

Consolidated Financial Statements of

**CORPORATION OF THE CITY
OF BELLEVILLE**

Year ended December 31, 2023

CORPORATION OF THE CITY OF BELLEVILLE

Consolidated Financial Statements

Year ended December 31, 2023

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the City of Belleville (the "Corporation") are the responsibility of the Corporation's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of 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 consolidated financial statements. These systems are monitored and evaluated by management. Management meets with the external auditors to review the consolidated financial statements and discuss 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 KPMG LLP, independent external auditors appointed by the Corporation. The accompanying 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



Brandon Ferguson
Director of Finance/ Treasurer



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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Belleville:

Opinion

We have audited the consolidated financial statements of the Corporation of the City of Belleville (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended; and
- notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

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

Basis for Opinion

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.



Emphasis of Matter – Comparative Information

We draw attention to Note 19 to the financial statements (“Note 19”) which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 19 explains the reasons for the restatement and also explains the adjustments that were applied to restate comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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

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

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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



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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 27, 2024

CORPORATION OF THE CITY OF BELLEVILLE

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
		(Restated - Note 19)
Assets		
Financial assets:		
Cash and cash equivalents (note 2)	\$ 45,745,797	\$ 55,947,541
Portfolio investments (note 3)	146,889,442	97,809,930
Taxes receivable	5,575,293	3,380,376
Accounts receivable	20,077,763	17,297,252
Assets held for resale (note 1(d))	13,511,475	15,156,487
Other investments (note 4)	18,351,760	18,493,684
Investment in government business partnership (note 5)	23,006,453	23,774,686
	<u>273,157,983</u>	<u>231,859,956</u>
Liabilities		
Financial liabilities:		
Construction advance (note 9)	–	3,100,000
Accounts payable and accrued liabilities	26,921,922	26,733,150
Employee benefits payable (note 7)	17,956,427	18,093,191
Asset retirement obligations (note 6)	6,523,058	6,444,138
Contaminated sites liability	320,000	320,000
Deferred revenue (note 8)	98,884,100	64,859,219
Municipal debt (note 9)	120,908,063	103,107,601
	<u>271,513,570</u>	<u>222,657,299</u>
Net financial assets	1,644,413	9,202,657
Non-financial assets:		
Tangible capital assets (note 15)	714,233,993	698,479,766
Inventory of supplies	1,284,074	1,322,415
Prepaid expenses	1,556,537	1,366,870
	<u>717,074,604</u>	<u>701,169,051</u>
Contingent liabilities and commitments (note 11)		
Contractual rights (note 12)		
Accumulated surplus	\$ 718,719,017	\$ 710,371,708
Accumulated surplus is comprised of:		
Accumulated surplus (note 13)	\$ 718,741,940	\$ 710,371,708
Accumulated remeasurement gains (losses)	(22,923)	–
	<u>\$ 718,719,017</u>	<u>\$ 710,371,708</u>

See accompanying notes to consolidated financial statements.

CORPORATION OF THE CITY OF BELLEVILLE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	Budget 2023 (Note 17)	Actual 2023	Actual 2022 (Restated - Note 19)
Revenue:			
Municipal taxation	\$ 113,826,800	\$ 115,376,340	\$ 101,021,619
Taxation from other governments	2,725,200	2,718,537	2,629,035
User charges	44,677,200	44,267,924	42,076,114
Grants - Government of Canada	106,700	63,424	125,419
Grants - Province of Ontario	3,680,500	2,690,262	3,880,134
Grants - Other Municipalities	386,200	300,763	713,693
Fines	395,000	363,317	377,840
Investment income	2,578,200	2,823,790	3,346,087
Interest and penalties on taxes	650,000	787,333	624,050
Development charges	1,887,800	1,162,418	1,203,550
Donations	86,000	137,788	120,269
Ontario Lottery and Gaming Corporation	3,000,000	3,520,437	3,144,852
Other	—	354,217	1,876,008
Total revenue	173,999,600	174,566,550	161,138,670
Expenses (Schedule 2):			
General government	20,252,300	21,538,361	18,974,893
Protection to persons and property	45,285,500	45,105,008	42,372,729
Transportation services	30,801,200	30,572,838	31,263,611
Environmental services	38,630,600	41,241,566	36,136,233
Health services	6,818,500	6,496,640	5,922,070
Social and family services	5,710,900	7,173,102	5,474,922
Recreation and cultural services	23,611,200	23,397,519	22,063,630
Planning and development	5,459,800	4,525,678	4,543,302
Social housing	6,263,300	6,263,339	5,808,566
Total expenses	182,833,300	186,314,051	172,559,956
Annual operating deficit	(8,833,700)	(11,747,501)	(11,421,286)
Revenue related to capital:			
Municipal taxation	—	—	5,704,500
Grants - Government of Canada	7,170,000	3,140,847	4,079,445
Grants - Province of Ontario	9,725,000	4,645,287	4,879,154
Contribution from developers	—	6,171,322	1,143,578
Development charges	1,986,900	1,797,275	58,804
Park land	—	—	—
Other	1,400,600	749,825	551,621
Gain on disposal of tangible capital assets	—	1,037,767	1,130,333
	20,282,500	17,542,323	17,547,435
Interest earned on reserve funds (Schedule 1)	—	2,552,035	350,971
Equity share of government business partnership earnings (note 5)	—	452	1,915,919
Annual surplus	11,448,800	8,347,309	8,393,039
Accumulated surplus, beginning of year	710,371,708	710,371,708	705,060,600
Adjustment on adoption of asset retirement obligation standard (note 19)	—	—	(3,081,931)
Accumulated surplus, beginning of year, as restated	710,371,708	710,371,708	701,978,669
Accumulated surplus, end of year	\$ 721,820,508	\$ 718,719,017	\$ 710,371,708

See accompanying notes to consolidated financial statements.

CORPORATION OF THE CITY OF BELLEVILLE

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	Budget 2023 (Note 17)	Actual 2023	Actual 2022 (Restated - Note 19)
Annual surplus	\$ 11,448,800	\$ 8,347,309	\$ 8,393,039
Amortization of tangible capital assets	27,788,000	27,819,788	27,505,526
Acquisition of tangible capital assets	(60,644,900)	(37,853,833)	(37,300,058)
Contribution from developers	–	(6,171,322)	(1,143,578)
Gain on disposal of tangible capital assets	–	(1,037,767)	(1,130,333)
Proceeds on disposal of tangible capital assets	–	1,488,907	1,647,333
Change in inventory of supplies	–	38,341	9,776
Change in prepaid expenses	–	(189,667)	(181,662)
	(32,856,900)	(15,905,553)	(10,592,996)
Change in net financial assets	(21,408,100)	(7,558,244)	(2,199,957)
Net financial assets, beginning of year, as previously stated	9,202,657	9,202,657	15,087,834
Adjustment on adoption of asset retirement obligation standard (note 19)	–	–	(3,685,220)
Net financial assets, beginning of year, as restated	9,202,657	9,202,657	11,402,614
Net financial assets, end of year	\$ (12,205,443)	\$ 1,644,413	\$ 9,202,657

See accompanying notes to consolidated financial statements.

