

## King finances in good shape

By Mark PavilonsEditor

King's assets and cash flow are in very good shape, according to a recent audit. Councillors received a report recently on its consolidated financial statements, required under provincial mandate. King Township is asset rich, with more than \$434 million of non-financial assets. Cash on hand totals \$63.6 million, with another \$22 million in receivables. On the liability side, King owes roughly \$17.6 million in long-term debt, plus another \$21 million in deferred revenue. The accounts payable (as of last December) total \$19 million. The good news is King has a very healthy net worth. The Township has \$41 million in reserve funds and \$348 million in investments in tangible capital assets. In terms of revenue, the bulk of the Township's income actually comes from developers (DCs). For the year ended Dec. 31, 2021, \$61.5 million came from developers, or 50% of the Township's revenues. Taxation accounts for the next highest source, with \$34 million (or 28%). Another \$10.9 million came from water and waste water user charges. King enjoyed almost \$4 million in government grants. The Township dished out \$50.7 million, the bulk going to Environmental Services (\$12.8 million) and Transportation Services (\$11.1 million). Other top expenses included Recreation and Cultural Services (\$9.8 million) and general government (\$8 million). Planning and development expenses were a little over \$2 million last year. The financial statements show that King enjoyed increases in DCs, developer contributions, federal gas tax funding and parkland contributions. King also had a \$2.6 million reduction in its long-term debt. There was a bit of a decrease in tax revenues, attributed to King's Tax Arrears Program which began in January 2021. King is helping to reduce arrears by communicating with property owners, offering special payment options and plans. A reduction in user fees was caused by facility closures during the pandemic. Facilities, such as King City's new library and seniors' centre, is a huge asset. It was pegged at \$11 million, opening just this spring. Sewer projects, like the one in Nobleton, are both a cost and an asset to the municipality. The report noted King does need to build up sustainable funding for capital work. In recent years, the Township has actively worked to reduce the infrastructure funding shortfall by levying more property tax dollars. The plan is to build tax-funded capital, which stands at \$4.3 million in 2022. They will use various funding sources to support the repair and long-term replacement of facilities. King did end 2021 with a \$423,000 deficit, largely due to pandemic losses in revenue, and some direct costs of the pandemic. In order to minimize this, staff reduced spending where possible, and delayed recruitment. Overall, staff present well-balanced annual budgets and strategies that are fiscally responsible. In a separate report, councillors received an update on the state of reserve funds, also as of Dec. 31, 2021. The current balance of all reserves sit at \$42 million, but with \$10 million in commitments, it leaves just under \$32 million. Reserves are used to ensure the financial stability of the Township and to protect against financial impacts of risks or unforeseen events. Reserves also provide funding for future upgrades to capital assets and facilities. They're currently separated into different categories that include existing and new infrastructure; stabilization and contingency; special purposes, and library. Council also received an update on its development charge reserve funds. They currently sit at \$18.7 million but King has \$13.4 million in commitments, leaving a surplus of \$4.7 million. Development charge proceeds consist of contributions from developers and interest earned on reserves. During 2021, DCs totalled \$39 million and interest earned hit \$149,000. DC funding allocations to capital projects in 2021 totalled \$19 million.