

**Corporation of the City of
Brockville
Consolidated
Financial Statements
For the year ended December 31, 2019**

Corporation of the City of Brockville
Consolidated Financial Statements
For the year ended December 31, 2019

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To the of Corporation of the City of Brockville:

Qualified Opinion

We have audited the consolidated financial statements of Corporation of the City of Brockville (the "City"), 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 liabilities and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2019, and the results of its consolidated operations and accumulated surplus, change in net financial liabilities and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The City derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the City and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, annual surplus, assets and changes in accumulated surplus.

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

Other Matter

The consolidated financial statements of the City for the year ended December 31, 2018 were audited by Baker Tilly SEO LLP of Kingston, Ontario, Canada. Baker Tilly SEO LLP expressed a modified opinion on those statements on September 24, 2019 for the reasons described in the Basis for Qualified opinion paragraph.

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 City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 City 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Kingston, Ontario
November 24, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP
LLP

MANAGEMENT REPORT

**Corporation of the City of Brockville
For the Year Ended December 31, 2019**

The accompanying consolidated financial statements of the Corporation of the City of Brockville (the "City") are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The City maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the City's assets are appropriately accounted for and adequately safeguarded.

The City's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the City's financial statements for issuance to the members of Council, inhabitants and rate payers of the Corporation of the City of Brockville. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the consolidated financial statements and the independent auditor's report.

The consolidated financial statements have been audited by MNP LLP in accordance with generally accepted auditing standards on behalf of the City. MNP LLP has full and free access to Council.

Mayor _____ Date _____

Treasurer _____ Date _____

Corporation of the City of Brockville

Consolidated Statement of Financial Position

December 31, 2019, with comparative figures for 2018

	2019	2018
Financial assets		
Cash and short-term investments (note 1)	\$ 23,449,871	\$ 12,504,024
Long-term investments (Water & Wastewater) (note 2)	2,000,000	2,000,000
Taxes receivable	5,452,259	5,266,240
Accounts receivable	3,402,970	4,274,744
	<u>34,305,100</u>	<u>24,045,008</u>
Financial liabilities		
Accounts payable and accrued liabilities	8,815,949	10,317,841
Accrued interest on net long-term liabilities	184,492	178,638
Deferred revenues - obligatory reserve funds (note 3)	3,661,714	2,432,671
Other deferred revenues (note 3)	1,290,146	680,800
Employee future benefits (note 4)	8,033,003	7,767,335
Solid waste landfill closure and post-closure liabilities (note 5)	2,455,000	2,455,000
Net long-term liabilities (note 6)	25,762,031	23,717,927
	<u>50,202,335</u>	<u>47,550,212</u>
Net financial liabilities	<u>(15,897,235)</u>	<u>(23,505,204)</u>
Non-financial assets		
Tangible capital assets (note 7)	114,244,678	115,047,175
Land held for sale	1,413,883	1,413,883
Investment in Aquatarium (note 8)	20,729,363	20,729,363
Inventory of supplies	547,243	573,261
Prepaid expenses	226,685	121,741
	<u>137,161,852</u>	<u>137,885,423</u>
Commitments (note 9)		
Contingencies (notes 6 and 10)		
Accumulated surplus (note 11)	\$ 121,264,617	\$ 114,380,219

Corporation of the City of Brockville

Consolidated Statement of Operations and Accumulated Surplus

December 31, 2019, with comparative figures for 2018

	Budget 2019	Actual 2019	Actual 2018
	(Note 16)		
Revenues			
Property taxation	\$ 36,398,298	\$ 36,707,192	\$ 35,081,420
Taxation from other governments	331,675	297,756	232,865
User charges	15,097,177	15,047,781	14,832,893
Charges to other municipalities	1,171,785	1,121,094	1,379,347
Government grants (note 12)	5,609,748	6,035,416	4,809,876
Contributions from developers	-	79,451	-
Penalties and interest on taxes	626,006	794,478	721,597
Investment income	130,000	407,618	172,565
Donations and fundraising	296,850	713,412	1,886,681
Gain on disposal of tangible capital assets	18,000	2,713	221,276
Recovery of expenses and miscellaneous	480,258	1,324,822	1,123,294
	60,159,797	62,531,733	60,461,814
Expenses			
General government	4,891,263	4,536,570	5,142,346
Protection to persons and property	15,862,568	16,616,813	15,979,690
Transportation services	6,169,188	8,000,433	7,832,885
Environmental services	10,752,132	10,838,405	11,012,596
Health services	2,001,909	2,291,402	2,212,755
Social and family services	3,153,895	2,710,082	2,604,908
Social housing	1,048,604	1,201,123	996,049
Recreation and cultural services	6,313,248	6,893,810	7,563,069
Planning and development	2,388,000	2,558,697	2,675,072
	52,580,807	55,647,335	56,019,370
Annual surplus	7,578,990	6,884,398	4,442,444
Accumulated surplus, beginning of year		114,380,219	109,937,775
Accumulated surplus, end of year (note 11)		\$ 121,264,617	\$ 114,380,219

Corporation of the City of Brockville

Consolidated Statement of Change in Net Financial Liabilities

December 31, 2019, with comparative figures for 2018

	Budget 2019	Actual 2019	Actual 2018
	(Note 16)		
Annual Surplus	7,578,989	\$ 6,884,398	\$ 4,442,444
Acquisition of tangible capital assets (note 7)	(4,067,788)	(4,049,053)	(4,352,959)
Amortization of tangible capital assets (note 7)	-	4,664,689	4,713,654
Gain on disposal of tangible capital assets	-	184,148	(46,225)
Proceeds from disposal of tangible capital assets	-	2,713	272,580
	3,511,201	7,686,895	5,029,494
Change in inventory of supplies	-	26,018	1,265
Change in prepaid expenses	-	(104,944)	798,959
Change in net financial liabilities	3,511,201	7,607,969	5,829,718
Net financial liabilities, beginning of year		(23,505,204)	(29,334,922)
Net financial liabilities, end of year		\$ (15,897,235)	\$ (23,505,204)

