprise is accounted for on the modified equity basis in these consolidated financial statements. MDC serves to develop properties within the boundaries of the Town.

The following table provides condensed supplementary consolidated financial information for MDC for the year ended December 31:

### Financial Position :

	2024	2023
Assets:		
Current	\$ 197	\$ 81
Total assets	\$ 197	\$ 81
Liabilities:		
Current	\$ 30	\$ 87
Shareholder loan	2,885	2,186
Total liabilities	2,915	2,273
Equity:		
Deficit	\$ (2,718)	\$ (2,192)
Total equity	(2,718)	(2,192)
Total liabilities and equity	\$ 197	\$ 81

### Operations:

	2024	2023
Revenue	\$ –	\$ –
Expenses	(526)	(601)
Net loss and change in equity	(526)	(601)
Change in investment in MDC	\$ (526)	\$ (601)

### Town of Oakville investment represented by:

Shareholder loan	\$ 2,885	\$ 2,186
Accumulated deficit	(2,718)	(2,192)
Total investment in MDC	\$ 167	\$ (6)

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 5. Investment in Oakville Municipal Development Corporation (continued):

The Town has provided a shareholder loan to MDC. This shareholder loan has no fixed terms of repayment.

Related party transaction and balances:

In addition to the shareholder loan, the following summarizes the Town's related party balances with MDC for the years ended December 31:

	2024	2023
Balances:		
Amounts due from MDC accounts receivable	\$ 11	\$ 12

## 6. Investment in Halton Digital Access Services Corporation:

Halton Digital Access Services Corporation ("HDASC") is owned equally by The Regional Municipality of Halton, The Corporation of the Town of Oakville, The Corporation of the City of Burlington, The Corporation of the Town of Milton, and The Corporation of the Town of Halton Hills. HDASC serves to consolidate the negotiation and provision of licensing and permitting of pole positions within the Halton Region boundary. HDASC was incorporated on June 14, 2023.

The following table provides condensed supplementary consolidated financial information for HDASC for the period ended December 31:

	2024	2023
<b>Financial Position:</b>		
Assets:		
Current	\$ 260	\$ 439
Capital	2	3
Total assets	\$ 262	\$ 442
Liabilities:		
Current	\$ 14	\$ 68
Shareholder loan	344	324
Total liabilities	358	392
Equity:		
Deficit	(252)	(127)
Equity portion of shareholder loan	156	177
Total equity	(96)	50
Total liabilities and equity	\$ 262	\$ 442

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 6. Investment in Halton Digital Access Services Corporation (continued):

	2024	2023
<b>Operations:</b>		
Revenue	\$ 6	\$ 3
Expenses	(131)	(130)
Net loss and change in equity	(125)	(127)
Change in investment in HDASC (20%)	\$ (25)	\$ (25)
Town of Oakville investment represented by:		
Accumulated net income	\$ (50)	\$ (25)
Total investment in HDASC	\$ (50)	\$ (25)

Related party transaction and balances:

The following summarizes the Town's related party balances with HDASC for the years ended December 31:

	2024	2023
<b>Balances:</b>		
Amounts due from HDASC accounts receivable	\$ 2	\$ 19

## 7. Investment in Oakville Enterprises Corporation:

Oakville Enterprises Corporation and its wholly owned subsidiaries (collectively, the "Corporation") is 90% (2023 - 90%) owned and controlled by the Town and as a government business enterprise and is accounted for on the modified equity basis in these consolidated financial statements.

In 2022 the Corporation issued 222 Class B common shares. As part of the terms of the Unanimous Shareholders Agreement, the Corporation provided the 222 Class B common shares a right to put the shares back to the Corporation in exchange for fair market value no earlier than August 2, 2027. This right does not expire until such time that the subscriber of the 222 Class B common shares has either increased their investment in the Corporation beyond 10% or upon delivering three put notices. As at December 31, 2024, the Corporation valued the right at \$60,500 (2023 – \$57,500). In 2023 the Corporation provided a right to convert 111 Class B common shares into a convertible promissory note. Due to the demand conversion features of the promissory note, the Town's interest in OEC of 90% has not changed.



# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 7. Investment in Oakville Enterprises Corporation (continued):

The Corporation serves as the electrical distribution utility for Oakville's residents and businesses. Other activities of the Corporation, and its subsidiaries, are to provide energy services, energy efficient home comfort equipment and services, billing services, street lighting maintenance services, retro-fit multi-residential buildings to individually metered units and utility related construction and power generation.