CORPORATION OF THE CITY OF BELLEVILLE

Consolidated Statement of Remeasurement Gains and Losses

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Accumulated remeasurement gains (losses), beginning of year	\$ —	\$ —
Net unrealized losses attributable to:		
Investments designated at fair value	(22,923)	—
Net remeasurement losses for the year	(22,923)	—
Accumulated remeasurement losses, end of year	\$ (22,923)	\$ —

See accompanying notes to consolidated financial statements.

CORPORATION OF THE CITY OF BELLEVILLE

Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - Note 19)
Operating activities:		
Annual surplus	\$ 8,347,309	\$ 8,393,039
Item not involving cash:		
Amortization of tangible capital assets	27,819,788	27,505,526
Contribution from developers	(6,171,322)	(1,143,578)
Employee benefits payable	(136,764)	362,173
Asset retirement obligation	78,920	78,918
Gain on disposal of tangible capital assets	(1,037,767)	(1,130,333)
Unrealized loss on portfolio investments	22,923	-
Equity share of government business partnership earnings	(452)	(1,915,919)
	<u>28,922,635</u>	<u>32,149,826</u>
Change in non-cash operating working capital:		
Taxes receivable	(2,194,917)	1,084,842
Accounts receivable	(2,780,511)	(4,072,873)
Assets held for resale	1,645,012	2,411,714
Inventory of supplies	38,341	9,776
Prepaid expenses	(189,667)	(181,662)
Accounts payable and accrued liabilities	188,772	1,104,871
Other liabilities	-	533,832
Deferred revenue	34,024,881	27,370,363
	<u>59,654,546</u>	<u>60,410,689</u>
Capital activities:		
Acquisition of tangible capital assets	(37,853,833)	(37,300,058)
Proceeds on disposal of tangible capital assets	1,488,907	1,647,333
	<u>(36,364,926)</u>	<u>(35,652,725)</u>
Investing activities:		
Dividends received from government business partnership	768,685	852,074
Acquisition of portfolio investments, net of disposals	(49,102,435)	(39,546,260)
Other investments	141,924	478,269
	<u>(48,191,826)</u>	<u>(38,215,917)</u>
Financing activities:		
Proceeds from municipal debt	24,564,000	-
Repayment of municipal debt	(6,763,538)	(6,549,243)
Repayment of construction advance	(3,100,000)	-
	<u>14,700,462</u>	<u>(6,549,243)</u>
	<u>(10,201,744)</u>	<u>(20,007,196)</u>
Cash and cash equivalents, beginning of year	55,947,541	75,954,737
Cash and cash equivalents, end of year	<u>\$ 45,745,797</u>	<u>\$ 55,947,541</u>

See accompanying notes to consolidated financial statements.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2023

1. Significant accounting policies:

The consolidated financial statements of the Corporation of the City of Belleville (the "Corporation") are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Corporation are as follows:

(a) 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), 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 its subsidiaries (Hydro Corporations) is accounted for on a modified equity basis, consistent with generally accepted accounting principles as recommended by the Public Sector Accounting Board ("PSAB") for investments in government business partnerships. 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 and Accumulated Surplus with a corresponding increase or decrease in its investment asset account in its Consolidated Statement of Financial Position. Any dividends that the Corporation may receive from Hydro Corporations and other capital transactions will be reflected as adjustments in the investment asset account.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(a) Reporting entity (continued):

Investment in Quinte Solar Generation Inc.

The Corporation, Solera Sustainable Energies Company Limited, and Elexicon Corporation hold 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.

Local Boards and Joint Boards

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

(b) 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.

(c) 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.

(d) Assets held for resale:

Assets held for resale are recorded at the lower of cost or net realizable value. Cost includes amounts for improvements to prepare the assets for sale or servicing. As at December 31, 2023 industrial land held for resale totals \$12,931,611 (2022 - \$14,576,623) and land and buildings declared surplus by Council with a net book value of \$579,864 (2022 - \$579,864).

(e) Deferred revenue

Obligatory reserve funds and any other externally restricted financing amounts must be reported as deferred revenue. These amounts will be recognized as revenue in the Consolidated Statement of Operations and Accumulated Surplus in the year the services are performed.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(f) Asset retirement obligations

An asset retirement obligation (ARO) is recognized when, as at the financial reporting date, all of the following criteria are met:

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

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. The liability is discounted using a present value calculation and adjusted annually for accretion expense. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption in the standard. Assumptions used in the subsequent calculations are revised yearly.

The liability for the removal of asbestos in several of the buildings owned by the Corporation and for the decommissioning of fuel storage tanks has been recognized based on estimated undiscounted future expenses. Under the modified retroactive method, the assumptions used on initial recognition are those as of the date of adoption in the standard. Assumptions used in the subsequent calculations are revised yearly.

The recognition of the ARO liability resulted in an accompanying increase to the respective tangible capital assets. The landfill tangible capital asset is amortized using the units of production method, while the buildings tangible capital assets affected by the asbestos liability are being amortized with the building following the amortization accounting policies.

(g) Employee benefits payable:

The Corporation accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the compensated absences and other post employment benefits. The actuarial determination of the accrued benefit obligations for retirement benefits uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors). The most recent actuarial valuation of the benefit plans was as of January 1, 2022, and the next required valuation will be as of January 1, 2025.

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the other retirement benefits plan is 9 years (2022 - 10 years).

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(g) Employee benefits payable (continued):

Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

(h) 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:

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

(i) 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.

(j) 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.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(k) 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 Assets for the year.

(l) 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.

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful life as follows:

Asset	Useful Life - Years
Land improvements	15 years
Buildings and leasehold improvements	20 to 100 years
Vehicles and equipment	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

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.

(m) 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.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(n) 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.

(o) 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.

(p) Inventory of supplies:

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

(q) 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 Consolidated Statement of Operations and Accumulated Surplus.

(r) Use of estimates:

The preparation of consolidated financial statements in conformity with accounting policies as issued by the PSAB 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. Amounts subject to estimates include employee benefits payable, asset retirement obligations and the carrying value of the Corporation's tangible capital assets. Actual results could differ from those estimates.

(s) Financial instruments:

On January 1, 2023, the Corporation adopted PS 3450 Financial Instruments which establishes accounting and reporting for all types of financial instruments, including derivatives, as disclosed in Note 19. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(s) Financial instruments (continued):

The Corporation's investments in principal protected notes meet the requirements of a financial instrument that has an embedded derivative included in the financial instrument. For financial instruments that contain one or more embedded derivatives, the standard allows a designation that the entire hybrid (combined) instrument carried at fair value. This designation is irrevocable. The Corporation has made an election for the principal protected notes to report the combined instrument at fair value.

On application of this standard, a new statement, the Consolidated Statement of Remeasurement Gains and Losses has been included in these consolidated financial statements which records the remeasurement gains and losses for financial instruments measured at fair value. Unrealized gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity through the Consolidated Statement of Operations and Accumulated Surplus. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the Statement of Consolidated Operations and Accumulated Surplus.

Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(s) Financial instruments (continued):

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

2. Cash and cash equivalents:

The cash and cash equivalents balance consists of the following:

	2023	2022
City of Belleville:		
Cash and chequing accounts	\$ 44,914,362	\$ 54,660,454
Belleville Public Library Board	713,286	880,458
Belleville Downtown Improvement Area Centre and South Hastings Waste Services Board	118,149	136,811
	–	269,818
	<u>\$ 45,745,797</u>	<u>\$ 55,947,541</u>

3. Portfolio Investments:

The portfolio investments balance consists of the following:

	Level	2023	2022
City of Belleville:			
Mutual funds/segregated funds	1	\$ 187,366	\$ 725,616
Fixed income accounts	1	100,185,000	77,084,300
Principal protected notes	2	46,517,076	20,000,014
		<u>\$ 146,889,442</u>	<u>\$ 97,809,930</u>

During the year, there were no transfers between fair value hierarchy levels.

Cash and investments in the amount of \$97,704,624 (2022 - \$63,835,535) have been restricted to support obligatory reserve funds, reserves and deferred revenue.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

4. Other investments:

Other investments balance consists of the following:

	2023	2022
Note receivable Elexicon Corporation (a)	\$ 2,206,000	\$ 2,206,000
Note receivable Elexicon Energy Inc. (a)	5,588,000	5,588,000
Notes receivable - other (b)	8,404,888	8,581,145
Other investments	2,152,872	2,118,539
	<u>\$ 18,351,760</u>	<u>\$ 18,493,684</u>

(a) Notes receivable:

The note receivable from Elexicon Corporation is payable on demand, bears interest at 4.13% at the Ontario Energy Board deemed long-term debt rate for ten years.

The note receivable from Elexicon Energy Inc. is payable on demand, bears interest at 4.13% 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, 2025.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

4. Other investments (continued):

(b) Notes receivable - other:

The Corporation has agreed to advance a Company up to \$6,500,000 United States dollars (USD). The loan agreement provides for the actual promissory note to be 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.

The second \$3,250,000 USD bears interest at 1.5% per annum calculated semi-annually and matures in January 2027.

The Corporation holds various security on the note receivable including restrictions on control, borrowing, return of capital and a guarantee in the amount of \$3,965,700.

Triggering events under the loan agreement include; a permanent relocation outside of Belleville, an arm's-length sale of the Company, or a change in control outside of the current ownership.

(c) 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 \$1,517,248 (2022 - \$1,166,799) to Centre & South Hastings Waste Services Board for recycling services.

5. Investment in government business partnership:

(a) Elexicon Corporation is a government business partnership jointly owned by the City of Pickering, Town of Ajax, Municipality of Clarington, Town of Whitby and City of Belleville. The City of Belleville owns 9,044 Common shares of Elexicon Corporation representing a 9.044% interest in the company which is accounted for using the modified equity basis of accounting.

Elexicon Corporation's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The following table provides condensed financial information which comprise the consolidated balance sheet, the consolidated statement of income and comprehensive income. The amounts are disclosed in thousands of dollars:

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

5. Investment in government business partnership (continued):

(a) (continued):

Consolidated Balance Sheet (in thousands of dollars)

	2023	2022
Current assets	\$ 116,654	\$ 106,273
Non-current assets	721,435	662,651
Total assets	838,089	768,924
Regulatory balances	56,310	58,573
	\$ 894,399	\$ 827,497
	2023	2022
Current liabilities	\$ 175,942	\$ 316,892
Non-current liabilities	450,307	237,698
Shareholders' equity	256,768	262,878
Total liabilities and shareholders' equity	883,017	817,468
Regulatory balances	11,382	10,029
	\$ 894,399	\$ 827,497

Consolidated Statement of Operations (in thousands of dollars)

	2023	2022
Revenue	\$ 518,981	\$ 514,713
Commodity cost and expenses	(495,111)	(509,608)
Other income	9,050	9,193
Finance costs and unrealized gain (loss) on interest rate swaps	(26,853)	(2,184)
Income before income taxes	6,067	12,114
Income tax expense	(1,828)	(6,100)
Net income	4,239	6,014
Net movements in regulatory balances, net of tax	(3,615)	10,783
Other comprehensive income (loss), net of tax: Remeasurements of employee future benefits	(619)	4,387
Total equity earnings	\$ 5	\$ 21,184
City's share of equity earnings	\$ —	\$ 1,915

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

5. Investment in government business partnership (continued):

(b) The Corporation's equity is represented by:

	2023	2022
Promissory notes receivable (note 4)	\$ 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	752,837
Government business partnership shares	13,706,900	13,706,900
Accumulated share of net earnings	23,768,360	23,767,908
Accumulated dividends received	(14,468,807)	(13,700,122)
	23,006,453	23,774,686
	\$ 30,800,453	\$ 31,568,686

(c) Equity in government business partnership:

	2023	2022
Balance, beginning of year	\$ 31,568,686	\$ 30,504,841
Equity share of net earnings for the year	452	1,915,919
Dividends received	(768,685)	(852,074)
Balance, end of year	\$ 30,800,453	\$ 31,568,686

(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 electric utility consist of a levy per \$1 of service revenue subject to a credit or surcharge based on each electric utility's claims experience.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

5. Investment in government business partnership (continued):

(d) (continued):

(ii) Contractual obligation - Hydro One Networks Inc.:

The Corporation's subsidiary, 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 revenue, EEI is obligated to pay a capital contribution equal to the difference between this revenue and the construction costs allocated to EEI. The construction costs allocated to EEI for the project are \$19,950.

Hydro One has performed a true-up based on actual load at the end of the tenth anniversary of the in-service date and the Corporation has paid \$Nil in 2023 (2021 - \$Nil) to Hydro One and recognized the same as an intangible asset. 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 the Corporation fails to make the payment required on a default notice issued by the IESO. The Corporation has provided a \$64,000 guarantee to the IESO on behalf of EEI.

(iv) General claims:

From time to time, the Corporation 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 the Corporation's consolidated financial position and results of operations or cash flows.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

6. Asset retirement obligations:

The Corporation's asset retirement obligations (AROs) consist of several obligations as follows:

(a) Landfill obligation:

The Corporation owns and operates one landfill. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the site and for 25 years thereafter. As at December 31, 2023, the landfill had an estimated remaining useful life of 12 years. The Corporation recognized an obligation relating to the removal and post-removal care of the landfill. These costs were discounted using a discount rate of 2.3% per annum and an inflation rate of 2.7% per annum.

(b) Asbestos and other obligations:

The Corporation owns several buildings that are known to have asbestos and underground fuel storage tanks, which represents a health hazard upon demolition/decommission and there is a legal obligation to remove it. The Corporation recognized an obligation relating to the removal and post-removal care of the asbestos and decommissioning of fuel storage tanks as estimated at January 1, 2022. These costs were not discounted due to uncertainty surrounding the expected timing of cash outflows.

The transition and recognition of AROs involved an accompanying increase to the buildings and landfill tangible capital assets and the restatement of prior year balances (see note 19).