Corporation of the City of Brockville

Consolidated Statement of Cash Flows

December 31, 2019, with comparative figures for 2018

	2019	2018
Cash Provided by (used for)		
Operating activities		
Annual surplus	\$ 6,884,398	\$ 4,442,444
Items not involving cash		
Amortization of tangible capital assets (note 7)	4,664,689	4,713,654
Gain on disposal of tangible capital assets	184,148	(46,225)
Change in employee future benefits liability	265,668	(245,557)
Solid waste landfill closure and post-closure liability	-	15,000
Change in taxes receivable	(186,019)	(754,179)
Change in accounts receivable	871,774	(67,094)
Change in accounts payable and accrued liabilities	(1,501,892)	292,898
Change in accrued interest on net long-term liabilities	5,854	(21,295)
Change in deferred revenues	1,838,389	963,236
Change in inventory of supplies	26,018	1,265
Change in prepaid expenses	(104,944)	798,959
	12,948,083	10,093,106
Financing activities		
Proceeds from net long-term liabilities	4,654,320	-
Principal payments on net long-term liabilities	(2,610,216)	(2,475,524)
	2,044,104	(2,475,524)
Investing activities		
Purchase of long-term investments	-	-
Capital activities		
Proceeds from disposal of tangible capital assets	2,713	272,580
Acquisition of tangible capital assets (note 7)	(4,049,053)	(4,352,959)
Acquisition of land held for resale	-	-
	(4,046,340)	(4,080,379)
Increase in cash and short-term investments	10,945,847	3,537,203
Cash and short-term investments, beginning of year	12,504,024	8,966,821
Cash and short-term investments, end of year	\$ 23,449,871	\$ 12,504,024

Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2019

The Corporation of the City of Brockville (the "City") is a municipality in the Province of Ontario, Canada. It conducts its operations under the direction of its elected Council, guided by the provisions of provincial statutes such as the Municipal Act, 2001, Municipal Affairs Act and related legislation.

The consolidated financial statements of the City are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies are as follows:

Reporting Entity

i) Consolidated entities

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The following entities are consolidated in the City's financial statements:

- City of Brockville
- Brockville Public Library
- Downtown Business Improvement Area
- Water & Wastewater

All interfund assets and liabilities and revenues and expenses are eliminated.

ii) Accounting for School Board transactions

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

Education levies collected for the local school boards and then advanced to the local school boards totaled \$7,840,026.

iii) Trust funds

Trust funds and their related operations administered by the City are not included in the consolidated financial statements but are reported separately.

Investments

Investments are recorded at cost.

Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2019

Revenue Recognition

Taxation Revenue

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The City's Council establishes the tax rates annually, incorporating amounts to be raised for local services and amounts the City is required to collect on behalf of the School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessments can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported by the City when they can be reasonably determined. For the purpose of financial statement presentation, tax write-offs due to assessment appeals are netted against tax revenue.

	Budget	Actual
Taxation	\$ 36,613,118	\$ 36,625,617
Supplemental Taxes	350,000	509,701
	<hr/>	<hr/>
Total Taxation Revenues	36,963,118	37,135,318
Less: Write-offs	(564,820)	(428,126)
	<hr/>	<hr/>
Net Revenue from Taxation	\$ 36,398,298	\$ 36,707,192

Government Grants

Government grants are recognized as revenue in the year in which the events giving rise to the grant occur, providing the grants are authorized, any eligible criteria have been met and reasonable estimates of the amounts can be made. Receipts which are restricted by legislation of senior governments are reported as deferred revenues - obligatory reserve funds and included in revenues in the year that they are applied to qualifying expenses.

Other Revenues

User charges and miscellaneous revenues, with the exception of development charges, are recognized as revenue in the year the goods and services are provided.

Development charges, payments in lieu of parkland and funding received under public transit and gasoline tax programs are received under the authority of federal and provincial legislation and the use of these funds is restricted to applicable expenses. They are recorded as deferred revenues - obligatory reserve funds and included in revenues in the year that they are applied to qualifying expenses.

Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2019

	Building permit revenues are recognized when issued.
<i>Investment Income</i>	Investment income earned on development charges, parkland reserve funds and other obligatory reserve funds is recorded as deferred revenue and included in municipal revenues in the year that they are applied to qualifying expenses. Other investment income is reported in revenues in the period earned.
Non-financial Assets	Tangible capital and other non-financial assets are accounted for as assets by the City because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the City unless they are sold.
Employee Future Benefits	<p>The City accrues its obligations under employee benefit plans as the employees render the services necessary to earn non-pension post-retirement benefits. The cost of such benefits earned by the employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of the retirement ages of employees.</p> <p>Actuarial valuations are prepared every three years, or more often at the discretion of management. In the years between valuations, an extrapolation is used to compute the expected accrued benefits obligation and related expenses.</p> <p>Actuarial gains and losses on the accrued benefit obligation arise from the difference between actual and expected experiences and from the changes in actuarial assumptions used to determine the obligation. These gains or losses are amortized on a straight-line basis over the average remaining service period of active employees.</p> <p>The City also accrues its obligations for post-employment benefits when an event that obligates the City occurs such as parental and short-term sick leaves.</p>

Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2019

Solid Waste Landfill Closure and Post-closure Liabilities	<p>The City accrues landfill closure costs including final covering and landscaping of the site, pumping of ground water and leachates from the site and ongoing environmental monitoring, site inspection and maintenance. The reported liabilities have been recognized based on management's best estimate of future expenses, long-term inflation rates and discount rates.</p> <p>Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liabilities and would be recognized prospectively, as a change in estimates, when applicable.</p>
Inventories of Supplies	<p>Inventories of supplies are held for consumption and are stated at the lower of cost and replacement cost.</p>
Inventories Held for Resale	<p>Inventories of land held for resale are stated at the lower of cost and net realizable value.</p>

Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2019

Tangible Capital Assets

- i) Tangible capital assets are recorded at cost (or estimated cost when historical cost records are not available) which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the assets.

