
**CORPORATION OF THE
TOWN OF WASAGA BEACH**

COUNTY OF SIMCOE

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2020

CORPORATION OF THE TOWN OF WASAGA BEACH

DECEMBER 31, 2020

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CORPORATION OF THE TOWN OF WASAGA BEACH

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL REPORT

The accompanying consolidated financial statements of the The Corporation of the Town of Wasaga Beach ("the Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian public sector accounting standards, established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as 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 judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. Council meets with management and the external auditor to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Baker Tilly SGB LLP, the independent external auditor appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.


Chief Administrative Officer
June 29, 2021


Treasurer
June 29, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the The Corporation of the Town of Wasaga Beach:

Opinion

We have audited the consolidated financial statements of the The Corporation of the Town of Wasaga Beach ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2020, and its consolidated results of operations and 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 Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

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

Management is responsible for the preparation and fair presentation of these 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 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 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 Municipality'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 Municipality'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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Baker Tilly SGB LLP

Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
June 29, 2021

CORPORATION OF THE TOWN OF WASAGA BEACH

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2020	2019
	\$	\$
Financial assets		
Cash and cash equivalents (Note 8)	13,095,937	10,934,057
Short-term investments (Note 8)	26,079,417	22,993,515
Portfolio investments (Note 7)	30,198,941	29,636,209
Taxes receivable	2,803,341	2,642,831
Water and sewer billings receivable	1,501,532	1,400,917
Accounts receivable	3,099,706	1,285,221
Local improvements receivable (Note 9)	1,281,092	1,635,978
Note receivable from government business enterprise (Note 18)	3,593,269	3,593,269
Investment in government business enterprise (Note 18)	17,117,516	16,953,624
	98,770,751	91,075,621
Liabilities		
Accounts payable and accruals	8,047,745	5,858,835
Developer deposits	5,344,530	3,893,779
Deferred revenue - obligatory reserve funds and other (Note 10)	24,648,824	22,927,104
Long-term liabilities (Note 11)	13,169,599	13,438,649
Employee future benefits (Note 13)	1,182,700	1,081,700
	52,393,398	47,200,067
Net financial assets	46,377,353	43,875,554
Non-financial assets		
Tangible capital assets - net (Schedule 2 and Note 3)	258,831,155	251,007,077
Prepaid expenses	99,442	317,724
	258,930,597	251,324,801
Accumulated surplus (Note 14)	305,307,950	295,200,355

Approved _____ Mayor

_____ Date

CORPORATION OF THE TOWN OF WASAGA BEACH

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2020 \$ (Note 2)	Actual 2020 \$	Actual 2019 \$
Revenues			
Net municipal taxation (Note 15)	25,122,426	25,104,772	23,369,261
Payments in lieu of taxation	528,654	565,616	539,025
User charges	9,049,130	9,565,286	9,046,538
Government grants	2,061,170	2,476,027	2,965,183
Payments from other municipalities	198,000	86,408	148,530
Contributions from deferred revenue - obligatory reserve funds and other (Note 10)	190,450	32,051	37,133
Investment (Note 7 and 8)	411,800	545,943	562,177
Penalties and interest on taxes	425,000	371,557	466,297
Other (Note 16)	2,319,400	2,024,215	2,191,769
	40,306,030	40,771,875	39,325,913
Expenses			
General government	3,567,290	2,208,078	1,988,647
Protection to persons and property	11,046,890	11,801,703	10,896,180
Transportation	9,496,740	9,096,572	8,897,354
Environmental	8,415,700	7,832,222	7,551,091
Recreation and cultural	5,690,910	5,100,152	5,759,015
Planning and development	3,580,180	3,041,434	2,723,255
Health, social and family	265,580	367,065	409,747
	42,063,290	39,447,226	38,225,289
Net revenues	(1,757,260)	1,324,649	1,100,624
Other			
Grants and transfers related to capital			
User charges	1,052,030	115,607	137,914
Government grants	3,999,080	20,863	-
Payments from other municipalities	-	20,670	374,314
Contributions from deferred revenue - obligatory reserve funds and other (Note 10)	14,051,980	6,850,594	6,214,599
Investment (Note 7 and 8)	320,000	352,322	382,685
Other (Note 16)	200,000	20,250	8,975
Gain (loss) on disposal of tangible capital assets	-	88,798	(398,689)
Contributed tangible capital assets (Note 3)	-	624,124	5,566,690
Income from government business enterprise (Note 18)	500,000	689,718	1,033,478
	20,123,090	8,782,946	13,319,966
Annual surplus (Note 17)	18,365,830	10,107,595	14,420,590
Accumulated surplus, beginning of year	295,200,355	295,200,355	280,779,765
Accumulated surplus, end of year (Note 14)	313,566,185	305,307,950	295,200,355