	Landfill closure	Asbestos and other removal	Total
Balance, January 1, 2022, as previously stated	\$ —	\$ —	\$ —
Adjustment on adoption of PS 3280 asset retirement obligations (note 19)	3,416,434	2,948,786	6,365,220
Balance, January 1, 2022, as restated	3,416,434	2,948,786	6,365,220
Accretion expense	78,918	—	78,918
Balance, December 31, 2022, as restated	\$ 3,495,352	\$ 2,948,786	\$ 6,444,138
Accretion expense	78,920	—	78,920
Balance, December 31, 2023	\$ 3,574,272	\$ 2,948,786	\$ 6,523,058

No remediation work occurred during the years ended December 31, 2023 or December 31, 2022.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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, 2022 was completed on March 15, 2023 and the results have been extrapolated to December 31, 2023 to form 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, 2023, of the present value of future liabilities and the expense for the 12 months ended December 31, 2023 were determined using an annual discount rate of 4.00% (2022 - 4.00%). This corresponds to the Corporation's cost of borrowing and the long-term yield on high quality bonds at the date of the valuation.

- (ii) Salary levels:

Future general salary and wages level were assumed to increase at 3.00% (2022 - 3.00%) per annum.

- (iii) Medical costs:

Medical costs were assumed to increase at 4.90% in 2023 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 2040 and thereafter.

- (iv) Dental costs;

Dental costs were assumed to increase at 5.10% in 2023 to 2024, 5.60% in 2025 to 2029, 5.30% in 2030 to 2034, 4.60% in 2035 to 2039 and to an ultimate rate of 4.00% per annum in 2040 and thereafter.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

7. Employee benefits payable (continued):

(a) (continued):

	Medical, dental, life insurance benefits	Sick leave benefits	2023 Total	2022 Total
Employee future benefits payable, beginning of year	\$ 15,762,022	\$ 2,331,169	\$ 18,093,191	\$ 17,731,018
Current service costs	628,203	99,511	727,714	762,149
Interest expense on benefits	518,158	64,922	583,080	566,605
Benefits payments	(825,848)	(207,580)	(1,033,428)	(731,412)
Past service cost	—	—	—	178,961
Amortization of actuarial gain	(335,927)	(78,203)	(414,130)	(414,130)
Employee future benefits payable, end of year	\$ 15,746,608	\$ 2,209,819	\$ 17,956,427	\$ 18,093,191
Employee future benefits payable consists of:				
Unfunded accrued benefit obligations	\$ 13,059,196	\$ 1,584,193	\$ 14,643,389	\$ 14,366,025
Unamortized actuarial gain	2,687,412	625,626	3,313,038	3,727,166
	\$ 15,746,608	\$ 2,209,819	\$ 17,956,427	\$ 18,093,191

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

7. Employee benefits payable (continued):

(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% (2022 - 9.0%) for earnings up to the annual maximum pensionable earnings of \$66,600 (2022 - \$64,900) and at a rate of 14.6% (2022 - 14.6%) for earnings greater than the annual maximum pensionable earnings.

Contributions for employees with a normal retirement age of 60 were being made at a rate of 9.2% (2022 - 9.2%) for earnings up to the annual maximum pensionable earnings of \$66,600 (2022 - \$64,900) and at a rate of 15.8% (2022 - 15.8%) for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2023 was \$5,052,527 (2022 - \$4,515,046) 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, 2023 indicated a deficit of \$4.2 billion (2022 - deficit of \$6.7 billion) 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) Reserve fund

A reserve fund of \$5,052,014 (2022 - \$8,609,635) has been established to partially provide for these liabilities and are reported in Schedule 1 to the consolidated financial statements.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

8. Deferred revenue:

The deferred revenue balance consists of the following:

Cost	Balance at December 31, 2022	Additions	Transferred to income	Balance at December 31, 2023
Obligatory reserve funds:				
Development charges	\$ 37,549,410	\$ 29,680,851	\$ (2,959,693)	\$ 64,270,568
Park	445,154	39,953	–	485,107
Building code act	8,025,354	539,550	–	8,564,904
Provincial gas tax	2,124,230	1,121,891	(888,252)	2,357,869
Canada Community Building Fund	8,203,448	3,784,456	(2,541,796)	9,446,108
Ontario Community Infrastructure Fund	7,450,301	8,068,091	(3,322,157)	12,196,235
Other:				
Belleville Public Library Centre and South Hastings Waste Services Board	29,833	218	(10,566)	19,485
Belleville Downtown Improvement Area	19,532	–	(3,668)	15,864
Government transfers	10,326	–	(10,326)	–
Prepaid taxation	7,806	364,349	(7,806)	364,349
Miscellaneous	880,439	858,687	(880,439)	858,687
	113,386	(229,683)	421,221	304,924
Total	\$ 64,859,219	\$ 44,228,363	\$ (10,203,482)	\$ 98,884,100

In accordance with the Development Charges Act (the “Act”), the City entered into arrangements with developers to defer the payment of the underlying development charges to a future date. The amounts plus interest are repayable in instalments as outlined in the Act upon occupancy. The total value of these arrangements is \$4,073,189 (2022 - \$495,685) and is included in development charges above with a corresponding amount in accounts receivable on the Consolidated Statement of Financial Position.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

9. Municipal debt:

The municipal debt balance consists of the following:

Debt instrument	Interest rate	Payment frequency	Payment type	Payment amount	Maturity date	2023	2022
Debenture	3.19%	Semi-Annual	Principal and interest	71,745	Jun-27	\$ 471,638	\$ 597,071
Debenture	2.46%	Semi-Annual	Principal and interest	34,454	Oct-31	497,649	553,286
Debenture	3.47%	Semi-Annual	Principal and interest	129,050	Jun-32	1,885,877	2,073,636
Debenture	3.19%	Semi-Annual	Principal and interest	759,638	Apr-33	12,367,069	13,465,486
Debenture	3.86%	Monthly	Principal and interest	235,860	Jul-33	22,642,379	24,558,403
Debenture	3.34%	Semi-Annual	Principal and interest	1,143,829	Nov-35	22,465,315	23,964,962
Debenture	2.78%	Semi-Annual	Principal and interest	849,329	Oct-36	18,426,379	19,588,497
Debenture	1.88%	Semi-Annual	Principal and interest	46,475	Dec-35	994,380	1,067,603
Debenture	2.13%	Semi-Annual	Principal and interest	182,839	Dec-40	5,192,501	5,443,561
Debenture	2.30%	Semi-Annual	Principal and interest	331,627	Dec-45	11,400,876	11,795,096
Debenture	5.01%	Monthly	Principal and interest	143,742	Dec-48	24,564,000	–
						\$ 120,908,063	\$ 103,107,601
Long-term debt is comprised of:							
Tax supported						\$ 105,657,774	\$ 86,748,858
User fee supported debt						15,250,289	16,358,743
						\$ 120,908,063	\$ 103,107,601

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

9. Municipal debt (continued):

Principal and interest repayments are estimated to be as follows:

	Principal	Interest	Total
2024	\$ 7,490,793	\$ 4,162,399	\$ 11,653,192
2025	7,745,670	3,907,520	11,653,190
2026	8,009,582	3,643,600	11,653,182
2027	8,211,122	3,370,314	11,581,436
2028 and thereafter	89,450,896	23,392,918	112,843,814
	<u>\$ 120,908,063</u>	<u>\$ 38,476,751</u>	<u>\$ 159,384,814</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 \$3,207,703 (2022 - \$3,417,718).

During the year, the Corporation repaid temporary construction advance. The balance of the temporary construction advance as of December 31, 2023 was \$Nil (2022 - \$3,100,000).