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

Assets	Useful life-years
General capital	
Land improvements	15-50 years
Buildings	5-50 years
Machinery, furniture and equipment	3-30 years
Vehicles	6-25 years
Library assets	2-7 years
Infrastructure	
Plants and facilities	10-60 years
Roads	20-75 years
Water and wastewater	50-75 years

Amortization is charged from the date of acquisition to the date of disposal. Assets under construction are not amortized until the asset is put into service.

- ii) Tangible capital assets disclosed at nominal values

Where an estimate of fair value can not be made to an asset, the tangible capital asset is recognized at a nominal value.

- iii) Contributions of tangible capital assets

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

- iv) Capitalized interest

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets until the asset is ready for use.

- v) Works of art and historical treasures

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

Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2019

Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards 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 expenses during the reporting period. Significant items subject to such estimates and assumptions include amortization of tangible capital assets, taxes receivable, accounts receivable, allowance for doubtful accounts, accounts payable and accrued liabilities, employee future benefits, solid waste landfill closure and post-closure liabilities. Actual results could differ from these estimates.

Deferred Revenue

Deferred revenue represents grants, user charges and fees 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 the services are performed.

Long-term Investments

Long-term investments are comprised of marketable securities within the Local Authority Services - LAS One Investment Program and are recorded at cost.

Fund Accounting

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

1. Cash and Short-term Investments

The City invests its cash with one or more Canadian Schedule I banks.

	<u>2019</u>	<u>2018</u>
Unrestricted	\$ 16,439,982	\$ 8,487,545
Restricted	<u>7,009,889</u>	<u>4,016,479</u>
	<u>\$ 23,449,871</u>	<u>\$ 12,504,024</u>

The restricted cash balance represents funds held for specific reserves and obligatory reserve funds.

2. Long-term Investments

Investments consist of equity instruments and are carried at cost. The City has a total of \$2 million invested under the One Investment Program offered through Local Authority Services – LAS. The investment represents \$1 million for Water reserve funds and \$1 million for Wastewater reserve funds.

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

3. Deferred Revenues

Obligatory Reserve Funds

Canadian public sector accounting standards require that obligatory reserve funds are reported as deferred revenues as federal and provincial legislation or agreements restrict how these funds may be used. The balances in the obligatory reserve funds of the City are summarized as follows:

	2019	2018
Development charges	\$ 1,172,560	\$ 1,082,811
Parkland	75,940	74,226
	<u>1,248,500</u>	<u>1,157,037</u>
Federal/provincial gasoline tax	<u>2,413,214</u>	<u>1,275,634</u>
	<u>\$ 3,661,714</u>	<u>\$ 2,432,671</u>

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2019	2018
Balance, beginning of the year	\$ 2,432,671	\$ 1,578,657
Amounts received		
Developer contributions	65,134	337,583
Gas tax funding	2,714,222	1,393,161
Dedicated Gas Tax - Transit	12,727	-
OCIF	-	135,116
Interest	72,129	36,423
	<u>5,296,883</u>	<u>3,480,940</u>
Amounts transferred		
To operations	142,114	68,673
To capital	1,493,055	979,596
	<u>1,635,169</u>	<u>1,048,269</u>
Balance, end of the year	<u>\$ 3,661,714</u>	<u>\$ 2,432,671</u>

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

3. Deferred Revenues (continued)

Other Deferred Revenues

The other deferred revenues are comprised as follows:

	2019	2018
WPCC Provincial Control Grants	\$ -	\$ 383,458
Other	1,290,146	297,342
	\$ 1,290,146	\$ 680,800

4. Employee Future Benefits

	2019	2018
Post-retirement medical and life insurance (note 4(b))	\$ 6,625,132	\$ 6,314,524
Unused sick leave (note 4(c))	1,017,770	985,757
Workplace Safety and Insurance Board costs (note 4(d))	390,101	467,054
	\$ 8,033,003	\$ 7,767,335

- a) The City has defined benefit plans providing post-retirement medical (until age 65) and life insurance benefits covering substantially all retirees and employees.

An actuarial valuation was prepared as at December 31, 2019. The significant actuarial assumptions adopted in measuring the City's accrued post-retirement benefits liability are as follows:

	2019	2018
Discount rate	2.75%	3.0%
Rate of compensation increase	2.0%	2.0%

The assumed medical cost trend rate at December 31, 2019 was 6.50% decreasing to 4.0% by 2040 (2018 - 6.50% decreasing to 4.0% by 2040).

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

4. Employee Future Benefits (continued)

b) Information about the City's post-retirement benefit plans are as follows:

	2019	2018
Accrued benefits obligation, beginning of year	\$ 6,183,301	\$ 6,481,849
Current service cost	280,834	305,472
Interest on accrued benefits	190,722	187,140
Benefit payments	(213,498)	(207,564)
Actuarial loss	257,830	(583,596)
Accrued benefits obligation, end of year	6,699,189	6,183,301
Unamortized actuarial losses	74,057	(131,223)
Accrued benefits liability, end of year	<u>\$ 6,625,132</u>	<u>\$ 6,314,524</u>

Actuarial gains and losses are being amortized over 12 years, the estimated average service life of the existing employees.

c) Some employees of the City can accumulate unused sick leave and may become entitled to a cash payment when they leave the City's employment.

