

CORPORATION OF THE CITY OF BELLEVILLE
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

**CORPORATION OF THE CITY OF BELLEVILLE
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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City of Belleville

Finance Department

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Management's Responsibility for the Consolidated Financial Statements

The consolidated financial statements of the Corporation of the City of Belleville are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared in compliance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation'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.

City Council is responsible for ensuring that management fulfills its responsibilities for financial reporting. Council, through the Audit Committee, reviews the Corporation's consolidated financial statements and discusses any significant financial reporting or internal control matters prior to Council approval of the consolidated financial statements.

The consolidated financial statements have been audited by Welch LLP, independent external auditors appointed by the Corporation, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation's consolidated financial statements.

Rod Bovay
Chief Administrative Officer

Carol Hinze
Director of Finance/Treasurer

The Corporation of the City of Belleville

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council of the
CORPORATION OF THE CITY OF BELLEVILLE

Opinion

We have audited the consolidated financial statements of the City of Belleville (the "Corporation"), which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statements of operations and accumulated surplus, change in net financial liability and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2019 and the results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

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

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

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

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

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

Welch LLP

Belleville, Ontario
September 28, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

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CORPORATION OF THE CITY OF BELLEVILLE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and investments - <i>note 3</i>	\$ 102,587,264	\$ 95,279,895
Accounts receivable	2,489,442	3,094,654
Taxes receivable	14,504,381	11,649,836
Long-term investments - <i>note 4</i>	19,137,642	18,638,911
Investment in government business partnership - <i>note 5</i>	<u>22,139,622</u>	<u>18,323,277</u>
	<u>160,858,351</u>	<u>146,986,573</u>
 LIABILITIES		
Construction advance - <i>note 6</i>	3,100,000	3,100,000
Accounts payable and accrued liabilities	23,481,331	23,329,829
Employee benefits payable - <i>note 7</i>	16,922,090	16,743,590
Other liabilities- <i>note 8</i>	2,295,647	2,285,903
Deferred revenue - <i>note 9</i>	37,621,931	25,966,425
Municipal debt- <i>note 10</i>	<u>102,779,065</u>	<u>108,938,053</u>
	<u>186,200,064</u>	<u>180,363,800</u>
 NET FINANCIAL LIABILITY	 <u>(25,341,713)</u>	 <u>(33,377,227)</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets - <i>net - schedule 1</i>	662,588,540	644,583,097
Inventory of supplies	1,169,901	1,138,852
Prepaid expenses	<u>829,270</u>	<u>847,061</u>
	<u>664,587,711</u>	<u>646,569,010</u>
 ACCUMULATED SURPLUS - <i>note 15</i>	 <u>\$ 639,245,998</u>	 <u>\$ 613,191,783</u>

Contingent liabilities and Commitments - *note 12*

(See accompanying notes)

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CORPORATION OF THE CITY OF BELLEVILLE
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2019

	2019 <u>Budget</u> <i>(Note 18)</i>	2019 <u>Actual</u>	2018 <u>Actual</u>
REVENUES			
Municipal taxation	\$ 91,049,000	\$ 94,395,226	\$ 87,876,132
Taxation from other governments	2,812,000	2,831,947	2,728,637
User charges	40,008,000	39,481,757	38,128,978
Grants - Government of Canada	9,000	7,031	30,401
Grants - Province of Ontario	1,304,000	841,302	965,840
Grants - Other Municipalities	107,000	97,054	117,368
Fines	522,000	449,727	543,400
Investment income	614,000	1,173,988	1,207,283
Interest and penalties on taxes	700,000	642,442	612,183
Development charges levies earned	20,000	283,382	717,456
Donations	30,000	25,098	87,384
Ontario Lottery and Gaming Corporation	-	3,374,601	3,193,998
TOTAL REVENUES	<u>137,175,000</u>	<u>143,603,555</u>	<u>136,209,060</u>
EXPENDITURES			
General government	11,084,000	10,976,904	10,306,435
Protection to persons and property	34,921,000	35,989,418	34,132,923
Transportation services	29,566,000	28,982,867	28,968,407
Environmental services	27,171,000	24,781,391	24,443,724
Health services	5,384,000	5,340,866	5,359,541
Recreation and cultural services	20,886,000	20,591,791	20,134,223
Planning and development	3,774,000	3,159,379	2,953,930
Social and family services	4,952,000	4,958,122	4,519,553
Social housing	4,806,000	4,709,360	4,564,767
TOTAL EXPENDITURES	<u>142,544,000</u>	<u>139,490,098</u>	<u>135,383,503</u>
NET REVENUE (EXPENDITURES)	<u>(5,369,000)</u>	<u>4,113,457</u>	<u>825,557</u>
OTHER CAPITAL REVENUE			
Municipal taxation for capital purposes	5,555,000	5,554,800	5,311,300
Grant - Government of Canada	8,713,000	3,079,286	3,197,685
Grant - Government of Ontario	6,345,000	2,124,398	3,567,162
Contribution from developers	-	4,855,268	2,712,293
Development charges	360,000	298,049	4,486,749
Park land	40,000	32,018	75,000
Other	649,000	909,042	393,654
Tangible capital assets gain (loss)	-	(347,637)	(1,520,163)
	<u>21,662,000</u>	<u>16,505,224</u>	<u>18,223,680</u>
INTEREST EARNED ON RESERVES	<u>-</u>	<u>825,559</u>	<u>723,176</u>
EQUITY SHARE OF GOVERNMENT BUSINESS			
PARTNERSHIP EARNINGS - note 5	<u>-</u>	<u>441,750</u>	<u>1,628,186</u>
ADJUSTMENT ON MERGER - note 5	<u>-</u>	<u>4,168,225</u>	<u>-</u>
ANNUAL SURPLUS	16,293,000	26,054,215	21,400,599
ACCUMULATED SURPLUS, beginning of year	<u>613,191,783</u>	<u>613,191,783</u>	<u>591,791,184</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 629,484,783</u>	<u>\$ 639,245,998</u>	<u>\$ 613,191,783</u>

(See accompanying notes)

CORPORATION OF THE CITY OF BELLEVILLE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL LIABILITY
YEAR ENDED DECEMBER 31, 2019

	2019 <u>Budget</u> <i>(Note 18)</i>	2019 <u>Actual</u>	2018 <u>Actual</u>
ANNUAL SURPLUS	\$ 16,293,000	\$ 26,054,215	\$ 21,400,599
Amortization of tangible capital assets	25,895,000	25,895,306	25,796,493
Acquisition of tangible capital assets	(46,335,000)	(62,105,661)	(87,795,515)
Changes in assets under construction	-	17,626,105	39,351,777
Consolidation adjustment tangible capital assets	-	5,617	26,652
Loss on tangible capital assets	-	347,637	1,520,163
Proceeds on sale of tangible capital assets	-	225,553	236,648
Change in inventory of supplies	-	(31,049)	192,007
Change in prepaid expenses	-	17,791	(43,223)
	<u> </u>	<u> </u>	<u> </u>
CHANGE IN NET FINANCIAL LIABILITY	(4,147,000)	8,035,514	685,601
NET FINANCIAL LIABILITY, beginning of year	<u>(33,377,227)</u>	<u>(33,377,227)</u>	<u>(34,062,828)</u>
NET FINANCIAL LIABILITY, end of year	<u>\$ (37,524,227)</u>	<u>\$ (25,341,713)</u>	<u>\$ (33,377,227)</u>

(See accompanying notes)

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CORPORATION OF THE CITY OF BELLEVILLE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 26,054,215	\$ 21,400,599
Non-cash charges to operations:		
Amortization	25,895,306	25,796,493
Contribution from developers	(4,855,268)	(2,712,293)
Post-employment benefits	178,500	523,755
Loss (gain) on tangible capital assets	347,637	1,520,163
Solid waste landfill closure and post closure liabilities	40,000	40,000
Equity share of government business partnership earnings	(441,750)	(1,628,186)
Adjustment on merger by Veridian Corporation on acquisition of Whitby Hydro Energy Corporation	<u>(4,168,225)</u>	<u>-</u>
	<u>43,050,415</u>	<u>44,940,531</u>
Changes in non-cash operating items (net change):		
Taxes receivable	605,212	64,896
Accounts receivable	(2,854,545)	1,193,579
Inventory of supplies	(31,049)	192,007
Prepaid expenses	17,791	(43,223)
Accounts payable and accrued liabilities	151,502	277,208
Other liabilities	(30,256)	19,391
Deferred revenue	<u>11,655,506</u>	<u>322,200</u>
	<u>52,564,576</u>	<u>46,966,589</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(39,618,671)	(45,704,793)
Proceeds on disposal of tangible capital assets	<u>225,553</u>	<u>236,648</u>
	<u>(39,393,118)</u>	<u>(45,468,145)</u>
INVESTING ACTIVITIES		
Dividends received from government business partnership	793,630	625,100
Net investment in lease	111,886	106,235
Other investments	70,126	69,430
Bell Boulevard water and sewer recoverable costs	297,914	88,094
Local improvement levies receivable	20,718	19,550
(Increase) decrease in notes receivable	<u>(999,375)</u>	<u>46,202</u>
	<u>294,899</u>	<u>954,611</u>
FINANCING ACTIVITIES		
Proceeds from long-term debt	-	18,000,000
Long-term debt repaid	(6,158,988)	(5,726,219)
Construction advance	<u>-</u>	<u>(17,500,000)</u>
	<u>(6,158,988)</u>	<u>(5,226,219)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,307,369	(2,773,164)
CASH AND CASH EQUIVALENTS, beginning of year	<u>95,279,895</u>	<u>98,053,059</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 102,587,264</u>	<u>\$ 95,279,895</u>

(See accompanying notes)

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the City of Belleville (The Corporation) are the responsibility of management prepared in accordance with accounting policies prescribed for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Corporation are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the Corporation and which are owned or controlled by the Corporation except for the Corporation's government business partnership (Elexicon Corporation and Veridian Corporation), which is accounted for on the modified equity basis of accounting. In addition to general government tax-supported operations, they include the following:

Belleville Public Library Board
Belleville Downtown Improvement Area

Interdepartmental and organizational transactions and balances are eliminated.