See accompanying notes to the financial statements

CORPORATION OF THE TOWN OF WASAGA BEACH

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31

	Budget 2020	Actual 2020	Actual 2019
	\$ (Note 2)	\$	\$
Annual surplus	18,365,830	10,107,595	14,420,590
Acquisition of tangible capital assets	(32,446,180)	(14,380,146)	(14,890,336)
Amortization of tangible capital assets	7,150,000	7,159,718	7,172,110
(Gain) loss on disposal of tangible capital assets	-	(88,798)	398,689
Proceeds on disposal of tangible capital assets	-	109,272	48,235
Contributed tangible capital assets	-	(624,124)	(5,566,690)
Change in prepaid expenses	-	218,282	(297,085)
Change in net financial assets	(6,930,350)	2,501,799	1,285,513
Net financial assets, beginning of year	43,875,554	43,875,554	42,590,041
Net financial assets, end of year	36,945,204	46,377,353	43,875,554

See accompanying notes to the financial statements

CORPORATION OF THE TOWN OF WASAGA BEACH

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

	2020	2019
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus	10,107,595	14,420,590
Non-cash items:		
Change in government business enterprise (Note 18)	(163,892)	(531,652)
Amortization of tangible capital assets	7,159,718	7,172,110
Employee future benefits	101,000	118,400
Contributed tangible capital assets	(624,124)	(5,566,690)
(Gain) loss on disposal of tangible capital assets	(88,798)	398,689
	16,491,499	16,011,447
Changes in:		
Taxes receivable	(160,510)	(68,749)
Water and sewer billings receivable	(100,615)	457,437
Accounts receivable	(754,285)	(302,506)
Accounts payable and accruals	2,050,080	95,286
Developer deposits	1,450,751	1,175,296
Prepaid expenses	218,282	(297,085)
Net change in cash from operations	19,195,202	17,071,126
Capital activities		
Acquisition of tangible capital assets	(14,380,146)	(14,890,336)
Proceeds on disposal of tangible capital assets	109,272	48,235
Accounts receivable related to tangible capital assets	(1,060,200)	1,720,818
Accounts payable related to tangible capital assets	138,831	33,013
Local improvements receivable	354,886	393,799
Net change in cash from capital	(14,837,357)	(12,694,471)
Investing activities		
Portfolio investments	(562,732)	(462,704)
Short-term investments	(3,085,902)	(5,418,556)
Net change in cash from investing	(3,648,634)	(5,881,260)
Financing activities		
Long-term liabilities repaid	(787,730)	(1,031,571)
Long-term liabilities assumed	518,679	-
Deferred revenue - obligatory reserve funds and other	1,721,720	2,988,679
Net change in cash from financing	1,452,669	1,957,108
Net change in cash position	2,161,880	452,503
Cash and cash equivalents, beginning of year	10,934,057	10,481,554
Cash and cash equivalents, end of year (Note 8)	13,095,937	10,934,057

See accompanying notes to the financial statements

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

Nature of operations

The Corporation of the Town of Wasaga Beach ("the Municipality") is a lower-tier municipality located in the County of Simcoe, Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes, such as the Municipal Act, Municipal Affairs Act and related legislation.