The following tables provide condensed supplementary consolidated financial information for OEC and its subsidiaries for the year ended December 31:

	2024	2023
<b>Financial Position:</b>		
<b>Assets:</b>		
Current	\$ 283,530	\$ 261,840
Capital	545,688	524,731
Regulatory balances	20,287	15,182
<b>Total assets</b>	<b>\$ 849,505</b>	<b>\$ 801,753</b>
<b>Liabilities:</b>		
Current	\$ 160,049	\$ 169,478
Capital lease obligations	28,305	27,899
Promissory notes payable to Town of Oakville	77,029	77,029
Long-term debt	155,339	149,515
Other	158,987	140,558
Regulatory balances	15,125	7,627
Class B common shares	36,750	33,750
<b>Total liabilities</b>	<b>\$ 631,584</b>	<b>\$ 605,856</b>
<b>Equity:</b>		
Share capital	63,024	63,024
Retained earnings	151,687	127,605
Accumulated other comprehensive income	3,210	5,268
<b>Total equity</b>	<b>217,921</b>	<b>195,897</b>
<b>Total liabilities and equity</b>	<b>\$ 849,505</b>	<b>\$ 801,753</b>

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 7. Investment in Oakville Enterprises Corporation (continued):

	2024	2023
<b>Operations:</b>		
Revenue	\$ 673,837	\$ 696,918
Expenses (including income tax provision)	(613,825)	(665,069)
Net movement in regulatory changes (net of tax)	(29,780)	(1,067)
Net income and net movement in regulatory balances	30,232	30,782
Other comprehensive loss	(2,058)	(502)
Total comprehensive income for the year	28,174	30,280
Share issuance costs	(48)	(47)
Dividend paid to Town of Oakville	(6,100)	(6,100)
Change in equity	22,026	24,133
Non-controlling interest's share of comprehensive income	(2,202)	(2,413)
Direct financing lease receivable repayment	(739)	(738)
Revaluation of financing lease	740	1,038
Change in investment in Oakville Enterprises Corporation	\$ 19,825	\$ 22,020
<b>Town of Oakville investment represented by:</b>		
Direct financing leases receivable - note 7(a)	\$ 17,742	\$ 17,741
Promissory notes receivable - note 7 (b)	77,029	77,029
Investment in shares of the Corporation	63,024	63,024
Accumulated comprehensive income, net of dividends received	166,384	146,560
Total investment in Oakville Enterprises Corporation	\$ 324,179	\$ 304,354
<b>Equity income in Oakville Enterprises Corporation represented by:</b>		
Change in equity of OEC	\$ 28,174	\$ 30,280
Share issuance costs	(48)	(47)
Non-controlling interest's share	(2,202)	(2,413)
Town's interest in Other comprehensive loss	1,852	452
Total equity income in Oakville Enterprises Corporation	\$ 27,776	\$ 28,272

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 7. Investment in Oakville Enterprises Corporation (continued):

### (a) Net investment in direct financing receivable:

The Town has provided a direct financing lease to the Corporation for the property known municipality as 861 Redwood Square. The lease was renegotiated in 2020, and each year is adjusted based on the CPI index with the corresponding change in value being reflected as a gain. The lease expires in December of 2039.

Minimum payments under this lease agreement are as follows:

2025	\$	1,745
2026		1,745
2027		1,745
2028		1,745
2029		1,745
Thereafter		17,445
		26,170
Less amount representing interest, imputed at 4.17%		(8,428)
	\$	17,742

### (b) Promissory notes:

The Corporation issued promissory notes to the Town, effective February 1, 2020, with principal repayment due on February 1, 2030. The Town has the option on one year's prior written notice to the Corporation to revise the maturity date and any of the terms of the promissory notes. At December 31, 2024, the interest rate in effect on the promissory notes was 6% (2023 - 6%). Interest revenue earned from these notes totaled \$4,622 (2023 - \$4,622).