The following joint boards are proportionally consolidated:

Centre and South Hastings Waste Services Board

Investment in Government Business Partnership

The Corporation's investment in Elexicon Corporation and Veridian Corporation and its subsidiaries (Hydro Corporations) is accounted for on a modified equity basis, consistent with generally accepted accounting principles as recommended by PSAB for investments in government business partnerships. On April 1, 2019 Veridian Corporation and Whitby Hydro Energy Corporation amalgamated to form Elexicon Corporation. Under the modified equity basis of accounting, the business partnership's accounting principles are not adjusted to conform to those of the Corporation and inter-organizational transactions and balances are not eliminated. The Corporation recognizes its equity interest in the annual income or loss of Hydro Corporations in its "Consolidated Statement of Operations" with a corresponding increase or decrease in its investment asset account. Any dividends that the Corporation may receive from Hydro Corporations and other capital transactions will be reflected as adjustments in the investment asset account.

Investment in Quinte Solar Generation Inc.

The Corporation, Solera Sustainable Energies Company Limited, and Elexicon Corporation holds 15%, 15% and 70% equity interest respectively in the above company, incorporated to own, operate and maintain projects related to solar electricity generation facilities and systems at some specific locations. This venture is currently in the application stage with the Independent Electricity System Operator (IESO) and has not yet been injected with capital by the joint parties.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

1. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

The following local boards and joint local boards are not consolidated:

The Hastings and Prince Edward Counties Health Unit
Hastinet - a joint board of The Belleville Public Library Board and Quinte West Public Library Board
Quinte Conservation

Accounting for School Board Transactions

The assets, liabilities, revenues, and expenditures with respect to the operations of schools boards are not reflected in these consolidated financial statements.

Basis of Accounting

The consolidated financial statements are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Land Held for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Included in tangible capital assets at December 31, 2019 is industrial land held for resale of \$16,609,238 and land and buildings declared surplus by Council with a net book value of \$674,000.

Net Investment in Direct Financing Leases Receivable

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

Deferred Revenue - Obligatory Reserve Funds

The Corporation receives contributions under the authority of provincial legislation and City by-laws. These funds by their nature are restricted in their use and until applied to applicable projects are recorded as deferred revenue. Amounts applied to projects are recorded as revenue in the fiscal period they are expended.

Deferred Revenue

Deferred revenues represent user charges which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year services are performed. In addition, any contributions received with external restrictions are deferred until the related expenditures are made.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

1. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Post Employment Benefits

The present value of the cost of providing employees with future benefit programs is recognized as employees earn these entitlements through service. Actuarial gains and losses are amortized over the average remaining service period ("ARSP"). The actuary determined ARSP to be 12 years.

Contaminated Sites Liability

Contaminated sites are 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 recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when, as at the financial reporting date, all the following criteria are met for a site or a portion of a site which is no longer in productive use:

- i) an environmental standard exists;
- ii) contamination exceeds environmental standard;
- iii) the Corporation is directly responsible or accepts responsibility; and
- iv) a reasonable estimate of the amount can be made.

Government Transfers and Ontario Lottery and Gaming Corporation Funding

Government transfers and Ontario Lottery and Gaming Corporation funding are recognized as revenues or expenditures in the year that the events giving rise to the transfer occurred, provided the transfer is authorized, eligibility criteria, if any, have been met by the recipient, and a reasonable estimate of the amount can be made.

Taxation and Related Revenues

Property tax billings are prepared by the Corporation based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by City Council incorporating amounts to be raised for local services and amounts the Corporation is required to collect on behalf of the Province of Ontario in respect of education taxes. Realty taxes are billed based on the assessment rolls provided by MPAC. Taxation revenues are recorded at the time tax billings are issued. A normal part of the assessment process is the issue of supplementary assessment rolls that provide updated information with respect to changes in property assessment.

Once a supplementary assessment roll is received, the Corporation determines the taxes applicable and renders supplementary tax billings. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with the school boards as appropriate.

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 change in non-financial assets during the year, together with the annual surplus or deficit, provides the Change in Net Financial Asset (Liability) for the year.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

1. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

a) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible assets that were acquired and developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful life as follows:

Land Improvements	- 15 years
Buildings	- 20 to 100 years
Machinery and equipment	- 10 years
Vehicles	- 5 to 10 years
Computer hardware and software	- 5 to 10 years
Water and waste plants and networks	
-underground networks	- 15 to 75 years
-sewage treatment plants and facilities	- 50 to 75 years
Transportation	
-roads	- 15 to 26 years
-bridges and other structures	- 25 to 75 years
Leased assets	- 5 to 40 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Corporation has a capitalization threshold so that individual tangible capital assets of lesser value are expensed, unless they are pooled, because collectively they have significant value, or for operational reasons.

b) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue. Similarly, transfer of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

c) Works of Art and Historical Treasures

The Corporation owns both works of art and historical treasures at various museums and facilities. These assets are deemed worthy of preservation because of the social rather than financial benefits they provide the community. These assets are not recorded as tangible capital assets and are not amortized.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

1. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

d) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expense as incurred.

e) Inventory of Supplies

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

Foreign Currencies

Foreign currency transactions entered into by the Corporation have been translated at the exchange rate prevailing at the date of transaction. Monetary assets have been translated at the year-end exchange rate. Foreign exchange gain and losses are included in the statement of operations and accumulated surplus.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting policies for local governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada 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 consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Management makes accounting estimates when determining the estimated useful life of the Corporation's tangible capital assets, its allowance for doubtful accounts, the carrying value of its inventory, the accrued liabilities for employee benefits, solid waste landfill closure and post-closure cost and liability for contaminated sites. Actual results could differ from those estimates.

2. **FINANCIAL INSTRUMENTS**

The Corporation's financial instruments consist of cash, taxes receivable, accounts and notes receivable, investments, accounts payable and accrued liabilities and municipal debt. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

3. CASH AND INVESTMENTS

The cash and investments balance consists of the following:

	<u>Market Value</u>	<u>2019</u>	<u>2018</u>
City of Belleville			
Cash and chequing accounts	\$ 21,542,837	\$ 21,542,837	\$ 8,423,935
Mutual funds/segregated funds	15,159,941	15,159,941	4,188,021
Fixed income accounts	59,084,388	58,728,720	71,756,232
Principal protected notes	5,836,990	6,000,029	9,580,014
Belleville Public Library Board	571,202	571,202	569,523
Belleville Downtown Improvement Area	141,174	141,174	146,711
Centre and South Hastings Waste Services Board	443,361	443,361	615,459
	<u>\$ 102,779,893</u>	<u>\$ 102,587,264</u>	<u>\$ 95,279,895</u>

Cash and investments in the amount of \$37,349,479 (2018 - \$25,630,486) have been restricted to support obligatory reserve funds, reserves and deferred revenue.

4. LONG-TERM INVESTMENTS

Long-term investments balance consists of the following:

	<u>2019</u>	<u>2018</u>
Net investment in lease (a)	\$ 168,838	\$ 280,724
Bell Boulevard water and sewer recoverable costs (b)	2,029,385	2,327,299
Local improvement levies receivable (c)	59,856	80,574
Note receivable Elexicon Corporation (d)	2,206,000	2,206,000
Note receivable Elexicon Energy Inc. (d)	5,588,000	5,588,000
Notes receivable - other (e)	8,581,145	7,581,770
Other investments	504,418	574,544
	<u>\$ 19,137,642</u>	<u>\$ 18,638,911</u>

a) Net Investment in Lease

The net investment in lease includes the following:

	<u>2019</u>	<u>2018</u>
Total lease payments receivable	\$ 175,398	\$ 299,213
Less: Unearned interest income	6,560	18,489
	<u>\$ 168,838</u>	<u>\$ 280,724</u>

The Corporation purchased equipment and leased the equipment to a company which is accounted for as a direct financing lease. Terms of the lease include monthly payments of \$10,318 starting July 1, 2011 and maturing June 1, 2021; an incremental borrowing rate of 5.25%; an option to purchase the equipment for a nominal amount at the conclusion of the lease agreement; security of an irrevocable letter of credit in the amount of \$200,000 which shall remain in place for the term; in the event of default the equipment supplier agrees to buy back the equipment from the Corporation at the depreciated cost.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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4. **LONG-TERM INVESTMENTS** (continued)

b) Bell Boulevard water and sewer recoverable costs

The Corporation entered into a servicing agreement with the owners of lands on the westerly end of Bell Boulevard to attract development to the area. All recoverable costs as a result of the Corporation installing services, together with accrued interest, shall be repayable at the earlier of the issuance of a building permit for development or the expiry of 15 years from the date of the agreement. The interest rate throughout the term of this agreement is fixed at the rate of 2.67%. Security consists of a one foot road frontage which will be released once the recoverable costs are paid or satisfactory terms of payment have been arranged with the Corporation.

Deposits received of \$150,427 (2018 - \$215,326) regarding these costs have been included in deferred revenue as disclosed in note 9.

c) Local Improvement Levies Receivable

Improvements to infrastructure are often requested by residents such as extending waterlines, sewers, sidewalks, or curb and gutters to new areas, or repairs and upgrades to municipal drains. The Corporation records the outstanding ratepayer funding of these local improvements as a receivable in the consolidated statement of financial position. The levies are receivables with various repayment schedules and interest rates from 4.27% to 6.25%. The ratepayers have the option to pay the balance of the loan at any time. The local improvement levies receivable for capital projects on the tax roll consist of the following:

	<u>2019</u>	<u>2018</u>
Water	\$ 42,681	\$ 62,194
Wastewater	<u>17,175</u>	<u>18,380</u>
	<u>\$ 59,856</u>	<u>\$ 80,574</u>

d) Notes Receivable

The note receivable from Elexicon Corporation (2018 - Veridian Corporation) is payable on demand, bears interest at 4.13% at the Ontario Energy Board deemed long-term debt rate for ten years (2018 - at the greater of 6% and the Ontario Energy Board deemed long-term debt rate).

The note receivable from Elexicon Energy Inc. (2018- Veridian Connections Inc.) is payable on demand, bears interest at 4.13% (2018- 4.47%) the Ontario Energy Board deemed long-term debt rate for ten years. Elexicon Corporation has guaranteed the note receivable from Elexicon Energy Inc. to the City of Belleville.

On the tenth anniversary of the date of these notes, the interest rate per annum shall be adjusted to the deemed long-term rate in effect at that time. Thereafter, the interest rate per annum shall be adjusted to match the then current deemed long-term rate in effect at the earlier of (i) the five year anniversary of the most recent interest rate adjustment date of this note, and (ii) the date (following the most recent interest rate adjustment of the note) on which Elexicon Energy Inc. files a cost of service application with the Ontario Energy Board. The City of Belleville may demand full or partial repayment of the notes together with any accrued interest with sixty days notice. Elexicon Energy Inc. has the option of prepaying the principal amount at any time, in whole or in part with the prior written consent of the City of Belleville.