Significant actuarial assumptions adopted in measuring the City's accrued benefits under this plan are similar to those listed in (a) above.

Information about the City's sick leave benefits plan is as follows:

	2019	2018
Accrued benefits obligation, beginning of year	\$ 985,757	\$ 894,504
Current service cost, interest on accrued benefits and actuarial losses	98,168	98,196
Benefit payments	(66,155)	(6,943)
Accrued benefits obligation, end of year	<u>\$ 1,017,770</u>	<u>\$ 985,757</u>

d) The City was a Schedule 2 employer with respect to the Workplace Safety and Insurance Board ("WSIB") during the period from February 2003 to February 2008. As a result, the City is responsible for the cost of employee accident claims that arose during that period. The WSIB administers the claims and bills accident costs plus an administration fee to the City. The WSIB has estimated future benefits costs related to workplace injuries to be \$390,101 (2018 - \$467,054). The adjustment to the 2019 accrual represents the amount for the firefighters.

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

5. Solid Waste Landfill Closure and Post-closure Liabilities

The City ceased to operate its solid waste landfill site on December 31, 2000, but is required to complete certain closure procedures and to conduct post-closure procedures. The main components of the closure plan are final capping and landscaping. The post-closure care will involve surface water and ground water monitoring and venting gas. The recorded liabilities are the present value of future cash flows associated with the closure and post-closure costs, discounted using an average long-term borrowing rate of 3.33% and an annual inflation rate of 2.0% and an estimated 14 years remaining for post-closure care. The estimated undiscounted future cash flows associated with closure and post-closure care are \$2,768,000.

	2019	2018
Estimated costs to complete closure	\$ 320,000	\$ 320,000
Recorded post-closure costs	2,135,000	2,135,000
	\$ 2,455,000	\$ 2,455,000

6. Net Long-term Liabilities

- a) The net long-term liabilities reported on the Consolidated Statement of Financial Position represent debentures issued by the City and are made up of the following:

	2019	2018
Total long-term liabilities incurred by the City	\$ 30,826,428	\$ 29,525,090
Less: amounts assumed by other municipalities with respect to St. Lawrence Lodge	(5,064,397)	(5,807,163)
	\$ 25,762,031	\$ 23,717,927

Included in the total long-term liabilities are global debentures totaling \$12,743,838 (2018 - \$14,612,902) issued during 2004 and 2005 with respect to St. Lawrence Lodge. They include direct obligations of the City in respect of the principal amount and also include distinct joint and several obligations of the City and each of the United Counties of Leeds and Grenville, the Town of Prescott and the Town of Gananoque ("participating municipalities").

The joint and several obligations of the three municipalities amount to \$5,064,397 (2018 - \$5,807,163). As the participating municipalities have assumed responsibility for repayment of these obligations, they have been deducted from the City's long-term liabilities.

The City is contingently liable for the long-term liabilities assumed by the participating municipalities.

Corporation of the City of Brockville
Notes to Consolidated Financial Statements

December 31, 2019

6. Net Long-term Liabilities (continued)

b) Principal is due on net long-term liabilities as follows:

	Principal	Interest	Total
2020	\$2,659,433	\$833,311	\$3,492,744
2021	2,757,324	735,420	3,492,744
2022	2,859,036	633,708	3,492,744
2023	2,758,805	529,131	3,287,936
2024	2,863,545	424,391	3,287,936
2025 and subsequent years	11,863,888	1,708,155	13,572,043
	\$25,762,031	\$4,864,116	\$30,626,147

- c) Interest rates on the long-term liabilities range from 2.00% to 5.61% (2018 - 2.00% to 5.62%) on the global debentures, including St. Lawrence Lodge, payable semi-annually. Interest on long-term liabilities, excluding the recovery from St. Lawrence Lodge, amounted to \$862,848 (2018 - \$887,923).
- d) The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

Corporation of the City of Brockville

Notes to Consolidated Financial Statements

December 31, 2019

7. Tangible Capital Assets

Cost	Balance, December 31, 2018	Additions (net of transfers)	Disposals / Transfers	Balance, December 31, 2019
General capital				
Land	\$ 6,172,380	\$ -	\$ -	\$ 6,172,380
Land improvements	7,544,876	154,978	-	7,699,854
Buildings	15,528,457	-	-	15,528,457
Machinery, furniture and equipment	17,852,568	462,410	137,319	18,177,659
Vehicles	8,041,299	218,057	-	8,259,356
Infrastructure				
Plants and facilities	54,592,320	-	-	54,592,320
Roads	50,328,007	1,492,234	747,273	51,072,968
Water and waste water	26,193,100	477,270	56,137	26,614,233
Assets under construction	3,498,176	2,309,072	1,103,299	4,703,949
Library - books	649,879	38,331	-	688,210
Library - furniture and equipment	49,262	-	-	49,262
Total	\$ 190,450,324	\$ 5,152,352	\$ 2,044,028	\$ 193,558,648
Accumulated amortization	Balance, December 31, 2018	Amortization	Disposals	Balance, December 31, 2019
General capital				
Land improvements	\$ 2,880,486	\$ 190,521	\$ -	\$ 3,071,007
Buildings	11,743,471	263,694	-	12,007,165
Machinery, furniture and equipment	7,396,114	945,441	83,224	8,258,331
Vehicles	3,027,813	603,168	-	3,630,981
Infrastructure				
Plants and facilities	15,348,874	1,164,074	-	16,512,948
Roads	26,352,142	1,156,283	638,450	26,869,975
Water and waste water	8,111,596	268,984	32,194	8,348,386
Library - books	510,703	56,129	-	566,832
Library - furniture and equipment	31,950	16,395	-	48,345
Total	\$ 75,403,149	\$ 4,664,689	\$ 753,868	\$ 79,313,970

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

7. Tangible Capital Assets (continued)

	Net book value December 31, 2018	Net book value December 31, 2019
General capital		
Land	\$ 6,172,380	\$ 6,172,380
Land improvements	4,664,390	4,628,847
Buildings	3,784,986	3,521,292
Machinery, furniture and equipment	10,456,454	9,919,328
Vehicles	5,013,486	4,628,375
Infrastructure		
Plants and facilities	39,243,446	38,079,372
Roads	23,975,865	24,202,993
Water and waste water	18,081,504	18,265,847
Assets under construction	3,498,176	4,703,949
Library - books	139,176	121,378
Library - furniture and equipment	17,312	917
Total	\$ 115,047,175	\$ 114,244,678

The asset additions noted above include transfers from assets under construction to finished tangible capital assets. The additions net of these transfers were \$4,059,053.