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 7. Investment in Oakville Enterprises Corporation (continued):

### (c) Related party transaction and balances:

The following summarizes the Town's related party transactions and balances with the Corporation for the years ended December 31:

	2024	2023
Transactions:		
Revenue:		
Interest on promissory notes	\$ 4,622	\$ 4,622
Interest on capital leases	1,006	1,004
Garage services	363	408
Property taxes	1,125	574
Tree trimming services	404	489
Other	9	13
Expenses:		
Energy purchases (at commercial rates)	6,871	6,521
Construction/locating	2,627	1,833
Streetlight conversion and maintenance	122	363
Rent	557	158
Balances:		
Amounts due from the Corporation:		
Promissory note receivable	77,029	77,029
Direct financing leases receivables	17,742	17,741
Interest on promissory note	4,622	4,622
Accounts receivable	170	52
Amounts due to the Corporation:		
Accounts payable and accrued liability	2,635	1,499
Capital lease	1,061	1,153

### (d) Contingencies and guarantees of Oakville Enterprises Corporation:

The Corporation has a revolving credit facility available for \$200,000 (2023 - \$100,000). As at December 31, 2024, \$72,892 (2023 - \$67,401) had been drawn.

The Corporations' wholly owned subsidiary Oakville Hydro Electricity Distribution Inc. has access to a \$45,000 credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2024, \$9,469 (2023 - \$nil) had been drawn.

Oakville Hydro Electricity Distribution Inc. also has a letter of credit facility available of \$16,000, of which \$13,750 (2023 - \$13,765) has been assigned to secure its primary source of electricity as required by the Independent Electricity System Operator ("IESO") Settlements Manual.

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 8. Deferred revenue – obligatory reserve funds:

The deferred revenue – obligatory reserve funds, reported on the consolidated statement of financial position, are made up of the following:

	2023				2024	
	Total	Receipts applied	Interest applied	Recognized as revenue	Total	
Development Charges	\$ 247,875	\$ 60,153	\$ 13,543	\$ 36,288	\$ 285,283	
Community Benefit Charge	7,273	2,410	320	341	9,662	
Parkland	90,262	3,078	3,618	2,711	94,247	
Gas Tax/CCBF	35,562	9,748	1,338	15,430	31,218	
Building Enterprise Reserve (net)	47,393	5,155	–	1,689	50,859	
Building Faster Fund	–	7,058	–	3,350	3,708	
	\$ 428,365	\$ 87,602	\$ 18,819	\$ 59,809	\$ 474,977	

## 9. Deferred revenue:

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

	2024				2023	
	Deferred capital revenues	Pre-authorized tax payments	Deferred revenues operations	Total	Total	
Balance, beginning of year	\$ 5,520	\$ 21,629	\$ 10,781	\$ 37,930	\$ 35,910	
Development fees	4,066	–	3,955	8,021	4,591	
User fees	–	–	27,741	27,741	27,010	
Other	–	20,177	–	20,177	21,629	
	4,066	20,177	31,696	55,939	53,230	
Less:						
Contributions used in operating and capital funds	2,718	21,629	33,792	58,139	51,210	
	\$ 6,868	\$ 20,177	\$ 8,685	\$ 35,730	\$ 37,930	

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 10. Long-term liabilities:

- (a) The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2024	2023
The Town has assumed responsibility for the payment of the principal interest charges on certain long-term serial debentures issued by Halton Region on behalf of the Town. Maturity dates vary from 2025 to 2034 and interest rates range from 0.75% to 4.5%.	\$ 67,006	\$ 19,810
The Town has assumed responsibility for the payment of the principal and interest charges on certain long-term liabilities issued by Halton Region under the Ontario Strategic Infrastructure Financing Authority (OSIFA) for Pine Glen. This debt is being recovered from the Oakville Soccer Club. This debt matures in 2030 and the interest rate is 4.80%.	3,579	4,135
The Town has assumed responsibility for the payment of annual sinking fund deposits on long-term debentures issued by Halton Region on behalf of the Town with a maturity date of April 6, 2045. Annual sinking fund deposit requirements are \$1,816. The interest rate on the debentures is 3.15% and is payable in semi-annual instalments of \$1,418. The Town's share of the interest earned to date on the sinking fund deposits held by the Region of Halton is \$3,038.	73,653	75,469
The Town has entered into a capital lease agreement for the provision of a Geothermal Energy System at one of the Town's community centers. The agreement is with OEC Geo-Exchange Inc., a subsidiary of Oakville Enterprises Corporation. The agreement calls for quarterly payments of \$26, has an implicit interest rate of 1.90%, and expires in 2029. The corresponding asset and accumulated amortization are included in Note 14.	1,061	1,153
	145,299	100,567
Less unamortized debenture financing costs	(288)	—
	\$ 145,011	\$ 100,567

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 10. Long-term liabilities (continued):

(b) Principal repayments due over the next five years and thereafter are as follows:

2025	\$	9,992
2026		10,363
2027		10,738
2028		10,362
2029		10,029
Thereafter		93,815
	\$	145,299

The principal repayments include the annual sinking fund deposit requirement of \$1,816.