The Corporation has waived the right to demand repayment of any portion of the principal on the notes receivable before the date of January 1, 2021.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

4. **LONG-TERM INVESTMENTS** (continued)

e) Notes Receivable - other

The notes receivable - other consists of the following:

	<u>2019</u>	<u>2018</u>
Notes receivable in Canadian dollars	\$ <u>8,581,145</u>	\$ <u>7,581,770</u>

The Corporation has agreed to advance a Company up to \$6,500,000 United States dollars (USD) towards enterprise capital costs which include the costs related to franchise acquisition and startup. While the loan agreement provides for the loan in United States dollars, the actual promissory notes are stated in Canadian dollars based on the exchange rate in effect at the time of each advance. The loan shall be advanced in multiple tranches as follows:

The first \$3,250,000 USD is non-interest bearing, is repayable upon certain triggering events. The borrower may prepay this note at any time without notice or bonus. In 2016 the Corporation advanced the Company \$3,250,000 USD and received a promissory note for \$4,296,175 Canadian dollars.

The second \$3,250,000 USD bears interest at 1.5% per annum calculated semi-annually effective October 1, 2016, monthly interest payments (including accrued interest from October 1, 2016) commencing on January 1, 2018, monthly principal payments of \$22,032 commencing October 31, 2020 with maturity date of September 30, 2025. The maturity date of the note shall be extended to the date of renewed lease termination, if the lease is renewed between the Corporation and the Company. In the event that the average paid ticket sales for the regular season of the Company is below 3500 ticket sales per game then the principal payment for the year in question (commencing October 1) shall be reduced by the same percentage that the percentage of sales is below 3500 ticket sales. During the year the Corporation advanced the Company \$750,000 (2018 - \$Nil) USD and received a promissory note for \$999,375 (2018 - \$Nil) Canadian dollars.

As security for the above notes receivable, the Corporation holds the following:

- appointing an observer at Board of Directors meetings of the Company
- restrictions on the Company incurring any third party debt
- restrictions on the Company undertaking other borrowing
- restrictions on the Company making a return of capital to the owners
- restrictions on the Company permitting a change of control
- receiving a copy of the Company's annual unaudited financial statements prepared in accordance with Canadian Accounting Standards for Private Enterprises
- a guarantee in the amount of \$3,965,700 Canadian dollars with interest and costs from the date of demand therefore (the "Maximum Liability"). As the principal under the note is repaid in accordance with the terms thereof the Maximum Liability will reduce on a dollar for dollar basis with such repayment.

The triggering events under the loan agreement are as follows:

- the Company relocates to another city
- the Company is sold
- a change of control of the Company occurs outside the current ownership

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

4. **LONG-TERM INVESTMENTS** (continued)

f) Investment in Government Partnership

The Corporation is a member of the Centre & South Hastings Waste Services Board, a Joint Municipal Service Board operating waste reduction programs including recycling, hazardous waste management and composting. Consistent with generally accepted accounting treatment for government partnerships, the joint service board is accounted for on a proportionate consolidated basis whereby the Corporation's pro-rata share of each of the financial assets, liabilities, non-financial assets, revenues and expenditures are combined on a line by line basis in the consolidated financial statements.

During the year the Corporation paid \$968,582 (2018 - \$961,628) to Centre & South Hastings Waste Services Board for recycling services.

The condensed supplementary financial information of Centre & South Hastings Waste Services Board is as follows:

	Total	<u>2019</u> City's Portion 34.03%	Total	<u>2018</u> City's Portion 34.59%
Financial Position				
Financial Assets				
Cash and investments	\$ 1,302,853	\$ 443,361	\$ 1,779,297	\$ 615,459
Accounts receivable	<u>604,418</u>	<u>205,683</u>	<u>671,313</u>	<u>232,207</u>
	<u>1,907,271</u>	<u>649,044</u>	<u>2,450,610</u>	<u>847,666</u>
Liabilities				
Accounts payable and accrued liabilities	532,642	181,258	538,113	186,133
Deferred revenues	<u>86,313</u>	<u>29,372</u>	<u>95,833</u>	<u>33,149</u>
	<u>618,955</u>	<u>210,630</u>	<u>633,946</u>	<u>219,282</u>
Net Financial Assets	<u>1,288,316</u>	<u>438,414</u>	<u>1,816,664</u>	<u>628,384</u>
Non-Financial Assets				
Tangible capital assets	899,630	306,144	1,002,997	346,937
Inventories	42,224	14,369	67,053	23,194
Prepaid expenses	<u>38,017</u>	<u>12,937</u>	<u>37,919</u>	<u>13,116</u>
	<u>979,871</u>	<u>333,450</u>	<u>1,107,969</u>	<u>383,247</u>
Accumulated Surplus	<u>\$ 2,268,187</u>	<u>\$ 771,864</u>	<u>\$ 2,924,633</u>	<u>\$ 1,011,631</u>
Statement of Operations				
Revenue				
Government transfers	\$ 2,885,498	\$ 981,935	\$ 2,828,234	\$ 978,286
User fees	2,660,650	905,419	3,068,504	1,061,396
Interest income	<u>36,466</u>	<u>12,409</u>	<u>40,384</u>	<u>13,969</u>
	<u>5,582,614</u>	<u>1,899,763</u>	<u>5,937,122</u>	<u>2,053,651</u>
Expenditures				
Environmental services	<u>6,239,060</u>	<u>2,123,152</u>	<u>6,537,248</u>	<u>2,261,234</u>
Annual surplus (deficit)	<u>\$ (656,446)</u>	<u>\$ (223,389)</u>	<u>\$ (600,126)</u>	<u>\$ (207,583)</u>

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

5. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIP

a) Elexicon Corporation was incorporated on April 1, 2019 under the Business Corporations Act (Ontario) by amalgamation of the former entities: Veridian Corporation and Whitby Hydro Energy Corporation (Whitby Hydro). Under the Amalgamation Transaction, shares of the former Veridian Corporation and Whitby Hydro were exchanged for voting common shares of Elexicon Corporation. Elexicon Corporation is a government business partnership which is jointly owned by the City of Pickering, Town of Ajax, Municipality of Clarington, Town of Whitby and City of Belleville. The City of Belleville exchanged 1330 common shares of Veridian Corporation for 9,044 Common shares and 9,044 Class A Special Shares of Elexicon Corporation representing a 9.044% interest in the company which is accounted for using the modified equity basis of accounting. During the year, the 9,044 Class A shares were issued and redeemed for \$1.

Veridian Corporation was a government business partnership which is jointly owned by the City of Pickering, Town of Ajax, Municipality of Clarington and the City of Belleville. The Corporation retains an investment of 1,330 common shares of Veridian Corporation representing a 13.3% interest in the company which is accounted for using the modified equity basis of accounting.

Elexicon Corporation and Veridian Corporation's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The Amalgamation Transaction has been recognized as a business combination in accordance with IFRS 3, Business Combinations, using the acquisition method with the former Veridian Corporation deemed as the acquirer based on its relative size compared to that of the former Whitby Hydro. These consolidated financial statements include; the net fair value of the assets of former Whitby Hydro as at April 1, 2019; and the net assets of Veridian at its carrying amounts at April 1, 2019. The following table provides condensed financial information which comprise the consolidated balance sheet of Elexicon Corporation at December 31, 2019 and the combined consolidated statement of operations of Veridian Corporation for the 3 month period ended March 31, 2019 and the consolidated statement operations of Elexicon Corporation for the 9 month period ended December 31, 2019 together with comparative figures for Veridian Corporation for 2018. The amounts are disclosed in thousands of dollars:

	<u>2019</u>	<u>2018</u>
Consolidated Balance Sheet		
Current assets	\$ 84,933	\$ 70,908
Non-current assets	<u>506,510</u>	<u>291,223</u>
Total assets	591,443	362,131
Regulatory balances	<u>15,145</u>	<u>7,217</u>
	<u><u>\$ 606,588</u></u>	<u><u>\$ 369,348</u></u>
Current liabilities	\$ 87,413	\$ 152,979
Non-current liabilities	271,768	70,442
Shareholders' equity	<u>244,799</u>	<u>137,769</u>
Total liabilities and equity	603,980	361,190
Regulatory balances	<u>2,608</u>	<u>8,158</u>
	<u><u>\$ 606,588</u></u>	<u><u>\$ 369,348</u></u>

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

5. **INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIP** (continued)

	<u>2019</u>	<u>2018</u>
Consolidated Statement of Operations		
Revenue	\$ 443,906	\$ 320,797
Commodity cost and expenses	(443,006)	(311,357)
Other income	2,318	3,921
Finance costs and unrealized gain (loss) on interest rate swaps	(7,548)	(4,193)
Income before income taxes	(4,330)	9,168
Income tax expense	(1,530)	(3,061)
Net Income	(5,860)	6,107
Net movements in regulatory balances, net of tax	12,083	5,949
Other comprehensive income (loss), net of tax		
Remeasurements of employee future benefits	(763)	263
Total comprehensive income	5,460	12,319
Non-cash benefit - embedded derivative	-	(77)
Total equity earnings	<u>\$ 5,460</u>	<u>\$ 12,242</u>
City's share of equity earnings	<u>\$ 436</u>	<u>\$ 1,628</u>

b) The Corporation's equity is represented by:

	<u>2019</u>	<u>2018</u>
Promissory notes receivable - <i>note 4</i>	\$ 7,794,000	\$ 7,794,000
Investment in government business partnership		
Initial cost of investment in shares	12,954,063	12,954,063
Adjustment on mergers	752,837	(3,415,388)
Government business partnership shares	13,706,900	9,538,675
Accumulated share of net earnings	19,229,075	18,787,325
Accumulated dividends received	(10,796,353)	(10,002,723)
	<u>22,139,622</u>	<u>18,323,277</u>
	<u>\$ 29,933,622</u>	<u>\$ 26,117,277</u>

c) Equity in government business partnership:

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 26,117,277	\$ 25,114,191
Adjustment on merger	4,168,225	-
Equity share of net earnings for the year	441,750	1,628,186
Dividends received	(793,630)	(625,100)
	<u>\$ 29,933,622</u>	<u>\$ 26,117,277</u>

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

d) Contingencies and guarantees of Elexicon Corporation ("Elexicon") as disclosed in their financial statements are as follows:

i. Insurance claims:

Elexicon is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE") which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE provides general liability insurance to member electric utilities. MEARIE also provides vehicle and property insurance to Elexicon.