10. Related party transactions and balances:

Elexicon Corporation

The Corporation is a shareholder in Elexicon Corporation (note 5) and receives electricity and other services from this company.

	2023	2022
Related party balances:		
Accounts receivable	\$ 109,324	\$ 95,855
Accounts payable and accrued liabilities	482,149	393,232
Promissory notes receivable (note 4)	7,794,000	7,794,000
Related party transactions:		
Revenues:		
Interest on promissory notes	321,892	321,892
Property taxes paid	109,426	73,659
Expenses:		
Electrical energy and services	3,000,295	2,708,416

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

11. Contingent liabilities and commitments:

- (a) 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, 2027. During the year, payments under the agreement totalled \$3,422,133 (2022 - \$3,314,233).
- (b) The Corporation has an agreement with the City of Peterborough for the supply and delivery of fire dispatch services to December 31, 2028 totaling \$1,858,770 plus HST per annum with the option for a five-year extension.
- (c) As at December 31, 2023 the Corporation has outstanding capital project contractual commitments of approximately \$20,803,800 (2022 - \$22,482,700).
- (d) As at December 31, 2023, 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.

12. 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, 2023, the balance of the outstanding contractual rights not accrued in the financial statements is \$9,932,163.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

12. Contractual rights (continued):

(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.

13. Accumulated surplus:

The accumulated surplus position is comprised of the following:

	2023	2022
		(Restated - Note 19)
Net book value of tangible capital assets	\$ 714,233,993	\$ 698,479,766
Less: related debt	120,908,063	106,207,601
Equity in tangible capital assets	593,325,930	592,272,165
Capital projects	9,080,181	(9,475,470)
Reserves and reserve funds (Schedule 1)	98,970,567	107,701,759
Amounts to be recovered:		
Asset retirement obligations	(6,523,058)	(6,444,138)
Employee costs	(19,750,998)	(19,933,605)
Contaminated sites	(320,000)	(320,000)
Assets held for resale	13,511,475	15,156,487
Equity in government business partnership (note 5)	30,800,453	31,568,686
Unrestricted surplus (deficit):		
City of Belleville	—	—
Belleville Public Library Board	204,004	190,224
Belleville Downtown Improvement Area	84,300	46,129
Centre and South Hastings Waste Services Board	(640,914)	(390,529)
	\$ 718,741,940	\$ 710,371,708

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

14. Operations of school board:

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

	2023	2022
Taxation	\$ 18,751,369	\$ 17,428,342
Requisitions	(18,751,369)	(17,428,342)
	\$ —	\$ —

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

15. Tangible capital assets:

2023	GENERAL					INFRASTRUCTURE					Total	
	Land and land 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
Cost												
Opening cost	\$ 79,521,477	\$ 149,343,562	\$ 35,529,300	\$ 8,982,887	\$ 25,594,045	\$ 4,924,670	\$ 113,932,035	\$ 364,768,073	\$ 366,313,981	\$ 52,014,569	\$ 26,514,872	\$ 1,227,439,471
Additions during the year	7,525,436	2,965,062	5,602,004	1,604,757	3,052,630	16,956,097	872,361	15,322,139	20,330,853	654,265	20,639,289	95,524,893
Disposals during the year	(2,935)	(3,969)	(1,730,495)	(61,559)	(332,881)	(17,623,225)		(808,340)	(528,841)	(13,171)	(33,876,513)	(54,981,929)
Closing cost	87,043,978	152,304,655	39,400,809	10,526,085	28,313,794	4,257,542	114,804,396	379,281,872	386,115,993	52,655,663	13,277,648	1,267,982,435
Accumulated amortization												
Opening accumulated amortization	22,895,416	36,688,299	18,599,275	5,711,330	16,517,610	-	53,981,290	250,942,022	111,506,612	12,117,851	-	528,959,705
Amortization during the year	2,618,301	4,182,578	2,530,536	1,376,133	1,437,590	-	2,558,362	7,038,639	5,320,275	757,374	-	27,819,788
Disposals and writedowns	(1,087)	(10,839)	(1,587,058)	(61,434)	(314,915)	-		(634,231)	(408,316)	(13,171)	-	(3,031,051)
Closing accumulated amortization	25,512,630	40,860,038	19,542,753	7,026,029	17,640,285	-	56,539,652	257,346,430	116,418,571	12,862,054	-	553,748,442
Net book value	\$ 61,531,348	\$ 111,444,617	\$ 19,858,056	\$ 3,500,056	\$ 10,673,509	\$ 4,257,542	\$ 58,264,744	\$ 121,935,442	\$ 269,697,422	\$ 39,793,609	\$ 13,277,648	\$ 714,233,993

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

15. Tangible capital assets (continued):

2022	GENERAL					INFRASTRUCTURE						Total
	Land and land 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	
(Restated - Note 19)												
Cost												
Opening cost, as previously stated	\$ 76,221,631	\$ 147,209,954	\$ 38,242,061	\$ 8,540,159	\$ 21,477,103	\$ 1,645,947	\$ 113,396,005	\$ 360,373,988	\$ 363,546,411	\$ 46,934,564	\$ 13,906,334	\$ 1,191,494,157
Adjustment on adoption of PS3280 Asset Retirement Obligations (note 19)	-	-	-	-	4,039,394	-	-	-	-	-	-	4,039,394
Opening cost, as restated	76,221,631	147,209,954	38,242,061	8,540,159	25,516,497	1,645,947	113,396,005	360,373,988	363,546,411	46,934,564	13,906,334	1,195,533,551
Additions during the year	3,299,846	2,165,482	1,168,196	597,481	959,390	9,688,056	536,030	5,923,405	2,784,772	5,121,773	26,891,596	59,136,027
Disposals during the year	-	(31,874)	(3,880,957)	(154,753)	(881,842)	(6,409,333)	-	(1,529,320)	(17,202)	(41,768)	(14,283,058)	(27,230,107)
Closing cost	79,521,477	149,343,562	35,529,300	8,982,887	25,594,045	4,924,670	113,932,035	364,768,073	366,313,981	52,014,569	26,514,872	1,227,439,471
Accumulated amortization												
Opening accumulated amortization, as previously stated	20,512,200	32,589,881	19,425,925	4,605,518	12,540,604	-	51,458,202	245,108,627	106,356,620	11,441,213	-	504,038,790
Adjustment on adoption of PS3280 Asset Retirement Obligations (note 19)	-	-	-	-	3,436,105	-	-	-	-	-	-	3,436,105
Opening accumulated amortization, as restated	20,512,200	32,589,881	19,425,925	4,605,518	15,976,709	-	51,458,202	245,108,627	106,356,620	11,441,213	-	507,474,895
Amortization during the year	2,383,216	4,106,445	2,569,132	1,260,565	1,419,355	-	2,523,088	7,362,715	5,167,193	713,817	-	27,505,526
Disposals and writedowns	-	(8,027)	(3,395,782)	(154,753)	(878,454)	-	-	(1,529,320)	(17,201)	(37,179)	-	(6,020,716)
Closing accumulated amortization	22,895,416	36,688,299	18,599,275	5,711,330	16,517,610	-	53,981,290	250,942,022	111,506,612	12,117,851	-	528,959,705
Net book value	\$ 56,626,061	\$ 112,655,263	\$ 16,930,025	\$ 3,271,557	\$ 9,076,435	\$ 4,924,670	\$ 59,950,745	\$ 113,826,051	\$ 254,807,369	\$ 39,896,718	\$ 26,514,872	\$ 698,479,766

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

16. 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 Schedule 2. 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.