8. Investment in the Aquatarium

The City entered into a partnership agreement to construct a destination tourist site to be called the Aquatarium (previously called Maritime Discovery Centre) which was completed in 2016.

The project was developed through a partnership between a third party builder, the City and Build Canada capital funding. A total of \$20,729,363 was spent and a fundraising goal of \$4 million was established to cover the unfunded costs of the project. As of December 31, 2019, the remaining unfunded cost was \$66,200 and has been pledged through donations due to be received by 2026. If for any reason the fundraising campaign falls short, the City would be responsible for the balance.

The Aquatarium opened in 2016. The City entered into an agreement with a not-for-profit organization to operate the Aquatarium. The City has committed to annual funding of \$150,000, in addition to in-kind services for accounting, financial management and payments on behalf of the Aquatarium to cover insurance, water and waste water charges.

In 2019, the City provided \$363,146 (2018 - \$925,735) in operating funding and in-kind funding to the Aquatarium.

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

9. Commitments

- a) The City has a 10-year contract for waste removal through to 2022. The annual cost of this contract is estimated at \$1,002,750.
- b) The City has a 5-year contract for the management and operation of the specialized (Para) transit system through 2020 (commencing January 1, 2016). The annual cost of this contract is estimated at \$415,382.
- c) The City has a 3-year contract for the management of the Brockville-1000 Islands Regional Tackaberry Airport (from January 1, 2017 to December 31, 2020). The 2020 commitment is expected to cost \$126,244 plus HST.
- d) The City has entered into a cost sharing agreement with the United Counties of Leeds and Grenville for Fire Radio Cost Sharing. This is expected to cost \$21,300 annually for 10 years.
- e) The City has four contracts for grass cutting and trimming services, totalling \$364,443. The contracts run through 2021.
- f) The City, along with the United Counties of Leeds and Grenville, the Town of Prescott, Townships of Augusta, Elizabethtown-Kitley and Edwardsburgh Cardinal have entered into a three-year contract with Compass Minerals Canada Corp. for the supply and delivery of winter salt. The estimated annual cost to the City of Brockville is \$89,100.
- g) The City has a one year contract, with two one year renewals, at the sole discretion of the City of Brockville, with respect to 2020-RFP-04 Tourism, Information and Stakeholders Services with The Aquatorium at Tall Ships Landing (a partnership of agencies), subject to city staff negotiating a contract that will include the deliverables as set out in the Request for Proposal, and any other deliverables negotiated, including COVID strategies and safety protocols, with the maximum price of \$225,000 plus CPI per year.
- h) One year contract, with two one year renewals, at the sole discretion of the City of Brockville, with respect to 2020-RFP-05 Tourism, Marketing and Promotions Services with The Aquatorium at Tall Ships Landing (a partnership of agencies), subject to city staff negotiating a contract that will include the deliverables as set out in the Request for Proposal, and any other deliverables negotiated, including COVID strategies and safety protocols, with the maximum price of 50% of the Municipal Accommodation Tax collected in the previous year.
- i) Three-year contract with Neptune Security Services for the management and operation of the school crossing guard program in the amount of \$244,224 annually (including net HST).
- j) Lease of harbour from the Department of Oceans and Fisheries for the greater of \$500 or 20% of the harbour revenues; average payment amount for the past 5 years was \$35,662
- k) Five-year contract with S.G.S Elevators for elevator maintenance at an annual cost of \$8,609 (including net HST) plus 2% CPI increases.
- l) Three-year contract with Fast Eddie's for compost site screening at an annual cost of \$8,141 (including net HST) plus 2% CPI increases.
- m) Three-year contract with Fast Eddie's for compost site brush grinding at an annual cost of \$13,229 (including net HST) plus 2% CPI increases.

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

10. Contingencies

- a) The nature of the City's activities is such that there is usually litigation pending or in prospect at any time. Management is of the opinion that the City has valid defences and appropriate insurance coverage in place for claims for damages and related costs.
- b) The Brockville Railway Tunnel is a project undertaken by the City to rehabilitate and transform the tunnel site into a local attraction and was completed in 2017. The project, after completion, was determined to have costed \$2.1 million over the pre-determined budgeted. The recovery of these costs is expected to be recovered through donations and fundraising events hosted by the Brockville Tunnel Committee. In an event of a shortfall with raising funds, the City would be responsible for covering the costs.