Insurance premiums charged to each member utility consist of a levy per \$1,000 of service revenue subject to a credit or surcharge based on each electric utility's claims experience. The maximum coverage is \$30,000,000 per occurrence for liability insurance, \$21,000,000 for vehicle insurance and \$164,885,000 for property insurance; plus \$10,000,000 excess coverage on top of the regular liability and vehicle coverage.

ii. Contractual obligation - Hydro One Networks Inc.:

Elexicon's subsidiary, Elexicon Energy Inc. (EEI), is party to a connection and cost recovery agreement with Hydro One related to the construction by Hydro One of a transformer station designated to meet EEI's anticipated electricity load growth. Construction of the project was completed during 2007 and EEI connected to the transformer station during 2008.

To the extent that the cost of the project is not recoverable from future transformation connection revenues, EEI is obligated to pay a capital contribution equal to the difference between these revenues and the construction costs allocated to EEI. The construction costs allocated to EEI for the project are \$19,950,000.

Hydro One has performed a true-up on actual load at the end of the tenth anniversary of the in-service date and Elexicon has paid \$637,000 to Hydro One and recognized the same as an intangible asset. Elexicon has also recorded as a current liability and a corresponding intangible asset for \$1,533,000 as at December 31, 2019, based on management's best estimate of the future transformation connection revenue shortfall. Hydro One is expected to perform another true-up based on actual load at the end of the fifteenth anniversary of the in service date.

iii. Prudential Support:

Purchasers of electricity in Ontario, through the IESO, are required to provide security to mitigate the risk of default based on their expected activity in the market. The IESO could draw on this security if Elexicon fails to make the payment required on a default notice issued by the IESO. Elexicon has provided a \$64,000,000 guarantee to the IESO on behalf of EEI. Additionally, Elexicon has provided a \$6,900,000 letter of credit to the IESO for prudential support

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CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

5. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIP (continued)

iv. General claims:

From time to time, Elexicon is involved in various lawsuits, claims and regulatory proceedings in the normal course of business. In the opinion of management, the outcome of such matters will not have a material adverse effect on Elexicon's financial position, results of operations or cash flows.

v. Lease Commitments - Elexicon Corporation

Elexicon is committed to lease agreements for various vehicles and an office building. When measuring the lease liabilities for leases, Elexicon discounted lease payments using the implicit rate of each lease agreement with a range of 4.94% to 7.20% for vehicle leases and 2.00% for office building lease.

Future minimum lease payment obligations under operating leases are as follows:

2020	\$ 475,000
2021	363,000
2022	229,000
2023	179,000
2024	124,000
Thereafter	<u>210,000</u>
	<u>\$ 1,580,000</u>

Leases are measured at amortized cost.

As at December 31, 2019, a lease obligation of \$475,000 is recorded as a current liability and \$1,105,000 is recorded as a non-current liability.

6. CONSTRUCTION ADVANCE

The Corporation approved the temporary borrowing for financing capital works in the amount of \$3,100,000 (2018 - \$3,100,000). During the prior year, the Corporation received an additional advance of \$500,000 and converted \$18,000,000 of advances into long-term debt. The advance of \$3,100,000 (2018 - \$3,100,000) reported on the Consolidated Statement of Financial Position represents advances while the projects are in progress and incurs interest at a floating monthly construction rate which at December 31, 2019 was 2.29% (2018 - 2.86%).

7. EMPLOYEE BENEFITS PAYABLE

a) The Corporation provides certain employee benefits which will require funding in future periods. An actuarial valuation of future liabilities as at January 1, 2019 was completed on April 23, 2020 and forms the basis for the estimated liability reported in these financial statements.

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

i. Interest (discount) rate:

The obligation as at December 31, 2019, of the present value of future liabilities and the expense for the 12 months ended December 31, 2019, were determined using an annual discount rate of 3.00% (2018 - 3.75%). This corresponds to the Corporation's cost of borrowing and the long term yield on high quality bonds at the date of the valuation.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

7. EMPLOYEE BENEFITS PAYABLE (continued)

- ii. Salary levels:
Future general salary and wages level were assumed to increase at 3.00% (2018 -3.30%) per annum.
- iii. Medical costs:
Medical costs were assumed to increase at 4.20% in 2020 to 2024, 5.30% in 2025 to 2034, 4.60% in 2035 to 2039 and to an ultimate rate of 4.00% per annum in 2024 and thereafter.
- iv. Dental costs;
Dental costs were assumed to increase at 4.50% in 2020 to 2024, 5.60% in 2025 to 2029, 5.3% in 2030 to 2034, 4.60% in 2035 to 2039 and to an ultimate rate of 4.00% per annum in 2040 and thereafter.

	Medical Dental, Life Insurance Benefits	Sick Leave Benefits	2019 Total	2018 Total
Employee future benefits payable beginning of year	\$ 13,914,415	\$ 2,829,175	\$ 16,743,590	\$ 16,219,835
Current service costs	752,330	132,460	884,790	824,120
Interest expense on benefits	401,200	75,585	476,785	613,560
Benefits payments	(503,435)	(301,250)	(804,685)	(838,860)
Past Service Cost (gain)	-	(987,185)	(987,185)	-
Amortization of actuarial (gain) loss	<u>(86,800)</u>	<u>695,595</u>	<u>608,795</u>	<u>(30,065)</u>
	<u>\$ 14,477,710</u>	<u>\$ 2,444,380</u>	<u>\$ 16,922,090</u>	<u>\$ 16,788,590</u>
Employee future benefits payable consists of:				
Unfunded accrued benefit obligations	\$ 13,522,945	\$ 2,444,380	\$ 15,967,325	\$ 16,533,160
Unamortized actuarial (gain) loss	<u>(954,765)</u>	<u>-</u>	<u>(954,765)</u>	<u>(210,430)</u>
	<u>\$ 14,477,710</u>	<u>\$ 2,444,380</u>	<u>\$ 16,922,090</u>	<u>\$ 16,743,590</u>

b) Pension Plan

The Corporation makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf 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. Employees and the Corporation contribute jointly to the plan.

Contributions for employees with a normal retirement age of 65 were being made at a rate of 9.0% (2018 - 9.0%) for earnings up to the annual maximum pensionable earnings of \$57,400 (2018 - \$55,900) and at a rate of 14.6% (2018 - 14.6%) for earnings greater than the annual maximum pensionable earnings.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

7. EMPLOYEE BENEFITS PAYABLE (continued)

Contributions for employees with a normal retirement age of 60 were being made at a rate of 9.2% (2018 - 9.2%) for earnings up to the annual maximum pensionable earnings of \$57,400 (2018 - \$55,900) and at a rate of 15.8% (2018 - 15.8%) for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2019 was \$5,179,248 (2018 - \$4,276,876) for current service and is included as an expenditure on the "Consolidated Statement of Operations and Accumulated Surplus". The actuarial valuation of the OMERS plan at December 31, 2019 indicated a surplus of \$1,531,000,000 (2018 - \$2,790,000 deficit) in the plan. OMERS is a multi-employer plan, any pension plan surplus or deficit are a joint responsibility of Ontario Municipal organizations and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit in the consolidated financial statements.

c) Liability for Vested Sick Leave Benefit

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the Corporation's employment.

d) Reserves

Reserves of \$8,309,959 (2018 - \$7,624,362) have been established to partially provide for these liabilities, and are reported in schedule 2 to the consolidated financial statements.

8. OTHER LIABILITIES

Other liabilities balance consists of the following:

	<u>2019</u>	<u>2018</u>
Liability for annual leave	\$ 1,145,647	\$ 1,175,903
Solid waste landfill closure and post-closure care	830,000	790,000
Contaminated sites liability	<u>320,000</u>	<u>320,000</u>
	<u>\$ 2,295,647</u>	<u>\$ 2,285,903</u>

a) Liability for Annual Leave

Under the Corporation's employment policies, unused annual leave may accumulate and employees may become entitled to a cash payment when they leave the Corporation's employment. The estimated liability for annual leave which could be taken in cash by an employee on termination amounted to \$1,145,647 (2018 -\$1,175,903).

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

8. OTHER LIABILITIES (continued)

b) Landfill Closure and Post-Closure Care

The Ontario Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. The estimated liability for these expenditures is recognized based on the cumulative capacity used to date, compared to the total estimated landfill capacity.

The estimated liability for the Thurlow landfill is \$830,000 based on the present value of closure and post-closure costs estimated at \$13,341,530, using assumed rates of 3.5% for inflation and 5.5% for interest.

The Thurlow landfill has an estimated remaining capacity of 38% and is expected to provide capacity for 20 years based on current waste generation rates.

A reserve of \$747,711 has been established to provide for this liability and is reported in schedule 2 to the consolidated financial statements.

Post-closure care is estimated to continue for a period of approximately 20 years.

c) Contaminated Sites Liability

The Corporation is responsible for the remediation of contaminated sites that are no longer in productive use where the Corporation is directly responsible or has accepted responsibility for remediation. The Corporation utilizes a risk based assessment approach for identifying sites with potential contamination, for which a provision may need to be provided. A provision for future clean-up costs and monitoring has been accrued based on environmental assessments.

From time to time, there may be uncertainty as to whether the Corporation has a legal responsibility or accepts responsibility for a contaminated site that may be reportable under PS 3260. It is not expected that the impact of any such sites would have a material impact on the consolidated financial statements. When the Corporation is able to determine that it accepts or is legally responsible for contamination of a site and all other criteria have been met, the Corporation will accrue a liability for these future clean-up costs.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

9. **DEFERRED REVENUE**

The deferred revenue balance consists of the following:

	Balance December 31, <u>2018</u>	<u>Additions</u>	Transferred to <u>income</u>	Balance December 31, <u>2019</u>
Obligatory Reserve Funds:				
Development charges	\$ 11,958,024	\$ 3,457,455	\$ 581,430	\$ 14,834,049
Park	97,741	81,887	32,018	147,610
Building code act	3,810,699	808,190	125,000	4,493,889
Provincial gas tax	2,038,296	818,392	673,311	2,183,377
Federal gas tax	6,354,008	6,446,303	2,345,383	10,454,928
Other:				
Belleville Public Library	12,278	1,773	2,106	11,945
Bell Boulevard water and sewer extension	215,326	30,999	95,898	150,427
Centre and South Hastings Waste Services Board	33,149	29,372	33,149	29,372
Government transfers	1,144,114	4,701,283	772,143	5,073,254
Miscellaneous	<u>302,790</u>	<u>243,080</u>	<u>302,790</u>	<u>243,080</u>
	<u>\$ 25,966,425</u>	<u>\$ 16,618,734</u>	<u>\$ 4,963,228</u>	<u>\$ 37,621,931</u>

A requirement of the public sector accounting board of Chartered Professional Accountants Canada Public Sector Accounting handbook is that Obligatory Reserve Funds be reported as deferred revenue. This requirement is in place as provincial legislation or agreements restricts how these funds may be used and under certain circumstances, these funds may possibly be refunded.