17. 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 3).

18. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.

19. Change in accounting policies:

The Corporation adopted the following standards concurrently beginning January 1, 2023 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments*, and PS 3450 *Financial Instruments*.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

19. Change in accounting policies (continued):

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Consolidated Statement of Remeasurement Gains and Losses separate from the Consolidated Statement of Operations and Accumulated Surplus. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denoted in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date.

PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the new Consolidated Statement of Remeasurement Gains and Losses.

In accordance with PS 3450 *Financial Instruments*, the financial statements of prior periods were not restated on transition. Consequently, the accounting policies for recognition, derecognition and measurement of financial instruments applied to the comparative information reflect those disclosed in the 2022 financial statements.

PS 3280 Asset Retirement Obligations:

On January 1, 2022, the Corporation adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing accounting standard PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. The standard was adopted on the modified retroactive basis at the date of adoption. Under the modified retroactive method of adoption, the assumptions used to estimate the Corporation's asset retirement obligations are applied as of the date of adoption for the standard.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

19. Change in accounting policies (continued):

The Corporation removed the accrued landfill obligation that had been recognized to date and recognized an asset retirement obligation upon adoption of PS 3280 on January 1, 2022. The liability represents the required closure and post-closure care costs for the landfill site owned by the Corporation.

On January 1, 2022, the Corporation recognized an additional asset retirement obligation relating to several buildings owned by the Corporation that contain asbestos and underground fuel tanks. The Corporation did not reassess the useful life of the assets as it was deemed impractical to do so.

In accordance with the provisions of this new standard, the Corporation reflected the following adjustments as at December 31, 2022:

2022	As previously reported	Adjustments	As restated
Consolidated Statement of Financial Position:			
Tangible capital assets	\$ 697,948,197	\$ 531,569	\$ 698,479,766
Asset retirement obligations	–	6,444,138	6,444,138
Other liabilities	2,800,000	(2,800,000)	–
Accumulated surplus	713,484,277	(3,112,569)	710,371,708
Consolidated Statement of Changes in Net Financial Assets:			
Annual surplus	8,423,677	(30,638)	8,393,039
Amortization of tangible capital assets	27,433,806	71,720	27,505,526
Change in net financial assets	(2,241,039)	41,082	(2,199,957)
Consolidated Statement of Operations and Accumulated Surplus:			
Amortization of tangible capital assets	27,433,806	71,720	27,505,526
Accretion expense	–	78,918	78,918
Adjustment to landfill liability	120,000	(120,000)	–
Annual surplus	8,423,677	(30,638)	8,393,039

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

20. Financial instruments and risk management:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. City is exposed to credit risk with respect to accounts receivable and taxes (collectively its “receivables”) on the Consolidated Statement of Financial Position.

The City assesses, on a continuous basis, its receivables and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the City at December 31, 2023 is the carrying value of these assets. The carrying amount of receivables is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Consolidated Statement of Operations and Accumulated Surplus. Subsequent recoveries of impairment losses related to receivables are credited to the Consolidated Statement of Operations and Accumulated Surplus.

	Current	Past due	Gross receivables	Allowances	Net receivables
Accounts receivable	\$ 18,599,372	\$ 1,580,063	\$ 20,179,435	\$ (101,672)	\$ 20,077,763
Taxes receivable	281,732	5,293,561	5,575,293	–	5,575,293
	\$ 18,881,104	\$ 6,873,624	\$ 25,754,728	\$ (101,672)	\$ 25,653,056

Amounts past due but not allowed for are deemed by management to be collectible based on historical experience regarding collections.

The City follows an investment policy approved by Council. The maximum exposure to credit risk with respect to portfolio investments of the City at December 31, 2023 is the carrying value of the investments.

(b) Market risk:

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and other price risks, will affect the City’s net results of operations or the fair value of its holdings of financial instruments. Market risk includes three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency risk:

Currency risk arises from the City’s operations in different currencies and converting non-Canadian earnings at different points in time at different foreign currency levels when adverse changes in foreign currency rates occur. The City does not have any material transactions or financial instruments denominated in foreign currencies.

CORPORATION OF THE CITY OF BELLEVILLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

20. Financial instruments and risk management (continued):

(b) Market risk (continued):

(ii) Interest rate risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. Financial assets and financial liabilities with variable interest rates expose the City to this risk.

The City is exposed to this risk through its interest-bearing investments, including fixed income securities and mutual funds/segregated funds. As at December 31, 2023, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve with all other variables held constant, the estimated impact on the market value of investments would be approximately \$1,003,724 (2022 - \$778,099). This risk is mitigated by the City's intention to hold these investments to maturity.

In addition to the above, the City is exposed to interest rate risk as it has municipal debt bearing interest at a fixed rate as described in note 9. As prevailing interest rates fluctuate, the market value of these debts will fluctuate. This risk is mitigated by the City's intention to hold the debt to maturity.

(iii) Other price risk:

Other price risk arises when the fair value of equity funds changes due to a decrease in a stock market index or other risk variables. The City is exposed to this risk through the principal protected notes held in its investment portfolio. As at December 31, 2023, a 1% movement in the stock markets, with all other variables held constant, would have an estimated effect on the market values of the City's principal protected notes of \$465,171 (2022 - \$200,000).

(c) Liquidity risk:

Liquidity risk is the risk that the City will not be able to meet all of its cash outflow obligations as they come due. The City mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting. Accounts payable and accrued liabilities are all current and the terms of municipal debt is disclosed in note 9.

There have been no significant changes to these risk exposures from 2022.