1. Summary of significant accounting policies

The consolidated financial statements have been prepared by management of the Municipality in accordance with Canadian generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board (PSAB) of The Chartered Professional Accountants of Canada.

The focus of PSAB consolidated financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of all committees of Council and the following organizations which are accountable to, and owned or controlled by, the Municipality:

Corporation of the Town of Wasaga Beach Public Library Board

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

In addition, the consolidated financial statements include the consolidated operations of Geosands Inc. as disclosed in Note 18. This government business enterprise (GBE) is accounted for using the modified equity method. Under this method, the enterprise's accounting principles are not adjusted to conform with those of the Municipality and inter-organizational transactions are not eliminated.

(b) Basis of accounting

Revenues and expenses 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 the receipt of goods or services and the creation of a legal obligation to pay.

(c) Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term, highly liquid financial instruments with a maturity of three months or less from the date of acquisition.

Cash equivalents and short-term investments are recorded at cost which approximates fair market value.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

1. Summary of significant accounting policies (continued)

(d) Portfolio investments

Portfolio investments are recorded at cost plus accrued interest less amortization of purchase premium discounts.

(e) 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, provides the consolidated change in net financial assets for the year.

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 of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	- 10 years to infinite life
Buildings	- 10 to 100 years
Machinery and equipment	- 2 to 25 years
Vehicles	- 5 to 20 years
Linear assets	- 3 to 100 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Construction in progress is not amortized until the asset is available for productive use.

Linear assets represent roads, bridges, sidewalks and water and wastewater infrastructure.

(f) Deferred revenue

Revenue restricted by legislation, regulation, or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for the specified purpose.

(g) County and school boards

The Municipality collects taxation revenue on behalf of the school boards and the County of Simcoe. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Simcoe are not reflected in these consolidated financial statements.

(h) Segment disclosures

Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Net municipal taxation revenue has been allocated to segments based on budget.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

1. Summary of significant accounting policies (continued)

(i) Taxation and related revenues

Municipal tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessments and the related municipal taxes are subject to appeal. Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For municipal taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of allowance for anticipated uncollectible amounts.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(j) Government grants

Government grants are recognized in the consolidated financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Conditional government grants are recognized to the extent the conditions imposed on them have been fulfilled. Unconditional government grants are recognized when monies are receivable. Government grants for acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made. Grants are recognized as deferred revenue when grant stipulations give rise to a liability. Grant revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled.

(k) Revenue recognition

Fees for water and waste water usage are recorded as user charges in the period service is provided. Connection fee revenues are recognized when the connection has been established.

Subdivider contributions and fees for services (included in user charges and other revenues) are recognized over the period of service or when required expenditures occur if applicable.

Investment income (other than on obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances. Revenue from the obligatory reserve funds is recognized in the year in which eligible expenditures are made.

Other user charges, payments from other municipalities and other revenues are recognized as invoiced if collection is reasonably assured.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

1. Summary of significant accounting policies (continued)

(l) Pension plan

The Municipality offers a pension plan for its full-time employees through the Ontario Municipal Employee Retirement System ("OMERS"). OMERS is a multi-employer, contributory, public sector pension fund established for employees of municipalities, local boards and school boards in Ontario. Participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Municipality accounts for its participation in OMERS as a defined contribution plan and recognizes the expense related to this plan as contributions are made, even though OMERS is itself a defined benefit plan.

(m) Other post-employment benefits

Employee future benefits other than pension provided by the Municipality include medical, dental and vision benefits. These plans provide benefits to employees when they are no longer providing active service. Employee future benefit expense is recognized in the period in which the employees render services on an accrual basis.

The accrued benefit obligations and the current service costs are calculated using the projected benefit method, prorated on service, and based on assumptions that reflect management's best estimates. The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period. Past service costs arising from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. The excess of the net actuarial gains or losses over 10% of the accrued benefit obligation is amortized to expense over the average remaining service period of active employees to full eligibility.