Other deferred revenue consist of revenues related to user fees, development agreements and donations to be recognized in future years, and government transfers received prior to revenue recognition criteria being met.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

10. MUNICIPAL DEBT

The municipal debt balance consists of the following:

<u>Debt Instrument</u>	<u>Interest Rate</u>	<u>Payment Frequency</u>	<u>Payment Type</u>	<u>Payment Amount</u>	<u>Maturity Date</u>	<u>2019</u>	<u>2018</u>
Demand loan	6.24%	Monthly	Principal and interest	622	Feb-19	-	1,221
Demand installment loan	3.05%	Monthly	Principal and interest	49,075	Dec-20	588,900	1,177,800
Debenture	2.35%	Semi-Annual	Principal and interest	140,000	Jan-21	420,000	700,000
Debenture	3.19%	Semi-Annual	Principal and interest	71,745	Jun-27	950,408	1,060,926
Debenture	2.46%	Semi-Annual	Principal and interest	34,454	Oct-31	712,265	762,719
Debenture	3.47%	Semi-Annual	Principal and interest	129,050	Jun-32	2,599,667	2,763,288
Debenture	3.19%	Semi-Annual	Principal and interest	759,638	Apr-33	16,559,656	17,527,462
Debenture	3.86%	Monthly	Principal and interest	235,860	Jul-33	29,882,714	31,525,019
Debenture	3.34%	Semi-Annual	Principal and interest	1,143,829	Nov-35	28,177,054	29,490,604
Debenture	2.78%	Semi-Annual	Principal and interest	849,329	Oct-36	22,888,401	23,929,014
						<u>\$ 102,779,065</u>	<u>\$ 108,938,053</u>

Long-term debt is comprised of:

Tax supported	<u>\$ 82,568,752</u>	<u>\$ 87,068,247</u>
User fee supported debt	<u>\$ 20,210,313</u>	<u>\$ 21,869,806</u>

Principal and interest repayments are estimated to be as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 6,337,009	\$ 3,452,550	\$ 9,789,559
2021	5,794,141	3,153,936	8,948,077
2022	5,846,275	2,960,128	8,806,403
2023	6,045,036	2,761,367	8,806,403
2024	6,250,656	2,555,747	8,806,403
2025 and subsequent years	<u>72,505,948</u>	<u>13,026,697</u>	<u>85,532,645</u>
	<u>\$ 102,779,065</u>	<u>\$ 27,910,425</u>	<u>\$ 130,689,490</u>

For the purposes of the above, it has been assumed that the demand loans will be paid to maturity based on current repayment terms.

Interest expense recorded in the year relating to the municipal debt is \$3,617,646 (2018 - \$3,749,651).

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

11. RELATED PARTY BALANCES AND TRANSACTIONS

Elexicon Corporation and Veridian Corporation

The Corporation is a shareholder in Elexicon Corporation starting April 1, 2019 and Veridian Corporation up to March 31, 2019 (note 5). The Corporation receives electricity and services from Elexicon Corporation and Veridian Corporation and its subsidiary.

	<u>2019</u>	<u>2018</u>
Related party balances		
Accounts payable and accrued liabilities	\$ 503,283	\$ 912,314
Promissory notes receivable - note 4	7,794,000	7,794,000
Related party transactions		
Revenues		
Interest on promissory notes	336,955	382,144
Property taxes paid	44,757	57,567
Expenses		
Electrical energy and services	2,202,013	2,246,158

12. CONTINGENT LIABILITIES AND COMMITMENTS

The Corporation has an outstanding commitment to Belleville General Hospital Foundation of \$250,000 payable in 2020.

The Corporation has an outstanding commitment to University Hospitals Kingston Foundation of \$357,000 payable in equal annual payments of \$119,000 from 2020 to 2022.

The Corporation has an outstanding commitment to Quinte Humane Society of \$350,000 payable in equal annual payments of \$50,000 from 2020 to 2026.

The Corporation has a commitment to Hastings County to finance debentures related to the capital construction of Hastings Manor of approximately \$3,542,300 based on current proportionate share of resident days, with annual payments of approximately \$957,200 for 4 years. Debentures have an effective interest rate of 4.14% to 4.74% with maturity dates from August 31, 2023 to September 30, 2023.

The Corporation has a commitment to Hastings County to finance debentures related to the capital construction of Centennial Manor of approximately \$207,400 based on a proportionate share of weighted assessment (Thurlow and Quinte annex), with annual payments of approximately \$84,800 for 3 years. Debentures have an effective interest rate of 2.97% to 3.70% with maturity date of May 31, 2022.

The Corporation has entered into an agreement with a company to provide up to \$1,000,000 for a second equipment lease, provided that they are in compliance with the terms of the initial equipment lease and the Corporation does not have any material concerns with the financial viability or management of the company.

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CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

12. **CONTINGENT LIABILITIES AND COMMITMENTS** (continued)

The Corporation has an agreement with a Crown Agency of the Province of Ontario to operate the Corporation's water pollution control facilities to December 31, 2022 with the option for five year extensions. During the year, payments under the agreement totalled \$2,954,069.

The Corporation has an agreement with a company for the collection of household waste and disposal as well as organics collection to July 31, 2018 with the option for two one year extensions. During the year, payments under the agreement totalled \$1,525,031.

The Corporation has developed a doctor recruitment and retention program. The program provides education funding to medical students for up to 6 years at \$25,000 per year. The medical students enter into an agreement for the education funding in exchange for a minimum five year commitment to practice family medicine within the City of Belleville.

Future payments for the program, based on agreements in force at December 31, 2019, are as follows:

2020	\$ 425,000
2021	375,000
2022	325,000
2023	250,000
2024	100,000

As at December 31, 2019 the Corporation has outstanding capital project contractual commitments of approximately \$23,227,100.

As at December 31, 2019, certain legal actions are pending against the Corporation. An estimate of the contingency cannot be made since the outcome of these matters cannot be determined at this time. The Corporation carries liability insurance. Any settlement in excess of amounts which have been recorded in the accounts and insurance coverage will be accounted for as a current transaction in the year of settlement.

Contingent environmental liabilities may arise out of existing and former operations. Such liabilities are different from environmental remediation and solid waste landfill closure and post-closure care liabilities because the liabilities are not determinable, the condition which may give rise to the expenditures are uncertain, and the future expectations of the applicable regulatory authorities are not known. Potential costs that may arise in connection with such liabilities are not included in the Corporation's consolidated statement of operations until the source and nature of the obligation becomes clear and is reasonably estimable.

During 2014, the Government of Ontario expanded regulations to include six additional cancers presumed to be work-related for firefighters under the Workplace Safety and Insurance Act. Three of the six new cancers became effective immediately, while prostate cancer was added as of January 1, 2015, lung cancer as of January 1, 2016 and skin cancer added in 2017. These are in addition to the eight cancers initially provided for under legislation passed in 2007. This change is retroactive to January 1, 1960. In 2018, the Government of Ontario expanded the presumption for entitlement to benefits to include cervical, ovarian and penile cancers. This change in regulations may give rise to liabilities of the Corporation for work-related cancers incurred by firefighters. The Corporation is assessing the impact of this change and is unable to determine whether a liability exists at year-end. Consequently, no provision has been made in these consolidated financial statements for any liability that may result.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

13. CONTRACTUAL RIGHTS

The Corporation is involved in various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future.

a) Lease revenue

The Corporation has entered into a number of fixed term lease agreements for the use of Corporation owned land and/or buildings that are anticipated to provide the Corporation with future revenues.

b) Developer contributions

The Corporation has entered into property development agreements which require the developers to contribute various infrastructure assets to the Corporation, including roads and underground networks. The timing and extent of these future contributions vary depending on development activity and fair value of the assets at time of contribution which cannot be determined with certainty at this time.

c) Funding agreements and grants

The Corporation is the recipient of funding agreements and grants from federal, provincial, municipal and other government agencies. These funding agreements do not abnormally impact the Corporation's financial position and do not guarantee the Corporation the right to future funding. At December 31, 2019, the balance of the outstanding contractual rights not accrued in the financial statements are as follows:

2020	\$ 3,077,065
2021	3,216,931
2022	3,216,931
2023	3,356,798

d) Municipal contribution agreement

The Corporation of the City of Belleville has entered into a contribution agreement with the Ontario Lottery & Gaming (OLG) Corporation. Under this agreement the City receives a percentage of net gaming revenue generated by the Shorelines Casino Belleville through a quarterly unrestricted transfer from OLG.

14. PROVINCIAL OFFENCES ADMINISTRATION

As a result of the provincial-municipal restructuring under Bill 108, streamlining of administration of Provincial Offences Act (POA) 1997, the County of Hastings has assumed responsibility and administration of the POA office and courts for the County, the City of Belleville and the City of Quinte West.

Revenues from POA office consists of fines levied under Part I and III (including delay penalties) for POA charges filed at 253 Pinnacle Street in Belleville. Offenders may pay their fines at any court office in Ontario, at which time, their receipt is recorded in the Integrated Courts Operations Network system ("ICON") operated by the Province of Ontario. The County of Hastings recognized fine revenue when the receipt of funds is recorded by ICON and matched to the offence notice, regardless of the location where the payment is made.

The City of Belleville shares net POA revenues based on proportionate number of tickets issued. During the year the City of Belleville received \$121,032 (2018 - \$212,475) in net POA revenues.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

15. ACCUMULATED SURPLUS

The accumulated surplus position is comprised of the following:

	<u>2019</u>	<u>2018</u>
Net book value of tangible capital assets	\$662,588,540	\$644,583,097
Less: related debt	<u>105,617,517</u>	<u>111,502,210</u>
Equity in tangible capital assets	556,971,023	533,080,887
Capital projects	(16,344,541)	(13,276,442)
Reserves and reserve funds - <i>schedule 2</i>	75,203,496	71,648,266
Amounts to be recovered		
Landfill closure and post-closure costs	(830,000)	(790,000)
Employee costs	(17,783,537)	(17,635,293)
Contaminated sites	(320,000)	(320,000)
Equity in government business partnership - note 5	29,933,622	26,117,277
Unrestricted surplus		
City of Belleville	12,570,702	14,327,857
Belleville Public Library Board	65,382	139,670
Belleville Downtown Improvement Area	77,180	86,571
Centre and South Hastings Waste Services Board	<u>(297,329)</u>	<u>(187,010)</u>
	<u>\$639,245,998</u>	<u>\$613,191,783</u>

16. OPERATIONS OF SCHOOL BOARD

Further to note 1, the taxation, other revenues and expenditures of school boards are comprised the following:

	<u>2019</u>	<u>2018</u>
Taxation	\$ 22,402,704	\$ 21,747,520
Requisitions	<u>(22,402,704)</u>	<u>(21,747,520)</u>
	<u>\$ -</u>	<u>\$ -</u>

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

17. SEGMENTED INFORMATION

The Corporation of the City of Belleville is a municipal government institution, responsible for providing a wide range of services to its citizens. For management reporting purposes the Corporation's operations and activities are organized and reported by department. These departments are reported by functional area in the body of the financial statements similar to reporting reflected in the Ontario Financial Information Return.