- (c) The long-term liabilities in (a) issued in the name of the Town have been approved by 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.
- (d) Total interest on long-term liabilities which are reported on the consolidated statement of operations amounted to \$5,044 (2023 - \$3,638). The long-term liabilities bear interest at rates ranging from 0.75% to 4.5%.
- (e) The balance of long-term liabilities reported on the consolidated statement of financial position is funded from the following sources:

	2024	2023
Tax levy supported	\$ 89,306	\$ 85,630
Development supported	49,237	9,130
Oakville Soccer Club	3,579	4,135
Harbours supported	3,177	1,672
	\$ 145,299	\$ 100,567

## 11. Contaminated sites:

The Town has recognized a liability of \$236 (2023 - \$234) for remediation of various contaminated sites for which the Town has assumed responsibility from other organizations. The future remediation costs and any post-remediation costs have an estimated undiscounted cost of \$250 and have been present valued using a discount rate of 5% (2023 - 5%). Estimates for these costs are based upon quotes provided by experts, the Town's history with similar remediation efforts and/or management's best estimates. The amount of estimated recoveries is \$nil.

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 12. Asset retirement obligations:

	2024	2023
Asset retirement obligations, beginning of year	\$ 6,715	\$ 6,715
Liabilities relieved during the year	(182)	–
Liabilities incurred during the year	1,850	–
Asset retirement obligations, end of year	\$ 8,383	\$ 6,715

As at December 31, 2024, approximately 67% of liabilities for asset retirement obligations pertained to retirement activities legally required for past land contamination, and approximately 33% pertained to the removal and disposal of designated substances from the Town's buildings. The asset retirement obligations are expected to be settled between 2025 and 2045.

## 13. Employment benefits and other liabilities:

### (a) Post employment benefit liability:

The Town pays extended health and dental benefits for early retirees to age 65 as well as for certain employees. The Town recognizes these post-employment costs in the period in which the employees rendered the services. The accrued benefit liability and the expense for the 12 months ended December 31, 2024, were determined by actuarial valuation as at December 31, 2022 and extrapolated for 2024.

The main actuarial assumptions employed for the valuations are as follows:

#### (i) Interest (discount rate):

The obligation as at December 31, 2024, of the present value of future liabilities, and the expense for the 12 months ended December 31, 2024, were determined using a discount rate of 4.6% (2023 - 4.6%).

#### (ii) Medical costs:

Medical costs were assumed to increase at the rate of 6.5% in the first year after the valuation date, reducing linearly to 4.0% after 8 years.

#### (iii) Dental costs:

Dental costs were assumed to increase at the rate of 4.0% per year.



# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 13. Employment benefits and other liabilities:

### (a) Post employment benefit liability (continued):

Information about the Town's post employment benefit liability is as follows:

	2024	2023
Accrued benefit obligation, beginning of year	\$ 23,702	\$ 22,098
Current service costs	1,009	895
Change in obligation from experience	13	—
Actuarial loss	—	949
Interest on accrued benefit obligation	1,086	1,094
Benefits paid during the period	(1,206)	(1,334)
Accrued benefit obligation, end of year	24,604	23,702
Unamortized actuarial gain	8,447	9,420
Accrued benefit liability, end of year	\$ 33,051	\$ 33,122

Included in current year costs is \$973 for amortization of the actuarial gain (2023 - \$1,042). The unamortized actuarial gain is amortized over the expected average remaining service life of the employee group which was 13 years.

### (b) WSIB:

With respect to responsibilities under provisions of the Workplace Safety and Insurance Board ("WSIB") Act the Town has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability reported in these financial statements. The most recent actuarial valuation was performed as at December 31, 2022, which includes an estimation of expected costs and payments for 2023 and 2024, as well as a calculation of the actuarial updates to December 31, 2023 and 2024. The main actuarial assumptions employed for the valuation are as follows:

#### (i) Interest (discount rate):

The obligation as at December 31, 2024, of the present value of future liabilities, and the expense for the 12 months ended December 31, 2024, were determined using a discount rate of 5% (2023 - 5%).

#### (ii) Administration costs:

Administration costs were assumed to be 23% (2023 - 23%) of the compensation expense.