Corporation of the City of Brockville

Notes to Consolidated Financial Statements

December 31, 2019

11. Accumulated Surplus

a) The accumulated surplus consists of:

	2019	2018
Reserves		
Fiscal policy (note 11(b))	\$ 6,330,075	\$ 2,355,769
Other reserves	4,937,807	3,067,822
Water and wastewater reserves	2,351,756	1,971,300
	<u>13,619,638</u>	<u>7,394,891</u>
Reserve Funds (note 13)		
Reserve funds	2,075,535	1,736,305
Water and wastewater	3,464,636	3,464,636
Library	6,993	-
	<u>5,547,164</u>	<u>5,200,941</u>
Library Accumulated Surplus	<u>(29,087)</u>	<u>11,226</u>
Investment in tangible capital assets	114,244,678	115,047,175
Investment in land held for sale	1,413,883	1,413,883
Investment (Note 8)	20,729,363	20,729,363
	<u>136,387,924</u>	<u>137,190,421</u>
Funds available for acquisition of capital assets		
Projects in progress	3,679,544	2,204,887
Completed projects	7,968	1,067,933
Acquisition of capital assets to be recovered from		
Taxation and user fees	(790,789)	(43,969)
Issue of long-term liabilities	(20,678)	(2,694,516)
Donations / Grants	(702,541)	(1,832,695)
	<u>2,173,504</u>	<u>(1,298,360)</u>
Unfunded costs		
Accrued interest on net long-term liabilities	(184,492)	(178,638)
Employee future benefits	(7,642,902)	(7,300,281)
Special liability - WSIB	(390,101)	(467,054)
Solid waste landfill closure and post-closure liabilities	(2,455,000)	(2,455,000)
Net long-term liabilities	(25,762,031)	(23,717,927)
	<u>(36,434,526)</u>	<u>(34,118,900)</u>
	<u>\$ 121,264,617</u>	<u>\$ 114,380,219</u>

b) Fiscal policy reserve

Balance, beginning of year	\$ 2,355,769	\$ 1,306,254
Net transfers included in budget	2,899,588	400,000
Operating surplus (deficit)	1,074,718	649,515
Balance, end of year	<u>\$ 6,330,075</u>	<u>\$ 2,355,769</u>

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

12. Government Grants

Included in government grants is \$3,819,058 (2018 - \$3,206,413) of provincial grants and \$2,216,358 (2018 - \$1,603,463) of federal grants.

13. Reserve Funds

Reserve funds consist of:

	2019	2018
Landfill site	\$ 22,327	\$ 21,843
Specific reserve funds for acquisition of capital assets	599,501	326,841
Specific reserve funds to provide for future operating expenses	763,572	745,849
Parking facilities	638,573	581,573
Hydro One proceeds management	10,065	9,849
Refugee fund	41,497	50,350
Water and wastewater	3,464,636	3,464,636
Library	6,993	-
	\$ 5,547,164	\$ 5,200,941

14. Pension Agreement

Substantially all of the employees of the City are members of the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer defined benefit pension plan. The plan specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay.

Contributions to the plan made during the year by the City on behalf of its employees amounted to \$2,112,827 (2018 - \$1,959,841) and are included as expenses in the consolidated statement of operations and accumulated surplus.

The most recent actuarial valuation was at December 31, 2019 and the December 31, 2019 financial statements of OMERS report net assets available for benefits of \$109 billion and an actuarial funding deficit of \$3.4 billion.

15. Trust Funds

Trust funds administered by the City amounting to \$1,370,332 (2018 - \$1,354,425) have not been included in the consolidated statement of financial position and their financial activities have not been included in the consolidated statements of operations and accumulated surplus.

Corporation of the City of Brockville

Notes to Consolidated Financial Statements

December 31, 2019

16. Budget

The following represents the approved budget restated to conform with the presentation format of the consolidated statement of operations. The current year actual revenues and expenses are presented for comparison.

	Budget	Actual
Revenues		
Operations		
Levy	\$ 36,963,118	\$ 37,187,597
Government grants	2,287,123	2,915,871
User fees	5,194,099	5,563,857
Other revenues and recoveries	5,475,835	8,701,629
	49,920,175	54,368,954
Water	4,648,608	4,653,754
Wastewater	5,522,783	5,493,479
Library Board net of municipal levy	833,302	875,192
Capital	6,088,784	8,445,197
Reserve funds	-	36,569
	67,013,652	73,873,145
Less:		
Transfers from other funds	(1,939,620)	(2,471,714)
Internal charges netted for financial statement presentation purposes	(4,099,184)	(4,215,378)
Proceeds from net long-term liabilities	(815,051)	(4,654,320)
Proceeds from disposal of tangible capital assets	-	(2,716)
Gain on disposal of tangible capital assets	-	2,716
	(6,853,855)	(11,341,412)
	\$ 60,159,797	\$ 62,531,733
Expenses		
Operations	\$ 49,920,175	\$ 54,368,954
Water	4,648,608	4,653,854
Wastewater	5,522,783	5,493,479
Library Board net of municipal levy	833,302	904,388
Capital	6,088,784	4,973,327
	67,013,652	70,394,002
Less:		
Transfers to other funds	(3,689,730)	(8,994,993)
Principal payments on net long-term liabilities	(2,602,138)	(2,610,216)
Internal charges netted for financial statement presentation purposes	(3,541,834)	(4,215,476)
Acquisition of tangible capital assets	(4,599,143)	(4,049,053)
	52,580,807	50,524,264
Add items included in expenses not included in budget:		
Amortization of tangible capital assets	-	4,664,689
Change in unfunded liabilities	-	271,521
Loss on disposal of tangible capital assets	-	186,861
	-	5,123,071
	\$ 52,580,807	\$ 55,647,335

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

16. Budget (continued)

Budget figures reported on the Consolidated Statement of Operations are based on 2019 operating and capital budgets as approved by Council on March 14, 2019 (By-law 040-2019) and includes subsequent council approved amendments. Budget figures reported in these financial statements are not subject to an audit.

17. St. Lawrence Lodge

Operations

The St. Lawrence Lodge (the "Lodge") makes an annual assessment to the participating municipalities for operating expenditures and minor capital costs that are not funded by other sources of revenue (primarily resident fees and subsidy from the Province of Ontario). The Lodge tracks the residents based on the municipality that they lived in prior to entering the facility (if they resided in one of the four participating municipalities). The annual assessment is allocated to the municipalities based on a five-year rolling average of the percentage of residents from their jurisdiction. The City's allocation for 2019 was 60.15% (2018 - 58.39%).