These functional areas represent segments for the Corporation and expanded disclosure by object has been reflected in the Consolidated Schedule of Segment Information. For each segment, the revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

A brief description of each segment follows:

Segment	Component	Description
General government		Provide support to Council for policy development, administration, financial management reporting, monitoring and overall budget status, tax billing and collection responsibilities, corporate services and human resources.
Protection to persons and property	Police services	The mandate of the police service is to ensure the safety of the lives and property of citizens, preserve peace and good order, prevent crimes from occurring, detect offenders and enforce the law.
	Fire services	Fire services include inspection, extinguishing and suppression services, emergency medical first response and prevention, education and training programs.
	Building services	Services include the application and enforcement of the zoning by-laws, animal control and the processing of building permit applications.
	Conservation Authority	The mandate of the Conservation Authority is to provide sustainable ecosystem services to the Quinte region.
Transportation services	Parking services	Provides administration and operation of parking services
	Transit services	Provides administration and operation of transit services
	Road services	Provides administration and operation of traffic maintenance, repair and construction of the road systems including bridges and culverts, and operation and maintenance of a fleet of vehicles and equipment for use in providing services to the Corporation.

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

17. **SEGMENTED INFORMATION** (continued)

Segment	Component	Description
Environmental services	Water	Services include treatment and distribution of drinking water.
	Wastewater	Services include collection and treatment of wastewater
	Storm water	Services include storm water management
	Waste management	Services include garbage and recycling collection, and waste minimization programs. Recycling services provided by Centre and South Hastings Waste Services Board
Health services		Services include contribution to Hastings County, Hastings and Prince Edward Counties Health Unit and land ambulance operations.
Recreational and cultural services	Recreation	Provide services and contribute to community development and sustainability through recreation and leisure programs and facilities including community centres, aquatic facilities, parks, recreation fields, arenas, and harbours.
	Cultural services	Provide cultural services and facilities including the community archives, the Glanmore Historical Museum and the Belleville Public Library
Planning and development services	Economic development and strategic initiatives	Services include facilitating the development of business interests and strategic initiatives, industrial land development, and commercial and community development.
	Planning and Approvals	Services include the approval of all land development plans.
Social and family services		Services include contributions to Hastings County to facilitate social assistance and childcare programs, as well as the operations of Hastings Manor and Centennial Manor.
Social housing		Services include contributions to Hastings County to facilitate social housing programs.

18. **BUDGET FIGURES**

The operating and capital budgets are approved by Council each year. The capital budget is set on a project-oriented basis, the costs of which may be carried out over one or more years. Although they are not directly comparable with the current year actual amounts, budget figures have been reflected on the "Consolidated Statement of Operations and Accumulated Surplus" and the "Consolidated Statement of Change in Net Financial Assets". Budget figures have been reclassified for the purpose of these financial statements to conform with PSAB reporting requirements. (See schedule 4)

CORPORATION OF THE CITY OF BELLEVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

19. **UNCERTAINTY DUE TO THE ECONOMIC CONSEQUENCES OF THE CORONAVIRUS DISEASE (COVID-19) OUTBREAK**

In mid-March of 2020, subsequent to the Corporation's year end, the province of Ontario declared a state of emergency in response to the public health concerns originating from the spread of the coronavirus disease.

On March 16, 2020, the Corporation's operations were scaled back considerably in response to the quarantine measures implemented by the provincial government to stop the spread of the virus.

A high degree of uncertainty persists surrounding the full economic impact of the situation. The unpredictable nature of the spread of the disease makes it difficult to determine the length of time that the Corporation's operations will be impacted. Consequently, at the time of issuance of these financial statements, the effect that the abrupt decline in economic activity will have on the Corporation's operations, assets, liabilities, revenues and expenses are not yet known.

CORPORATION OF THE CITY OF BELLEVILLE
SCHEDULE 1 - CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2019

	GENERAL					INFRASTRUCTURE					TOTALS	
	Land and Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Other	Assets Under Construction	Plant and Facilities	Roads	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	2019
COST												
Opening cost	\$ 76,808,942	\$ 118,824,432	\$ 30,012,761	\$ 3,639,816	\$ 19,165,244	\$ 8,209,275	\$ 110,638,926	\$ 325,770,759	\$ 324,955,964	\$ 41,692,542	\$ 20,360,123	\$ 1,080,078,784
Additions during the year	2,446,673	1,072,465	3,529,031	863,644	689,865	19,350,244	159,693	7,414,322	5,820,384	1,056,535	19,702,805	62,105,661
Disposals during the year	(1,571)	(7,442)	(2,259,575)	(72,274)	(586,871)	(3,584,255)	-	(100,865)	(35,343)	(758,172)	(14,041,850)	(21,448,218)
Closing cost	<u>79,254,044</u>	<u>119,889,455</u>	<u>31,282,217</u>	<u>4,431,186</u>	<u>19,268,238</u>	<u>23,975,264</u>	<u>110,798,619</u>	<u>333,084,216</u>	<u>330,741,005</u>	<u>41,990,905</u>	<u>26,021,078</u>	<u>1,120,736,227</u>
ACCUMULATED AMORTIZATION												
Opening Accumulated amortization	14,354,602	22,277,772	17,602,015	2,340,499	10,163,927	-	44,151,066	222,159,730	92,414,874	10,031,202	-	435,495,687
Amortization during the year	1,953,744	3,073,679	1,980,998	528,127	1,327,744	-	2,386,958	9,370,227	4,660,839	612,990	-	25,895,306
Disposals and writedowns	(359)	(6,052)	(2,000,466)	(72,067)	(581,314)	-	-	(100,865)	(25,928)	(456,248)	-	(3,243,306)
Closing Accumulated amortization	<u>16,307,987</u>	<u>25,345,392</u>	<u>17,582,547</u>	<u>2,796,559</u>	<u>10,910,357</u>	<u>-</u>	<u>46,538,024</u>	<u>231,429,092</u>	<u>97,049,785</u>	<u>10,187,944</u>	<u>-</u>	<u>458,147,687</u>
Net Book Value of Tangible Capital Assets	<u>\$ 62,946,057</u>	<u>\$ 94,544,063</u>	<u>\$ 13,699,670</u>	<u>\$ 1,634,627</u>	<u>\$ 8,357,881</u>	<u>\$ 23,975,264</u>	<u>\$ 64,260,595</u>	<u>\$ 101,655,124</u>	<u>\$ 233,691,220</u>	<u>\$ 31,802,961</u>	<u>\$ 26,021,078</u>	<u>\$ 662,588,540</u>

YEAR ENDED DECEMBER 31, 2018

	GENERAL					INFRASTRUCTURE					TOTALS	
	Land and Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Other	Assets Under Construction	Plant and Facilities	Roads	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	2018
COST												
Opening cost	\$ 74,808,327	\$ 112,566,493	\$ 29,517,761	\$ 3,156,854	\$ 18,571,132	\$ 1,660,735	\$ 110,245,779	\$ 315,118,175	\$ 314,156,273	\$ 41,195,532	\$ 21,525,940	\$ 1,042,523,001
Additions during the year	2,825,615	6,581,007	955,713	562,413	1,412,353	10,879,668	393,147	17,936,589	11,897,168	497,010	33,854,832	87,795,515
Disposals during the year	(825,000)	(323,068)	(460,713)	(79,451)	(818,241)	(4,331,128)	-	(7,284,005)	(1,097,477)	-	(35,020,649)	(50,239,732)
Closing cost	<u>76,808,942</u>	<u>118,824,432</u>	<u>30,012,761</u>	<u>3,639,816</u>	<u>19,165,244</u>	<u>8,209,275</u>	<u>110,638,926</u>	<u>325,770,759</u>	<u>324,955,964</u>	<u>41,692,542</u>	<u>20,360,123</u>	<u>1,080,078,784</u>
ACCUMULATED AMORTIZATION												
Opening Accumulated amortization	12,503,652	19,409,778	16,154,008	1,901,149	9,671,285	-	41,775,741	219,501,642	88,457,121	9,429,310	-	418,803,686
Amortization during the year	1,859,726	2,945,916	1,870,324	518,675	1,302,144	-	2,375,325	9,765,965	4,556,526	601,892	-	25,796,493
Disposals and writedowns	(8,776)	(77,922)	(422,317)	(79,325)	(809,502)	-	-	(7,107,877)	(598,773)	-	-	(9,104,492)
Closing Accumulation amortization	<u>14,354,602</u>	<u>22,277,772</u>	<u>17,602,015</u>	<u>2,340,499</u>	<u>10,163,927</u>	<u>-</u>	<u>44,151,066</u>	<u>222,159,730</u>	<u>92,414,874</u>	<u>10,031,202</u>	<u>-</u>	<u>435,495,687</u>
Net Book Value of Tangible Capital Assets	<u>\$ 62,454,340</u>	<u>\$ 96,546,660</u>	<u>\$ 12,410,746</u>	<u>\$ 1,299,317</u>	<u>\$ 9,001,317</u>	<u>\$ 8,209,275</u>	<u>\$ 66,487,860</u>	<u>\$ 103,611,029</u>	<u>\$ 232,541,090</u>	<u>\$ 31,661,340</u>	<u>\$ 20,360,123</u>	<u>\$ 644,583,097</u>

(See accompanying notes)

CORPORATION OF THE CITY OF BELLEVILLE
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF CONTINUITY OF RESERVES AND RESERVE FUNDS
YEAR ENDED DECEMBER 31, 2019