(n) 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 year. Significant estimates have been made of historical cost and useful lives of tangible capital assets and employee future benefits. Actual results could differ from those estimates.

2. Budget amounts

The operating budget is reflected on the consolidated statement of operations, consolidated statement of change in net financial assets and Schedule 1. The budget amounts are those approved by Council for 2020 with adjustments to include amortization expense, which is not budgeted for annually. The budgets established for investment in tangible capital assets are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with the current year's actual expenditure amounts.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

3. Tangible capital assets

Schedule 2 provides information on the tangible capital assets of the Municipality by major asset class, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(a) Construction in progress

Construction in progress with a value of \$13,212,794 (2019 - \$4,716,049) has not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$624,124 (2019 - \$5,566,690).

(c) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values have been assigned.

(d) Amortization

Amortization expense for the year totaled \$7,159,718 (2019 - \$7,172,110).

4. Contingencies

(a) In the ordinary course of business, various claims and lawsuits are brought against the Municipality. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any payment made by the Municipality pursuant to claims, lawsuits or expropriations will be charged in the year of settlement.

(b) Annually, the Municipality is unable to estimate its Ontario Provincial Police adjustment. As a result, any adjustment is recorded in the year in which it is received or paid.

5. Development and letters of credit

As part of various developments, the Municipality has received letters of credit to cover the costs of completing these projects. Letters of credit held by the Municipality at December 31, 2020 were \$23,049,788 (2019 - \$16,955,659).

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

6. Commitments

- (a) The Municipality has an agreement with Floyd Sinton Limited for the operation of the Municipality's buses. The Municipality paid Floyd Sinton Limited \$501,591 in 2020. The previous contract, which expired August 31, 2019, has been renewed for two years ending July 31, 2021. Total future payments on the remaining contract is \$296,791.
- (b) The Municipality has a servicing agreement with the Ontario Clean Water Agency to operate and maintain the Wasaga Beach Water Treatment Plant and Water Control Pollution Plant for a term of ten (10) years ending on December 31, 2025 with a renewal option for successive five (5) year terms. The Municipality paid the Ontario Clean Water Agency \$1,193,715 in 2020 and will increase by annual insurance and Consumer Price Index adjustments in subsequent years.

7. Portfolio investments

Portfolio investments include fixed income federal, provincial and corporate bonds, rated by S&P at a risk level of AA or higher in accordance with the Municipality's investment policy. The bond portfolio investments balance is reduced by \$289,533 (2019 - \$15,206) of purchase premiums. Also included in portfolio investments are investments held in The ONE Investment Program. It is designed specifically for the municipal and broader Ontario public sector. The investments held within the Program are valued at their purchase cost, plus any reinvested income earned.

Investments include:

	2020		2019	
	Book Value	Market Value	Book Value	Market Value
Bond Portfolio Investments	16,058,013	17,014,391	15,964,724	16,164,383
<i>ONE Fund Investments</i>				
Bond Portfolio	3,898,171	3,819,653	3,784,368	3,627,721
Universal Corporate Bond Portfolio	5,055,481	5,110,306	4,887,117	4,751,841
Equities Portfolio	5,187,276	7,375,466	5,000,000	6,923,757
	30,198,941	33,319,816	29,636,209	31,467,702

Investment income earned on the bond portfolio investments during the year was \$107,648 (2019 - \$97,788). Investment income earned in the ONE Fund portfolio during the year was \$641,052 (2019 - \$509,553). Of the above amounts, \$434,469 (2019 - \$489,175) was recorded as investment income in the obligatory reserve funds.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

8. Cash and cash equivalents and short-term investments

Cash and cash equivalents and short-term investments total as follows:

	2020	2019
	\$	\$
Cash and cash equivalents	13,095,937	10,934,057
Short-term investments	26,079,417	22,993,515
	39,175,354	33,927,572

The total is comprised of unrestricted and restricted amounts as follows:

	\$	\$
Unrestricted	14,526,530	11,000,468
Restricted - obligatory reserve funds	24,648,824	22,927,104
	39,175,354	33,927,572

Cash and cash equivalents includes cash held in financial institutions.