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 13. Employment benefits and other liabilities (continued):

### (b) WSIB (continued):

#### (iii) Compensation expense:

Compensation costs, which include loss of earnings benefits, health care costs, survivor benefits and noneconomic loss awards, were assumed to change at rates ranging from 1% to 3% (2023 - 1% to 3%) depending on the benefit type.

Information about the Town's WSIB liability is as follows:

	2024	2023
Accrued WSIB obligation, beginning of year	\$ 12,277	\$ 11,505
Current service costs	1,793	1,740
Interest on accrued benefit obligation	617	580
Benefits paid during the period	(1,658)	(1,548)
Accrued WSIB obligation, end of year	13,029	12,277
Unamortized actuarial loss	(4,554)	(5,219)
Accrued benefit liability, end of year	\$ 8,475	\$ 7,058

The unamortized actuarial loss on future payments required to WSIB is amortized over the expected period of the liability which is 10 years (2023 -10 years).

### (c) Other pension plans:

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 1,729 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions for employees with a normal retirement age of 65 were being made at a rate of 9.0% for earnings up to the yearly maximum pensionable earnings of \$68.5 and at a rate of 14.6% for earnings greater than the yearly maximum pensionable earnings. The amount contributed to OMERS by the Town of Oakville for 2024 was \$13,696 (2023 - \$12,416). Employee contributions to OMERS for 2024 totaled \$13,696 (2023 - \$12,416).

The OMERS pension plan is 98% (2023 – 97%) funded, reporting a deficit of \$2,900,000 (2023 - \$4,200,000) as at December 31, 2024. Plan funding deficits may require additional increases in the contributions by participating employers and members in future years.

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

(In thousands of dollars)

## 14. Tangible capital assets:

	2024									
	Land	Land Improve- ments	Buildings	Equipment	Vehicles	Roads Network	Environ- mental Network	Comm & Tech Services	Work in Progress	Total
Asset Cost										
Balance, beginning of year	1,033,476	296,356	401,611	44,768	100,598	672,382	374,882	37,282	66,889	3,028,244
Add: Additions during the year	104,705	23,425	5,239	10,073	9,449	25,494	24,254	2,816	157,744	363,199
Less: Disposals/transfers during the year	(1,205)	(2,567)	–	(1,550)	(4,940)	(2,304)	(432)	(1,382)	(94,986)	(109,366)
Balance, end of year	1,136,976	317,214	406,850	53,291	105,107	695,572	398,704	38,716	129,647	3,282,077
Accumulated Amortization										
Balance, beginning of year	–	223,469	146,969	23,417	64,431	325,995	119,596	23,363	–	927,240
Add: Amortization	–	6,589	9,771	4,156	6,590	14,872	5,592	2,818	–	50,388
Less: Accumulated amortization on disposals/transfers	–	(2,156)	–	(1,538)	(4,940)	(1,686)	(306)	(1,381)	–	(12,007)
Balance, end of year	–	227,902	156,740	26,035	66,081	339,181	124,882	24,800	–	965,621
Net book value, end of year	1,136,976	89,312	250,110	27,256	39,026	356,391	273,822	13,916	129,647	2,316,456

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

(In thousands of dollars)

## 14. Tangible capital assets (continued):

	2023									
	Land	Land Improve- ments	Buildings	Equipment	Vehicles	Roads Network	Environ- mental Network	Comm & Tech Services	Work in Progress	Total
Asset Cost										
Balance, beginning of year	966,125	288,494	398,799	43,122	92,113	652,143	365,105	36,630	23,340	2,865,871
Add: Additions during the year	67,573	10,348	2,877	2,844	9,876	22,306	9,777	3,657	120,965	250,223
Less: Disposals/transfers during the year	(222)	(2,486)	(65)	(1,198)	(1,391)	(2,067)	–	(3,005)	(77,416)	(87,850)
Balance, end of year	1,033,476	296,356	401,611	44,768	100,598	672,382	374,882	37,282	66,889	3,028,244
Accumulated Amortization										
Balance, beginning of year	–	220,023	137,223	21,039	59,635	313,899	114,248	23,448	–	889,515
Add: Amortization	–	5,922	9,655	3,767	6,140	13,991	5,348	2,922	–	47,745
Less: Accumulated amortization on disposals/transfers	–	(2,476)	91	(1,389)	(1,344)	(1,895)	–	(3,007)	–	(10,020)
Balance, end of year	–	223,469	146,969	23,417	64,431	325,995	119,596	23,363	–	927,240
Net book value, end of year	1,033,476	72,887	254,642	21,351	36,167	346,387	255,286	13,919	66,889	2,101,004

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 14. Tangible capital assets (continued):

### (a) Assets under construction:

Assets under construction having a value of \$129,647 (2023 - \$66,889) have not been amortized. Amortization of these assets will commence when the asset is put into service.