	Balance, beginning of year	Revenue Contributions				Transfers				Balance, end of year
		Interest on Reserve Funds	From Operations	From Capital	Total	To Operations	To Capital Acquisitions	Interfund	Total	
RESERVES										
Belleville Library	\$ 63,009	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 27,468	\$ -	\$ -	\$ 27,468	\$ 60,541
Centre & South Hastings Waste Services Board	851,704	-	-	-	-	88,655	-	-	88,655	763,049
Belleville Downtown Improvement	53,009	-	-	-	-	-	-	-	-	53,009
Future Expenditures	1,044,622	-	1,691,959	-	1,691,959	18,182	50,000	7,400	75,582	2,660,999
	<u>2,012,344</u>	<u>-</u>	<u>1,716,959</u>	<u>-</u>	<u>1,716,959</u>	<u>134,305</u>	<u>50,000</u>	<u>7,400</u>	<u>191,705</u>	<u>3,537,598</u>
RESERVE FUNDS										
Belleville Library	20,452	941	9,998	36,799	47,738	-	-	-	-	68,190
Accessibility	-	-	9,840	-	9,840	-	-	(7,400)	(7,400)	17,240
Archives facility	103,134	1,740	-	-	1,740	-	-	-	-	104,874
Arts and culture	41,140	379	-	-	379	37,322	-	-	37,322	4,197
Brownfields development	220,621	3,723	29,500	-	33,223	-	-	-	-	253,844
Canada Day	13,885	234	28,415	-	28,649	-	-	-	-	42,534
Capital equipment	1,838,303	26,526	470,000	76,422	572,948	-	1,055,326	-	1,055,326	1,355,925
Capital levy	8,511,286	133,611	2,550,000	289,472	2,973,083	-	3,958,157	-	3,958,157	7,526,212
Casino	3,644,842	66,592	3,374,601	-	3,441,193	316,150	2,300,891	135,000	2,752,041	4,333,994
Election expenses	37,340	1,232	71,346	-	72,578	-	-	-	-	109,918
Elexicon revenue	-	2,752	1,170,142	-	1,172,894	894,000	-	-	894,000	278,894
Employee future benefits	7,316,905	129,792	750,000	-	879,792	-	-	-	-	8,196,697
Environmental remediation	1,482,595	24,850	393,183	-	418,033	-	200,000	-	200,000	1,700,628
Facade improvement	162,858	3,887	32,450	-	36,337	-	-	(135,000)	(135,000)	334,195
Facilities	315,542	5,324	-	-	5,324	-	-	-	-	320,866
Flood control	215,292	3,632	-	-	3,632	28,821	-	-	28,821	190,103
Harbour	181,318	2,722	-	-	2,722	-	40,000	-	40,000	144,040
Industrial land	591,194	10,144	20,000	-	30,144	-	-	-	-	621,338
Infrastructure oversizing	497,102	9,232	100,000	-	109,232	-	-	-	-	606,334
Landfill closure	656,829	11,526	52,500	26,856	90,882	-	-	-	-	747,711
Municipal accommodation tax	-	3,586	511,465	-	515,051	347,049	-	-	347,049	168,002
Museum collections and improvements	26,942	455	-	-	455	-	-	-	-	27,397
Parking development	1,125,132	19,031	231,164	58,399	308,594	-	235,000	-	235,000	1,198,726
Police facility	959,961	13,310	1,000,000	-	1,013,310	-	1,342,300	-	1,342,300	630,971
Recreation facilities	637,695	10,353	9,724	26,196	46,273	-	60,000	-	60,000	623,968
Road renewal	580,184	5,941	43,802	-	49,743	-	500,000	-	500,000	129,927
Sewage service	14,070,128	219,070	3,944,963	5,225	4,169,258	-	7,085,000	-	7,085,000	11,154,386
Sick leave	307,457	3,520	200,000	-	203,520	397,715	-	-	397,715	113,262
Sidewalks	317,551	5,358	-	-	5,358	-	-	-	-	322,909
Solar	556,011	9,777	350,021	5,451	365,249	-	210,000	-	210,000	711,260
Storm water management	874,452	15,781	212,336	-	228,117	-	-	-	-	1,102,569
Tax rate stabilization	3,665,620	78,015	3,636,494	-	3,714,509	1,574,210	-	-	1,574,210	5,805,919
Waste management	60,390	1,019	-	-	1,019	-	-	-	-	61,409
Water service	20,483,824	-	1,920,051	-	1,920,051	-	-	-	-	22,403,875
Winter control	119,937	1,503	111,294	20,850	133,647	-	-	-	-	253,584
	<u>69,635,922</u>	<u>825,558</u>	<u>21,233,289</u>	<u>545,670</u>	<u>22,604,517</u>	<u>3,595,267</u>	<u>16,986,674</u>	<u>(7,400)</u>	<u>20,574,541</u>	<u>71,665,898</u>
Total	<u>\$ 71,648,266</u>	<u>\$ 825,558</u>	<u>\$ 22,950,248</u>	<u>\$ 545,670</u>	<u>\$ 24,321,476</u>	<u>\$ 3,729,572</u>	<u>\$ 17,036,674</u>	<u>\$ -</u>	<u>\$ 20,766,246</u>	<u>\$ 75,203,496</u>

(See accompanying notes)

CORPORATION OF THE CITY OF BELLEVILLE
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2019

BUDGET

	GENERAL GOVERNMENT	PROTECTION SERVICES	TRANSPORTATION SERVICES	ENVIRONMENTAL SERVICES	HEALTH SERVICES	RECREATION AND CULTURAL SERVICES	PLANNING AND DEVELOPMENT	SOCIAL AND FAMILY SERVICES	SOCIAL HOUSING	CONSOLIDATED
REVENUES										
Municipal taxation	\$ 8,617,000	\$ 29,942,000	\$ 15,571,000	\$ 3,023,000	\$ 5,384,000	\$ 14,975,000	\$ 3,779,000	\$ 4,952,000	\$ 4,806,000	\$ 91,049,000
Taxation from other governments	2,812,000	-	-	-	-	-	-	-	-	2,812,000
User Charges	1,160,000	3,224,000	2,646,000	28,138,000	-	3,898,000	942,000	-	-	40,008,000
Grants - Government of Canada	-	-	-	-	-	9,000	-	-	-	9,000
Grants - Province of Ontario	180,000	758,000	-	-	-	247,000	119,000	-	-	1,304,000
Grants - Other Municipalities	-	78,000	-	17,000	-	12,000	-	-	-	107,000
Fines	-	202,000	320,000	-	-	-	-	-	-	522,000
Investment Income	400,000	-	-	212,000	-	2,000	-	-	-	614,000
Interest and Penalties on taxes	700,000	-	-	-	-	-	-	-	-	700,000
Development Charges	-	-	-	10,000	-	-	10,000	-	-	20,000
Donations	-	-	-	-	-	30,000	-	-	-	30,000
	<u>13,869,000</u>	<u>34,204,000</u>	<u>18,537,000</u>	<u>31,400,000</u>	<u>5,384,000</u>	<u>19,173,000</u>	<u>4,850,000</u>	<u>4,952,000</u>	<u>4,806,000</u>	<u>137,175,000</u>
EXPENDITURES										
Salaries, wages and employee benefits	7,042,000	28,724,000	11,646,000	4,964,000	-	10,000,000	1,149,000	-	-	63,525,000
Interest on long-term debt	-	226,000	1,171,000	746,000	-	1,173,000	435,000	-	-	3,751,000
Materials and supplies	1,879,000	3,012,000	4,058,000	4,855,000	-	4,839,000	1,007,000	-	-	19,650,000
Contracted services and general services	1,019,000	570,000	1,307,000	8,334,000	5,000	332,000	681,000	-	-	12,248,000
Rents and financial expenses	94,000	74,000	97,000	73,000	-	179,000	5,000	-	-	522,000
External transfers	709,000	781,000	-	-	5,379,000	-	461,000	4,952,000	4,806,000	17,088,000
Interfunctional Adjustments	-	-	(777,000)	642,000	-	-	-	-	-	(135,000)
Amortization	341,000	1,534,000	12,064,000	7,557,000	-	4,363,000	36,000	-	-	25,895,000
	<u>11,084,000</u>	<u>34,921,000</u>	<u>29,566,000</u>	<u>27,171,000</u>	<u>5,384,000</u>	<u>20,886,000</u>	<u>3,774,000</u>	<u>4,952,000</u>	<u>4,806,000</u>	<u>142,544,000</u>
NET REVENUES (EXPENDITURES)	<u>\$ 2,785,000</u>	<u>\$ (717,000)</u>	<u>\$ (11,029,000)</u>	<u>\$ 4,229,000</u>	<u>\$ -</u>	<u>\$ (1,713,000)</u>	<u>\$ 1,076,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,369,000)</u>

(See accompanying notes)

CORPORATION OF THE CITY OF BELLEVILLE
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2019

ACTUAL

	GENERAL GOVERNMENT	PROTECTION SERVICES	TRANSPORTATION SERVICES	ENVIRONMENTAL SERVICES	HEALTH SERVICES	RECREATION AND CULTURAL SERVICES	PLANNING AND DEVELOPMENT	SOCIAL AND FAMILY SERVICES	SOCIAL HOUSING	CONSOLIDATED
REVENUES										
Municipal taxation	\$ 7,662,127	\$ 48,841,571	\$ 14,393,002	\$ 1,823,097	\$ 3,406,614	\$ 9,483,928	\$ 2,668,308	\$ 3,136,187	\$ 2,980,392	\$ 94,395,226
Taxation from other governments	2,831,947	-	-	-	-	-	-	-	-	2,831,947
User Charges	1,468,355	2,754,338	2,665,238	27,796,189	-	3,507,387	1,290,250	-	-	39,481,757
Grants - Government of Canada	-	-	-	-	-	7,031	-	-	-	7,031
Grants - Province of Ontario	19,459	267,212	-	-	-	268,908	285,723	-	-	841,302
Grants - Other Municipalities	-	83,701	-	13,353	-	-	-	-	-	97,054
Fines	-	129,605	320,122	-	-	-	-	-	-	449,727
Investment Income	770,133	-	-	394,081	-	9,760	14	-	-	1,173,988
Interest and Penalties on taxes	642,442	-	-	-	-	-	-	-	-	642,442
Development Charges	20,580	-	14,888	-	-	247,914	-	-	-	283,382
Donations	-	-	-	-	-	25,098	-	-	-	25,098
Ontario Lottery and Gaming Corporation	3,374,601	-	-	-	-	-	-	-	-	3,374,601
	<u>16,789,644</u>	<u>52,076,427</u>	<u>17,393,250</u>	<u>30,026,720</u>	<u>3,406,614</u>	<u>13,550,026</u>	<u>4,244,295</u>	<u>3,136,187</u>	<u>2,980,392</u>	<u>143,603,555</u>
EXPENDITURES										
Salaries, wages and employee benefits	7,552,053	29,680,156	11,152,438	4,279,520	-	9,785,694	1,141,004	-	-	63,590,865
Interest on long-term debt	-	225,038	1,080,109	714,057	-	1,164,851	433,591	-	-	3,617,646
Materials and supplies	1,433,536	3,198,160	4,074,313	3,899,677	-	4,839,528	694,168	-	-	18,139,382
Contracted services and general services	873,525	495,796	1,159,296	7,763,053	1,515	348,169	153,370	-	-	10,794,724
Rents and financial expenses	87,365	73,479	98,742	69,220	-	90,182	12,654	-	-	431,642
External transfers	689,534	782,386	-	-	5,339,351	-	689,124	4,958,122	4,709,360	17,167,877
Interfunctional Adjustments	-	-	(645,804)	498,460	-	-	-	-	-	(147,344)
Amortization	340,891	1,534,403	12,063,773	7,557,404	-	4,363,367	35,468	-	-	25,895,306
	<u>10,976,904</u>	<u>35,989,418</u>	<u>28,982,867</u>	<u>24,781,391</u>	<u>5,340,866</u>	<u>20,591,791</u>	<u>3,159,379</u>	<u>4,958,122</u>	<u>4,709,360</u>	<u>139,490,098</u>
NET REVENUES (EXPENDITURES)	<u>\$ 5,812,740</u>	<u>\$ 16,087,009</u>	<u>\$ (11,589,617)</u>	<u>\$ 5,245,329</u>	<u>\$ (1,934,252)</u>	<u>\$ (7,041,765)</u>	<u>\$ 1,084,916</u>	<u>\$ (1,821,935)</u>	<u>\$ (1,728,968)</u>	<u>\$ 4,113,457</u>