CORPORATION OF THE CITY OF BELLEVILLE

Schedule 1: Continuity of Reserves and Reserve Funds

Year ended December 31, 2023

	Balance	Revenue Contributions				Transfers				Balance
	Jan. 1, 2023	Interest	Operations	Capital	TOTAL	Operations	Capital	Interfund	TOTAL	Dec. 31, 2023
Reserves										
Belleville Library	42,694	-	-	-	-	-	-	14,301	14,301	28,393
Centre & South Hastings Waste Services	693,068	-	-	-	-	19,058	-	-	19,058	674,010
Belleville Downtown Improvement	29,259	-	-	-	-	-	13,000	-	13,000	16,259
Future Expenditures	2,897,761	-	-	-	-	698,945	-	2,198,816	2,897,761	-
	3,662,782	-	-	-	-	718,003	13,000	2,213,117	2,944,120	718,662
Reserve Funds										
Accessibility	19,729	854	-	-	854	-	-	-	-	20,583
Archives Facility	90,959	3,936	-	-	3,936	-	-	-	-	94,895
Arts & Culture	4,303	186	-	-	186	-	-	4,489	4,489	-
Asset Management	15,846,570	634,893	11,439,536	2,761,619	14,836,048	3,000,000	9,873,354	(946,673)	11,926,681	18,755,937
Belleville Library	161,438	1,909	83,678	-	85,587	4,386	-	(14,301)	(9,915)	256,940
Brownfields Development	217,057	9,393	-	-	9,393	-	-	226,450	226,450	-
Canada Day	43,602	1,887	-	-	1,887	-	-	45,489	45,489	-
Casino	4,787,996	168,587	3,520,437	345,910	4,034,934	362,108	3,155,764	-	3,517,872	5,305,058
Community Improvement Plan (CIP)	1,361,369	58,916	-	-	58,916	-	-	(489,859)	(489,859)	1,910,144
Election Expenses	109,124	5,805	48,972	-	54,777	-	-	-	-	163,901
Ellexicon Revenue	1,040,649	33,459	1,090,577	61,360	1,185,396	908,137	-	-	908,137	1,317,908
Environmental	4,224,055	182,372	100,000	-	282,372	-	126,106	(65,506)	60,600	4,445,827
Façade Improvement	278,921	11,487	-	-	11,487	27,000	-	263,408	290,408	-
Flood Control	395,844	17,131	-	-	17,131	-	-	412,975	412,975	-
Future Employee Benefits	8,609,635	374,079	550,000	-	924,079	481,700	-	4,000,000	4,481,700	5,052,014
Industrial Land	807,286	20,872	354,218	-	375,090	-	650,000	-	650,000	532,376
Infrastructure Oversizing - Wastewater	419,130	19,221	50,000	-	69,221	-	-	488,351	488,351	-
Infrastructure Oversizing - Water	454,645	19,675	-	-	19,675	-	-	474,320	474,320	-
Municipal Accomodation Tax	628,920	31,971	579,394	1,621	612,986	198,088	55,000	-	253,088	988,818
Museum Collections	6,105	264	-	-	264	-	-	-	-	6,369
Museum Improvements	21,981	497	-	-	497	21,003	-	1,475	22,478	-
Parking Development	823,736	32,132	142,950	24,883	199,965	-	175,000	-	175,000	848,701
Police	3,288,138	127,591	658,804	4,121	790,516	-	3,330,860	-	3,330,860	747,794
Retirement & Leave	-	-	-	-	-	-	-	(4,000,000)	(4,000,000)	4,000,000
Sanitary Sewer	5,195,820	178,348	5,919,148	1,134,605	7,232,101	8,818,278	1,716,992	(488,350)	10,046,920	2,381,001
Solar	643,864	17,556	143,600	-	161,156	-	620,000	185,020	805,020	-
Stormwater Management	834,402	33,773	17,000	-	50,773	-	125,000	760,175	885,175	-
Tax Rate Stabilization	15,057,993	478,261	3,124,158	-	3,602,419	11,639,124	-	(2,248,794)	9,390,330	9,270,082
Thurlow Landfill	980,756	44,175	80,000	-	124,175	-	-	-	-	1,104,931
Waste Management	62,789	2,718	-	-	2,718	-	-	65,507	65,507	-
Water Service	36,695,866	-	10,520,912	1,823,219	12,344,131	3,238,662	6,702,426	(474,320)	9,466,768	39,573,229
Winter Control	926,295	40,087	96,042	-	136,129	-	-	(412,973)	(412,973)	1,475,397
	104,038,977	2,552,035	38,519,426	6,157,338	47,228,799	28,698,486	26,530,502	(2,213,117)	53,015,871	98,251,905
TOTALS	107,701,759	2,552,035	38,519,426	6,157,338	47,228,799	29,416,489	26,543,502	-	55,959,991	98,970,567

CORPORATION OF THE CITY OF BELLEVILLE

Schedule 2: Segment Disclosure Statement of Operations

Year ended December 31, 2023

2023	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Social Housing	Total
Revenue										
Municipal taxation	\$ 19,087,376	\$ 36,134,976	\$ 18,386,957	\$ 2,531,797	\$ 6,106,329	\$ 5,836,598	\$ 17,254,399	\$ 3,522,667	\$ 6,515,241	\$ 115,376,340
Taxation from other governments	454,526	947,550	320,674	70,974	144,844	138,446	410,627	76,353	154,543	2,718,537
User charges	1,299,909	2,286,887	2,948,583	32,337,163	-	-	3,565,083	1,830,299	-	44,267,924
Grants - Government of Canada	-	2,867	52,751	-	-	-	7,806	-	-	63,424
Grants - Province of Ontario	159,174	1,772,180	214,455	69,100	-	-	187,768	287,585	-	2,690,262
Grants - other municipalities	-	298,808	-	1,955	-	-	-	-	-	300,763
Fines	-	71,930	291,387	-	-	-	-	-	-	363,317
Investment income	741,827	-	-	2,049,171	-	-	32,792	-	-	2,823,790
Interest and penalties on taxes	787,333	-	-	-	-	-	-	-	-	787,333
Development charges	-	192,266	75,356	229,603	-	-	460,992	204,201	-	1,162,418
Donations	-	-	-	-	10,000	-	127,788	-	-	137,788
Ontario Lottery and Gaming Corporation	3,520,437	-	-	-	-	-	-	-	-	3,520,437
Other	-	-	-	-	-	-	-	354,217	-	354,217
	26,050,582	41,707,464	22,290,163	37,289,763	6,261,173	5,975,044	22,047,255	6,275,322	6,669,784	174,566,550
Expenses										
Salaries, wages and employee benefits	8,113,698	34,743,209	10,137,812	5,662,196	165,779	-	10,865,790	1,627,095	-	71,315,579
Interest on long-term debt	-	186,753	1,264,002	529,340	-	-	890,931	336,677	-	3,207,703
Materials and supplies	2,366,104	4,553,210	7,609,386	4,289,309	48,481	-	5,898,855	816,303	-	25,581,648
Contracted services and general services	1,152,431	924,496	1,099,408	9,366,473	1,450	-	613,710	389,527	-	13,547,495
Rents and financial expenses	8,793,848	140,703	165,131	12,633,726	-	-	94,772	37,018	-	21,865,198
External transfers	921,734	1,052,783	-	-	6,280,930	7,173,102	-	1,284,752	6,263,339	22,976,640
Interfunctional adjustments	(312,600)	65,000	(70,500)	293,100	-	-	25,000	-	-	-
Amortization	503,146	3,438,854	10,367,599	8,467,422	-	-	5,008,461	34,306	-	27,819,788
	21,538,361	45,105,008	30,572,838	41,241,566	6,496,640	7,173,102	23,397,519	4,525,678	6,263,339	186,314,051
Annual operating surplus (deficit)	\$ 4,512,221	\$ (3,397,544)	\$ (8,282,675)	\$ (3,951,803)	\$ (235,467)	\$ (1,198,058)	\$ (1,350,264)	\$ 1,749,644	\$ 406,445	\$ (11,747,501)

CORPORATION OF THE CITY OF BELLEVILLE

Schedule 2: Segment Disclosure Statement of Operations (continued)