Operating levies and any excess of operating revenue over expenditures (expenditures over revenue) is allocated to the municipalities based on the percentage of assessments used for that year.

Redevelopment

The Lodge redeveloped its facility over a number of years resulting in occupancy in 2006. The cost was approximately \$34,500,000 of which \$32,400,000 was financed by debentures issued by the City of Brockville. The Province of Ontario is committed to providing \$846,192 annually until the debentures are repaid in 2025. The municipalities have agreed to fund the balance of the amounts required to repay the debentures and pay the interest due on those obligations in a fixed ratio being:

City of Brockville	60.26%
United Counties of Leeds and Grenville	28.57%
Town of Prescott	9.38%
Town of Gananoque	1.79%

The excess (or shortfall) of municipal funding over interest on long-term liabilities and amortization of the new facility is allocated to municipal surplus using those ratios and represents the difference between the timing of funding (received over 20 years) and the amortization of the building (over 40 years). Ultimately, at the end of 2046, the surplus will be reduced to \$Nil.

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

17. St. Lawrence Lodge (continued)

The City's portion of the Lodge's accumulated surplus is as follows:

	2019	2018
Deficit from Operations	\$ (473,216)	\$ (642,443)
Surplus from Redevelopment	3,477,637	2,823,770
	\$ 3,004,421	\$ 2,181,327

During the year, the City had the following transactions with the Lodge:

- The City contributed to the Lodge an annual operating grant of \$1,301,795 (2018 - \$1,216,871).
- As described in the net long-term liabilities note 6, the City issued debentures with respect to the Lodge. The total debenture payments for the year were \$2,561,113 of which the City was responsible for \$1,543,327 (2018 - \$1,543,327), the other Lodge partners \$1,017,786 (2018 - \$1,017,786). The Ministry of Health and Long Term Care contributes \$846,192 (2018 - \$846,192) to cover a portion of these debenture payments in accordance with the original funding agreement.

These transactions were in the normal course of operations and are measured at the exchange value, the amount of consideration established and agreed to by the related parties, which approximates the arm's length equivalent value for such transactions.

18. Expenses by Object

The following is a summary of the expenses by object:

	Budget 2019	Actual 2019	Actual 2018
Salaries, wages and benefits	\$ 28,308,913	\$ 28,576,258	\$ 27,445,084
Interest on long-term liabilities	853,425	868,702	866,627
Materials and supplies	11,128,365	8,613,409	9,922,547
Contracted services	6,042,025	6,341,835	6,812,451
Rents and financial services	52,545	57,049	52,494
Transfer payments	6,195,534	6,337,534	6,031,467
Amortization of tangible capital assets	-	4,664,689	4,713,649
Loss on disposal of tangible capital assets	-	186,859	175,051
	\$ 52,580,807	\$ 55,646,335	\$ 56,019,370

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

19. Contaminated Lands

The City owns several pieces of property that are deemed to be contaminated. While they do not present a threat to the surrounding population, they would all require remediation before any developmental initiatives are pursued. No remediation amounts have been accrued for in these financial statements. The identified contaminated sites are as follows:

Tunnel Site

It is believed that there are some old, unmined coal deposits on the north end side of the tunnel site which City owns. Sufficient investigation has not been completed to allow for a reasonable estimate of the related clean-up costs. It is not anticipated that there is a need to remediate the site at this time.

Brownfields

The City owns several other sites that it classifies as brownfields, but there has been no estimate on remediation costs as there are no plans of developing these sites.

20. Subsequent Event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the City as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2019

21. Segmented Information

The City is a municipal government organization that provides a range of services to its residents. City services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirement.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see the Consolidated Schedule of Segment Disclosure.

The activities that are included in each functional line of services are as follows:

General government consists of the Mayor and Council, the City Manager and administrative services which include the Clerk, Finance, Human Resources and Information Technology departments.

Protection consists of Fire, Police and By-law Enforcement departments as well as contributions to the Cataraqui Region Conservation Authority.

Transportation services include engineering, road and sidewalk construction and maintenance, winter control, traffic operations and parking.

Environmental services include the operations of waterworks, sanitary and storm sewers, wastewater treatment, solid waste disposal and recycling.

Health services consists of cemetery management and maintenance and transfers to the local Health Unit.

Social and family services consists of transfers to the United Counties of Leeds and Grenville for social and family services, transfers to St. Lawrence Lodge and interest on net long-term liabilities with respect to St. Lawrence Lodge.

Social housing consists of transfers to the United Counties of Leeds and Grenville.

Recreational and cultural services is comprised primarily of parks services and the operation of recreational facilities, the library and the museum.

Planning and development is comprised of planning and zoning and economic development.