### (b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The value of contributed assets received during the year is comprised of:

	2024	2023
Land	\$ 73,596	\$ 56,350
Land Improvements	1,289	382
Road Network	16,897	11,199
Environmental Network	17,578	9,687
Total	\$ 109,360	\$ 77,618

### (c) Leased assets:

The Town has capital leases included in tangible capital assets as follows:

	Cost	Accumulated Amortization	Net Book Value
Buildings	\$ 1,690	\$ 248	\$ 1,442

### (d) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land under roads, cemetery lands and buildings slated for demolition are the only assets where nominal values were assigned.

### (e) Works of art and historical treasures:

The Town manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings, and sculptures located at Town sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

### (f) Write-down of tangible capital assets:

No tangible capital assets were written down during the year (2023 - \$nil).

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 15. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves, and reserve funds as follows:

	2024	2023
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 2,316,456	\$ 2,101,004
Equity in Oakville Enterprises	324,179	304,354
Equity in Municipal Development Corporation	167	(6)
Equity in Halton Digital Access Strategy Corporation:	(50)	(25)
Unexpended capital and unfinanced capital	211,035	152,662
BIA reserves	596	514
Other	2,343	2,028
Unfunded:		
Contaminated sites	(236)	(234)
Post-employment benefits and WSIB	(41,526)	(40,180)
Asset retirement obligations	(8,383)	(6,715)
Long-term liabilities	(145,011)	(100,567)
	2,659,570	2,412,835
<b>Reserves set aside for specific purposes by Council for:</b>		
Tax rate stabilization	74,288	71,760
Capital financing	144,091	157,929
Acquisition of tangible capital assets	7,570	10,707
Working capital	28,422	25,522
Insurance	1,123	1,123
	255,494	267,041
<b>Reserve funds set aside for specific purposes by Council:</b>		
Post-employment benefits and WSIB	27,970	26,511
Conservation purposes	245	236
Harbours	(6,258)	(6,106)
Library development	975	1,030
Building, ground maintenance and replacement	14,937	16,471
Parking	2,678	832
	40,547	38,974
Accumulated surplus from operations	2,955,611	2,718,850
Accumulated remeasurement losses	(2,304)	(452)
Accumulated surplus	\$ 2,953,307	\$ 2,718,398

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 16. User fees and charges:

User fees and charges include the following:

	2024	2023
Development fees and miscellaneous	\$ 10,802	\$ 10,998
Transit revenues	7,585	7,229
Parking, Provincial Offences Act and other fines	7,646	5,277
Town facilities rental and usage fees	15,264	14,233
Recreation and cultural program revenues	14,459	13,126
Cemeteries	767	958
Licenses and permits	14,980	12,883
	\$ 71,503	\$ 64,704

## 17. Trust funds:

Trust funds administered by the Town amounting to \$7,107 (2023 - \$6,937) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

## 18. Contingent liabilities and guarantees:

### (a) Litigation:

The Town has been named as defendant in certain legal actions in which damages have been sought. The exact outcome of these actions is not determinable, as at the date of reporting; however, provisions have been made for those legal actions where it is likely the Town may at some future date be held liable.

### (b) Cemeteries Act:

The Cemeteries Act (Revised), R.S.O., 1990, requires the Town to assume ownership and responsibility for the continuing care of pioneer and abandoned cemeteries. However, the Cemeteries Act does not address the issue of funding for this obligation, other than to provide that any assets, funds, and trust accounts, if they exist, become the property of the municipality at the time the ownership is assumed. This potential liability cannot be quantified at this time and no provision has been included in these financial statements.

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

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## 18. Contingent liabilities and guarantees (continued):

### (c) Project commitments:

The Town has entered into a capital lease agreement for the provision of energy infrastructure for the electrification of the transit fleet. The capital lease payments for the infrastructure are between \$1,900 and \$5,000 annually over a 20-year period. At December 31, 2024, the payments totaled \$5,829 and will be recorded as a capital lease once the asset is in production. The Town also entered into an operating agreement for managing the infrastructure which is estimated to be between \$2,600 and \$3,800 annually until 2044.