Year ended December 31, 2023

2022	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Social Housing	Total
										(Restated - Note 19)
Revenue										
Municipal taxation	\$ 10,387,447	\$ 34,600,240	\$ 17,562,867	\$ 2,287,103	\$ 5,164,470	\$ 5,379,467	\$ 16,388,610	\$ 3,636,369	\$ 5,615,046	\$ 101,021,619
Taxation from other governments	407,095	919,561	325,437	71,642	130,064	135,478	413,727	84,620	141,411	2,629,035
User charges	1,588,606	1,907,360	2,438,288	31,753,379	-	-	2,708,456	1,680,025	-	42,076,114
Grants - Government of Canada	-	17,713	21,394	-	-	-	86,312	-	-	125,419
Grants - Province of Ontario	69,003	1,678,931	979,300	350,211	-	-	245,056	557,633	-	3,880,134
Grants - Other Municipalities	-	710,156	-	3,537	-	-	-	-	-	713,693
Fines	-	122,180	255,660	-	-	-	-	-	-	377,840
Investment income	2,282,757	-	-	1,044,070	-	-	19,260	-	-	3,346,087
Interest and penalties on taxes	624,050	-	-	-	-	-	-	-	-	624,050
Development charges	-	192,234	60,253	229,611	-	-	461,052	260,400	-	1,203,550
Donations	-	-	-	-	-	-	120,269	-	-	120,269
Ontario Lottery and Gaming Corporation	3,144,852	-	-	-	-	-	-	-	-	3,144,852
Other	-	-	-	-	-	-	86,779	1,789,229	-	1,876,008
	18,503,810	40,148,375	21,643,199	35,739,553	5,294,534	5,514,945	20,529,521	8,008,276	5,756,457	161,138,670
Expenses										
Salaries, wages and employee benefits	7,357,768	32,888,783	10,161,357	5,258,952	513	-	10,131,574	1,469,700	-	67,268,647
Interest on long-term debt	-	203,328	1,324,064	565,329	-	-	962,708	362,289	-	3,417,718
Materials and supplies	2,094,234	4,062,596	7,621,714	3,532,820	-	-	5,438,184	1,181,539	-	23,931,087
Contracted services and general services	1,163,458	801,971	1,403,314	9,326,534	-	-	661,772	495,928	-	13,852,977
Rents and financial expenses	7,015,896	120,277	84,398	8,969,707	-	-	72,234	22,336	-	16,284,848
External transfers	1,155,343	950,467	10,425	-	5,921,557	5,474,922	-	977,873	5,808,566	20,299,153
Interfunctional adjustments	(228,700)	50,000	(50,500)	204,200	-	-	25,000	-	-	-
Amortization	416,894	3,295,307	10,708,839	8,278,691	-	-	4,772,158	33,637	-	27,505,526
	18,974,893	42,372,729	31,263,611	36,136,233	5,922,070	5,474,922	22,063,630	4,543,302	5,808,566	172,559,956
Annual operating surplus (deficit)	\$ (471,083)	\$ (2,224,354)	\$ (9,620,412)	\$ (396,680)	\$ (627,536)	\$ 40,023	\$ (1,534,109)	\$ 3,464,974	\$ (52,109)	\$ (11,421,286)

CORPORATION OF THE CITY OF BELLEVILLE

Schedule 3: Reconciliation of Financial Plan to Budget

Year ended December 31, 2023

	OPERATING BUDGET	CAPITAL BUDGET	RESERVES AND RESERVE FUNDS	TCA ADJUSTMENTS	BELLEVILLE LIBRARY BOARD	BELLEVILLE DOWNTOWN IMPROVEMENT AREA	CENTRE & SOUTH HASTINGS WASTE SERVICES	ELIMINATIONS	PSAB BUDGET
REVENUES									
Municipal taxation	114,703,900	-	-	-	-	311,700	-	(1,188,800)	113,826,800
Taxation from other governments	2,725,200	-	-	-	-	-	-	-	2,725,200
User charges	43,945,800	-	-	-	79,500	-	1,058,300	(344,800)	44,738,800
Grants - Government of Canada	102,200	-	-	-	4,500	-	-	-	106,700
Grants - Province of Ontario	3,524,400	-	-	-	94,500	-	-	-	3,618,900
Grants - Other Municipalities	318,800	-	-	-	2,555,400	-	1,584,700	(4,072,700)	386,200
Fines	395,000	-	-	-	-	-	-	-	395,000
Investment income	2,570,000	-	-	-	-	-	8,200	-	2,578,200
Interest and penalties on taxes	650,000	-	-	-	-	-	-	-	650,000
Development charges	1,887,800	-	-	-	-	-	-	-	1,887,800
Donations	79,500	-	-	-	6,500	-	-	-	86,000
Ontario Lottery and Gaming Corporation	3,000,000	-	-	-	-	-	-	-	3,000,000
	173,902,600	-	-	-	2,740,400	311,700	2,651,200	(5,606,300)	173,999,600
EXPENSES									
General government	19,835,200	-	-	503,000	-	-	-	(85,900)	20,252,300
Protection to persons and property	41,868,900	-	-	3,439,000	-	-	-	(22,400)	45,285,500
Transportation services	20,619,700	-	-	10,368,000	-	-	-	(186,500)	30,801,200
Environmental services	29,482,900	-	-	8,467,000	-	-	2,805,700	(2,125,000)	38,630,600
Health services	6,818,500	-	-	-	-	-	-	-	6,818,500
Social and family services	5,710,900	-	-	-	-	-	-	-	5,710,900
Recreation and cultural services	18,700,800	-	-	5,008,000	2,770,400	-	-	(2,868,000)	23,611,200
Planning and development	5,463,600	-	-	3,000	-	311,700	-	(318,500)	5,459,800
Social housing	6,263,300	-	-	-	-	-	-	-	6,263,300
	154,763,800	-	-	27,788,000	2,770,400	311,700	2,805,700	(5,606,300)	182,833,300
CAPITAL									
General government	-	850,000	-	(850,000)	-	-	-	-	-
Protection to persons and property	-	4,975,300	-	(4,975,300)	-	-	-	-	-
Transportation services	-	33,338,100	-	(33,338,100)	-	-	-	-	-
Environmental services	-	16,748,000	-	(16,748,000)	-	-	-	-	-
Recreation and cultural services	-	4,733,500	-	(4,733,500)	-	-	-	-	-
	-	60,644,900	-	(60,644,900)	-	-	-	-	-
ANNUAL OPERATING SURPLUS (DEFICIT)	19,138,800	(60,644,900)	-	32,856,900	(30,000)	-	(154,500)	-	(8,833,700)
REVENUE RELATED TO CAPITAL									
Municipal taxation	-	-	-	-	-	-	-	-	-
Grants - Government of Canada	-	7,170,000	-	-	-	-	-	-	7,170,000
Grants - Province of Ontario	-	9,725,000	-	-	-	-	-	-	9,725,000
Development charges	-	1,956,900	-	-	30,000	-	-	-	1,986,900
Donations	-	1,400,600	-	-	-	-	-	-	1,400,600
	-	20,252,500	-	-	30,000	-	-	-	20,282,500
FINANCING AND TRANSFERS									
Debtenture and other long-term borrowing	-	17,194,400	-	(17,194,400)	-	-	-	-	-
Debt repayment	(7,117,900)	-	-	7,117,900	-	-	-	-	-
Transfers from (to) other funds	(12,020,900)	23,198,000	(11,177,100)	-	-	-	-	-	-
	(19,138,800)	40,392,400	(11,177,100)	(10,076,500)	-	-	-	-	-
ANNUAL SURPLUS (DEFICIT)	-	-	(11,177,100)	22,780,400	-	-	(154,500)	-	11,448,800