(See accompanying notes)

CORPORATION OF THE CITY OF BELLEVILLE
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2018

ACTUAL

	GENERAL GOVERNMENT	PROTECTION SERVICES	TRANSPORTATION SERVICES	ENVIRONMENTAL SERVICES	HEALTH SERVICES	RECREATION AND CULTURAL SERVICES	PLANNING AND DEVELOPMENT	SOCIAL AND FAMILY SERVICES	SOCIAL HOUSING	CONSOLIDATED
REVENUES										
Municipal taxation	\$ 10,875,994	\$ 29,557,154	\$ 14,590,135	\$ 2,996,788	\$ 4,911,966	\$ 12,898,820	\$ 3,344,157	\$ 4,334,198	\$ 4,366,920	\$ 87,876,132
Taxation from other governments	2,728,637	-	-	-	-	-	-	-	-	2,728,637
User Charges	2,172,832	2,626,539	2,586,627	26,788,144	-	3,463,768	491,068	-	-	38,128,978
Grants - Government of Canada	-	-	-	-	-	30,401	-	-	-	30,401
Grants - Province of Ontario	-	308,392	-	-	-	239,369	418,079	-	-	965,840
Grants - Other Municipalities	-	77,224	-	16,658	-	23,486	-	-	-	117,368
Fines	-	212,475	330,925	-	-	-	-	-	-	543,400
Investment Income	856,100	-	-	349,437	-	1,726	20	-	-	1,207,283
Interest and Penalties on taxes	612,183	-	-	-	-	-	-	-	-	612,183
Development Charges	717,456	-	-	-	-	-	-	-	-	717,456
Donations	-	-	-	-	-	87,384	-	-	-	87,384
Ontario Lottery and Gaming Corporation	3,193,998	-	-	-	-	-	-	-	-	3,193,998
	<u>21,157,200</u>	<u>32,781,784</u>	<u>17,507,687</u>	<u>30,151,027</u>	<u>4,911,966</u>	<u>16,744,954</u>	<u>4,253,324</u>	<u>4,334,198</u>	<u>4,366,920</u>	<u>136,209,060</u>
EXPENDITURES										
Salaries, wages and employee benefits	7,241,217	27,940,694	10,934,118	4,076,789	-	9,545,480	1,052,362	-	-	60,790,660
Interest on long-term debt	-	238,527	1,122,913	769,158	-	1,163,426	455,627	-	-	3,749,651
Materials and supplies	1,403,796	3,243,504	4,328,706	3,755,619	-	4,720,676	947,735	-	-	18,400,036
Contracted services and general services	829,417	427,076	1,026,396	7,791,270	-	315,688	92,210	-	-	10,482,057
Rents and financial expenses	187,114	63,908	84,189	60,395	-	77,334	13,361	-	-	486,301
External transfers	267,192	753,423	-	-	5,359,541	-	365,712	4,519,553	4,564,767	15,830,188
Interfunctional Adjustments	-	-	(706,521)	554,638	-	-	-	-	-	(151,883)
Amortization	377,699	1,465,791	12,178,606	7,435,855	-	4,311,619	26,923	-	-	25,796,493
	<u>10,306,435</u>	<u>34,132,923</u>	<u>28,968,407</u>	<u>24,443,724</u>	<u>5,359,541</u>	<u>20,134,223</u>	<u>2,953,930</u>	<u>4,519,553</u>	<u>4,564,767</u>	<u>135,383,503</u>
NET REVENUES (EXPENDITURES)	<u>\$ 10,850,765</u>	<u>\$ (1,351,139)</u>	<u>\$ (11,460,720)</u>	<u>\$ 5,707,303</u>	<u>\$ (447,575)</u>	<u>\$ (3,389,269)</u>	<u>\$ 1,299,394</u>	<u>\$ (185,355)</u>	<u>\$ (197,847)</u>	<u>\$ 825,557</u>

(See accompanying notes)

CORPORATION OF THE CITY OF BELLEVILLE
SCHEDULE 4 - CONSOLIDATED SCHEDULE OF RECONCILIATION OF FINANCIAL PLAN TO THE BUDGET
YEAR ENDED DECEMBER 31, 2019

	OPERATING BUDGET	CAPITAL BUDGET	RESERVES AND RESERVE FUNDS	TANGIBLE CAPITAL ASSET ADJUSTMENTS	BELLEVILLE LIBRARY BOARD	BELLEVILLE DOWNTOWN IMPROVEMENT AREA	CENTRE AND SOUTH HASTINGS WASTE SERVICES	ELIMINATIONS	PSAB BUDGET
REVENUES									
Municipal taxation	\$ 91,049,000	\$ -	\$ -	\$ -	\$ -	\$ 275,000	\$ -	\$ (275,000)	\$ 91,049,000
Taxation from other governments	2,812,000	-	-	-	-	-	-	-	2,812,000
User fees and sale of goods and services	39,070,000	-	-	-	109,000	15,000	1,123,000	(309,000)	40,008,000
Grants - Government of Canada	6,000	-	-	-	3,000	-	-	-	9,000
Grants - Province of Ontario	1,140,000	-	-	-	164,000	-	-	-	1,304,000
Grants - Other Municipalities	78,000	-	-	-	2,158,000	-	987,000	(3,116,000)	107,000
Fines	522,000	-	-	-	-	-	-	-	522,000
Investment income	600,000	-	-	-	2,000	-	12,000	-	614,000
Penalty and interest on taxes	700,000	-	-	-	-	-	-	-	700,000
Development charges	20,000	-	-	-	-	-	-	-	20,000
Donations	22,000	-	-	-	8,000	-	-	-	30,000
	<u>136,019,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,444,000</u>	<u>290,000</u>	<u>2,122,000</u>	<u>(3,700,000)</u>	<u>137,175,000</u>
EXPENDITURES									
Current									
General government	10,758,000	-	-	341,000	-	-	-	(15,000)	11,084,000
Protection services	33,402,000	-	-	1,534,000	-	-	-	(15,000)	34,921,000
Transportation services	17,523,000	-	-	12,064,000	-	-	-	(21,000)	29,566,000
Environmental services	18,427,000	-	-	7,557,000	-	-	2,157,000	(970,000)	27,171,000
Health services	5,384,000	-	-	-	-	-	-	-	5,384,000
Recreational and cultural services	16,649,000	-	-	3,879,000	2,762,000	-	-	(2,404,000)	20,886,000
Planning and development	3,723,000	-	-	7,000	-	319,000	-	(275,000)	3,774,000
Social and family services	4,952,000	-	-	-	-	-	-	-	4,952,000
Social housing	4,806,000	-	-	-	-	-	-	-	4,806,000
Capital									
General government	-	2,491,000	-	(2,491,000)	-	-	-	-	-
Protection services	-	4,458,000	-	(4,458,000)	-	-	-	-	-
Transportation services	-	14,918,000	-	(14,918,000)	-	-	-	-	-
Environmental services	-	20,303,000	-	(20,303,000)	-	-	-	-	-
Recreational and cultural services	-	3,834,000	-	(3,834,000)	-	-	-	-	-
Planning and development	-	150,000	-	(150,000)	-	-	-	-	-
	<u>115,624,000</u>	<u>46,154,000</u>	<u>-</u>	<u>(20,772,000)</u>	<u>2,762,000</u>	<u>319,000</u>	<u>2,157,000</u>	<u>(3,700,000)</u>	<u>142,544,000</u>
NET REVENUES/(EXPENDITURES)	20,395,000	(46,154,000)	-	20,772,000	(318,000)	(29,000)	(35,000)	-	(5,369,000)
OTHER INCOME AND EXPENSES RELATED TO CAPITAL									
Municipal taxation	-	5,555,000	-	-	-	-	-	-	5,555,000
Government transfers									
Canada	-	8,713,000	-	-	-	-	-	-	8,713,000
Ontario	-	6,345,000	-	-	-	-	-	-	6,345,000
Donations	-	649,000	-	-	-	-	-	-	649,000
Development charges	-	335,000	-	-	25,000	-	-	-	360,000
Park land	-	40,000	-	-	-	-	-	-	40,000
	<u>-</u>	<u>21,637,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,662,000</u>
FINANCING AND TRANSFERS									
Debenture and other long-term borrowing	-	1,400,000	-	(1,400,000)	-	-	-	-	-
Debt repayment	(6,258,000)	-	-	6,258,000	-	-	-	-	-
Transfers from (to) other funds	(14,137,000)	23,117,000	(8,980,000)	-	-	-	-	-	-
	<u>(20,395,000)</u>	<u>24,517,000</u>	<u>(8,980,000)</u>	<u>4,858,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ -	\$ (8,980,000)	\$ 25,630,000	\$ (293,000)	\$ (29,000)	\$ (35,000)	\$ -	\$ 16,293,000

(See accompanying notes)