### (d) Guarantees:

In the normal course of business, the Town enters into agreements that meet the definition of a guarantee.

- (i) The Town, on occasion, has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the Town agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- (ii) The Town has purchased errors and omissions insurance to mitigate the costs of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as an officer, an employee, a volunteer or member of Council, Board, Commission or Committee of the Town. The maximum amount of any potential future payment cannot be reasonably estimated.
- (iii) In the normal course of business, the Town, on occasion, has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Town to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined, and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Town from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Town has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the financial statements with respect to these agreements.



# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 18. Contingent liabilities and guarantees (continued):

(d) Guarantees (continued):

- (iv) The Town has a credit facility for \$99 for the purpose of issuing letters of credit mainly to support requirements of the Department of Fisheries and Oceans Canada, of which \$nil has been drawn (2023 - \$nil).

## 19. Government and external transfers:

The government transfers reported within the Consolidated Statement of Operations are:

	2024	2023
Revenue:		
Federal Transfers:		
Canada Community Building Fund	\$ 12,804	\$ 7,798
Investing in Canada Infrastructure Program	5,811	2,634
Natural Resources Canada	108	–
Young Canada Works, Canada Summer Jobs	115	127
Canadian Heritage Grant	91	127
Canadian Urban Institute	73	–
Economic Development – Tourism Growth	59	–
Green and Inclusive Community Buildings	36	165
Canada Revitalization Fund	32	1,269
Enabling Accessibility Fund	–	100
Other	110	65
	19,239	12,285
Ontario Transfers:		
Investing in Canada Infrastructure Program	4,729	2,145
Building Faster Fund	3,350	–
Ontario Gas Tax	2,626	2,549
Library	182	182
Senior Active Living Centre	153	125
Museum	57	58
Experience Ontario	55	–
Other	21	20
Streamline Development Approval Fund	–	701
Audit & Accountability Fund	–	5
	11,173	5,785
Total government transfers	\$ 30,412	\$ 18,070

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 19. Government and external transfers (continued):

The external transfers reported within the Consolidated Statement of Operations are:

	2024	2023
Expenses:		
Recreational & cultural grants:		
Recreational program subsidization	\$ 426	\$ 227
Oakville Galleries operating grant	425	413
Theatre groups subsidization	190	182
Oakville Arts Council	97	94
Sport Development grants	40	38
Historical Society	9	9
Oakville Lawn Bowling	3	3
Cultural grants	–	2
	1,190	968
Other:		
Oakville Tourism Partnership	795	869
Heritage grants	110	92
Community assistance grants	100	–
Oakville Marine Search and Rescue	33	33
	1,038	994
Total external transfers	\$ 2,228	\$ 1,962

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

(In thousands of dollars)

## 20. Segmented information:

	2024							
	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation & Cultural Services	Planning & Development	Total
Revenue:								
Taxation	\$ 83,436	\$ 49,104	\$ 71,293	\$ 1,959	\$ 184	\$ 52,372	\$ 13,756	\$ 272,104
User fees and service charges	3,706	10,719	16,685	—	767	29,278	10,348	71,503
Federal grants	160	—	18,583	—	—	255	241	19,239
Ontario grants	24	—	10,696	(14)	—	412	55	11,173
Other Municipalities	192	—	3,647	23	—	336	175	4,373
Investment income	26,727	—	—	—	—	201	7	26,935
Revaluation gain on Hydro Lease	740	—	—	—	—	—	—	740
Interest on promissory notes - OEC	4,622	—	—	—	—	—	—	4,622
Penalties and interest	14,155	—	—	—	—	—	—	14,155
Developer contributions and development charges earned	81,216	339	28,566	17,578	—	20,849	418	148,966
Other	102	13	(204)	1	274	173	—	359
Gain/(loss) on disposal of assets	1,522	97	(71)	(17)	—	(609)	3	925
Equity in MDC	(526)	—	—	—	—	—	—	(526)
Equity in HDASC	(25)	—	—	—	—	—	—	(25)
Equity in OEC	27,776	—	—	—	—	—	—	27,776
	243,827	60,272	149,195	19,530	1,225	103,267	25,003	602,319
Expenses:								
Salaries, wages and benefits	47,208	49,191	45,450	763	473	41,215	11,796	196,096
Debt expense	21	—	392	—	2,850	1,781	—	5,044
Materials	528	488	12,580	45	98	6,391	163	20,293
Contracted services	5,086	8,049	21,509	4,115	941	31,846	14,943	86,489
Rents and financial expenses	2,393	—	146	—	14	409	112	3,074
External transfers	292	43	1,501	—	—	1,433	905	4,174
Amortization	4,168	2,482	24,108	5,357	30	14,142	101	50,388
	59,696	60,253	105,686	10,280	4,406	97,217	28,020	365,558
Annual surplus	\$ 184,131	\$ 19	\$ 43,509	\$ 9,250	\$ (3,181)	\$ 6,050	\$ (3,017)	\$ 236,761