Corporation of the City of Brockville

Notes to Consolidated Financial Statements

December 31, 2019

21. Segmented Information (continued)

2019	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Library	Recreational and Cultural Services	Planning and Development	Total
Revenues											
Property taxation	\$ 3,388,930	\$ 11,302,085	\$ 4,370,579	\$ 7,238,791	\$ 1,432,177	\$ 2,270,683	\$ 754,955	\$ 523,264	\$ 3,711,104	\$ 1,714,624	\$ 36,707,192
Taxation from other governments	297,756	-	-	-	-	-	-	-	-	-	297,756
User charges	121,201	1,275,937	969,226	9,590,169	126,863	-	-	43,519	1,827,651	1,093,215	15,047,781
Charges to other municipalities	180,504	343,535	-	66,996	-	509,916	-	20,143	-	-	1,121,094
Government grants	4,245,408	575,990	286,184	233,429	-	-	-	56,336	115,673	522,396	6,035,416
Contributions from developers	-	-	79,451	-	-	-	-	-	-	-	79,451
Penalties and interest on taxes	731,888	-	-	62,590	-	-	-	-	-	-	794,478
Investment income	325,967	-	-	78,314	-	-	-	3,337	-	-	407,618
Donations and fundraising	372,849	16,150	-	-	-	68,663	-	33,505	151,289	70,956	713,412
Gain on sale of capital assets	2,713	-	-	-	-	-	-	-	-	-	2,713
Recovery of expenditures and miscellaneous	332,818	437,731	81,905	296,156	46,134	-	-	2,142	53,556	74,380	1,324,822
Total Revenue	\$ 10,000,034	\$ 13,951,428	\$ 5,787,345	\$ 17,566,445	\$ 1,605,174	\$ 2,849,262	\$ 754,955	\$ 682,246	\$ 5,859,273	\$ 3,475,571	\$ 62,531,733
Expenses											
Salaries, wages and benefits	\$ 2,014,351	\$ 14,320,233	\$ 3,236,617	\$ 4,311,367	\$ 278,040	\$ -	\$ -	\$ 698,173	\$ 2,509,844	\$ 1,207,633	\$ 28,576,258
Interest on long-term liabilities	43,975	71,998	52,357	226,788	1,750	400,203	-	2,087	59,098	10,446	868,702
Materials and supplies	1,433,515	1,171,180	1,490,223	2,684,841	49,770	5,220	-	148,813	1,356,676	273,171	8,613,409
Contracted services	531,007	474,620	1,447,541	1,961,981	23,335	34,370	-	30,215	851,957	987,809	6,342,835
Rent and financial services	3,447	-	3,531	16,032	-	-	-	2,248	31,079	712	57,049
Transfer payments	310,000	202,210	-	-	1,915,723	2,270,289	1,201,123	7,739	353,250	77,200	6,337,534
Amortization of tangible capital assets	200,275	376,572	1,661,341	1,613,453	22,784	-	-	71,713	716,825	1,726	4,664,689
Loss on disposal of tangible capital assets	-	-	108,823	23,943	-	-	-	-	54,093	-	186,859
Total Expenses	\$ 4,536,570	\$ 16,616,813	\$ 8,000,433	\$ 10,838,405	\$ 2,291,402	\$ 2,710,082	\$ 1,201,123	\$ 960,988	\$ 5,932,822	\$ 2,558,697	\$ 55,647,335

Corporation of the City of Brockville

Notes to Consolidated Financial Statements

December 31, 2019

21. Segmented Information (continued)

2018	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Library	Recreational and Cultural Services	Planning and Development	Total
Revenues											
Property taxation	\$ 3,562,427	\$ 10,530,188	\$ 4,092,386	\$ 7,059,535	\$ 1,366,674	\$ 2,188,620	\$ 821,976	\$ 557,187	\$ 3,476,845	\$ 1,425,582	\$ 35,081,420
Taxation from other governments	232,865	-	-	-	-	-	-	-	-	-	232,865
User charges	126,158	1,440,382	1,012,710	9,540,999	142,093	-	-	37,639	1,828,849	704,063	14,832,893
Charges to other municipalities	228,217	309,962	-	281,494	-	509,916	-	49,758	-	-	1,379,347
Government grants	3,042,914	610,944	271,036	206,860	-	37,978	-	52,102	36,647	551,395	4,809,876
Penalties and interest on taxes	660,194	-	-	61,403	-	-	-	-	-	-	721,597
Investment income	171,933	-	-	(3,067)	-	-	-	3,699	-	-	172,565
Donations and fundraising	1,514,844	66,762	-	-	445	78,249	-	12,906	144,417	69,058	1,886,681
Gain on sale of capital assets	221,276	-	-	-	-	-	-	-	-	-	221,276
Recovery of expenditures and miscellaneous	91,991	261,648	76,812	238,646	210,661	1,368	-	5,301	41,507	195,360	1,123,294
Total Revenue	\$ 9,852,819	\$ 13,219,886	\$ 5,452,944	\$ 17,385,870	\$ 1,719,873	\$ 2,816,131	\$ 821,976	\$ 718,592	\$ 5,528,265	\$ 2,945,458	\$ 60,461,814
Expenses											
Salaries, wages and benefits	\$ 2,128,271	\$ 13,276,146	\$ 3,198,513	\$ 4,322,839	\$ 353,632	\$ 19,072	\$ -	\$ 633,138	\$ 2,344,578	\$ 1,168,895	\$ 27,445,084
Interest on long-term liabilities	2,758	78,090	54,679	245,429	-	454,375	-	2,331	17,298	11,667	866,627
Materials and supplies	2,076,196	1,326,454	1,495,859	2,871,112	48,417	14,521	-	182,918	1,469,523	437,547	9,922,547
Contracted services	716,562	655,368	1,415,316	1,816,015	25,000	64,683	-	37,600	1,179,212	902,695	6,812,451
Rent and financial services	3,198	-	3,241	16,151	-	-	-	2,157	27,118	629	52,494
Transfer payments	-	185,724	-	-	1,763,756	2,052,257	996,049	9,442	871,739	152,500	6,031,467
Amortization of tangible capital assets	215,361	365,703	1,608,409	1,727,072	21,950	-	-	68,936	705,079	1,139	4,713,649
Loss on disposal of tangible capital assets	-	92,205	56,868	13,978	-	-	-	-	12,000	-	175,051
Total Expenses	\$ 5,142,346	\$ 15,979,690	\$ 7,832,885	\$ 11,012,596	\$ 2,212,755	\$ 2,604,908	\$ 996,049	\$ 936,522	\$ 6,626,547	\$ 2,675,072	\$ 56,019,370