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

(In thousands of dollars)

## 20. Segmented information (continued):

	2023							
	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation & Cultural Services	Planning & Development	Total
Revenue:								
Taxation	\$ 42,849	\$ 46,915	\$ 82,600	\$ 1,873	\$ 186	\$ 64,593	\$ 13,275	\$ 252,291
User fees and service charges	3,431	10,435	13,762	—	958	26,974	9,144	64,704
Federal grants	242	—	9,957	507	—	1,573	6	12,285
Ontario grants	46	—	4,700	—	—	385	654	5,785
Other Municipalities	170	1	4,584	15	—	383	225	5,378
Investment income	23,214	—	—	—	—	215	10	23,439
Revaluation gain on Hydro Lease	1,038	—	—	—	—	—	—	1,038
Interest on promissory notes - OEC	4,622	—	—	—	—	—	—	4,622
Penalties and interest	5,057	—	—	—	—	—	—	5,057
Developer contributions and development charges earned	56,367	355	21,522	9,687	—	23,341	603	111,875
Other	39	87	554	1	260	154	2	1,097
Gain/(loss) on disposal of assets	24	(116)	622	—	12	(42)	—	500
Equity in MDC	(601)	—	—	—	—	—	—	(601)
Equity in HDASC	(25)	—	—	—	—	—	—	(25)
Equity in OEC	28,272	—	—	—	—	—	—	28,272
	164,745	57,677	138,301	12,083	1,416	117,576	23,919	515,717
Expenses:								
Salaries, wages and benefits	35,067	46,730	42,055	466	453	43,987	12,296	181,054
Debt expense	22	—	214	—	2,835	567	—	3,638
Materials	914	651	13,608	31	90	7,591	74	22,959
Contracted services	13,391	7,395	16,595	1,880	624	19,407	13,018	72,310
Rents and financial expenses	463	—	119	—	19	243	107	951
External transfers	213	43	1,422	—	—	1,226	961	3,865
Amortization	4,180	2,117	22,854	5,122	29	13,354	89	47,745
	54,250	56,936	96,867	7,499	4,050	86,375	26,545	332,522
Annual surplus	\$ 110,495	\$ 741	\$ 41,434	\$ 4,584	\$ (2,634)	\$ 31,201	\$ (2,626)	\$ 183,195

# THE CORPORATION OF THE TOWN OF OAKVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024  
(In thousands of dollars)

## 21. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2024 operating and capital budgets approved by Council on December 20, 2023. Amortization was estimated and included in the annual budget approval process. Post employment liabilities were not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Operating	Capital	Budget amount
<b>Revenues:</b>			
Operating budget	\$ 448,785	\$ –	\$ 448,785
Capital budget	–	188,200	188,200
BIAs	2,307	–	2,307
<b>Less:</b>			
Internal revenues & recoveries	(41,695)	–	(41,695)
Transfers from other funds	(11,077)	(130,957)	(142,034)
<b>Total revenue</b>	<b>398,320</b>	<b>57,243</b>	<b>455,563</b>
<b>Expenses:</b>			
Operating budget	448,785	–	448,785
Capital budget	–	188,200	188,200
Amortization	–	47,000	47,000
BIAs	2,307	–	2,307
<b>Less:</b>			
Internal expenses	(41,695)	–	(41,695)
Transfers to other funds	(122,913)	–	(122,913)
Capital expenses	(2,332)	(188,200)	(190,532)
Debt principal payments	(4,712)	–	(4,712)
<b>Total expenses</b>	<b>279,440</b>	<b>47,000</b>	<b>326,440</b>
<b>Annual surplus</b>	<b>\$ 118,880</b>	<b>\$ 10,243</b>	<b>\$ 129,123</b>

## 22. Comparative information:

Certain comparative figures have been reclassified to conform with current year presentation.