Short-term investments consists of 8 non-redeemable GICs with maturity dates between February 12, 2021 to October 3, 2022, earning interest rates ranging from 1.25% to 3.00% per annum. The 2019 balance consisted of 8 non-redeemable GICs with maturity dates between June 8, 2020 and August 23, 2021, earning interest rates of 2.35% to 3.00% per annum.

The available line of credit has a limit of \$2,000,000. Interest is paid on outstanding balances at a rate of prime less 0.75%. As of year end the balance was \$NIL (2019 - \$NIL).

Restricted cash relates to obligatory reserve funds as described in Note 10.

9. Local improvements receivable

Benefiting land owners of local improvements had the option to pay for their share of the cost in full or finance over increments of 5, 10, 15 or 20 years. Interest rates on the receivable balance range from 1.50% to 6.50% per annum.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

10. Deferred revenue - obligatory reserve funds and other

A requirement of the public sector accounting principles of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change during the year in the restricted deferred revenue balances is made up as follows:

	2020	2019
	\$	\$
Deferred revenue, beginning of year	22,927,104	19,938,425
New deposits:		
Government grants	2,300,319	2,158,245
Private sources	5,869,577	6,592,991
Investment income	434,469	489,175
Transfers to revenue	(6,882,645)	(6,251,732)
Deferred revenue, end of year	24,648,824	22,927,104
	2020	2019
	\$	\$
Obligatory reserve funds:		
Development Charges Act	18,397,047	17,554,380
Recreational land	528,903	422,473
Federal and Provincial gas tax allocation	3,829,754	3,626,683
Building Code Act	1,106,557	920,112
Other:		
Government grants	695,192	313,616
Library donations	91,371	89,840
	24,648,824	22,927,104

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

11. Long-term liabilities

(a) Long-term liabilities consist of the following:

	2020	2019
	\$	\$
OILC debenture for the purchase of a fire pumper truck, 2.06% interest, semi-annual blended payments of \$54,851 principal and interest, due March 2025.	469,170	-
Toronto Dominion bank loan for the purchase of beachfront properties, 3.163% interest, monthly blended payments of \$33,310 principal and interest, due May 2025.	5,795,429	6,007,649
OILC debenture for the purchase of beachfront properties, 3.28% interest, monthly payments of \$23,000 plus interest, due July 2040.	5,405,000	5,681,000
OILC debenture for the retrofit of streetlights with LED light bulbs, 2.21% interest, semi-annual payments of \$125,000 plus interest, due July 2026.	1,500,000	1,750,000
	13,169,599	13,438,649

(b) Principal, interest and total debt payments for the next 5 years are as follows:

	Principal	Interest	Total
	\$	\$	\$
2021	846,139	394,196	1,240,335
2022	855,268	370,489	1,225,757
2023	864,667	346,513	1,211,180
2024	873,892	323,155	1,197,047
2025	5,454,633	210,406	5,665,039
and thereafter	4,275,000	972,861	5,247,861
	13,169,599	2,617,620	15,787,219

The above long-term liabilities issued in the name of the Municipality have been approved through by-laws. 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.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

12. Pension agreements

The employees of the Municipality participate in the Ontario Municipal Employees Retirement System ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Municipality cannot be identified. The Municipality has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. Amounts paid to OMERS for 2020 were \$1,075,201 (2019 - \$1,075,623) for current service.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The most recent actuarial valuation of the Plan was conducted at December 31, 2020.

13. Employee future benefits

The Municipality pays certain post-retirement benefits on behalf of its retired employees, including extended health and dental coverage. The Municipality recognizes these post-retirement costs in the period in which the employees rendered the services. The accrued benefit obligation at December 31, 2020 of \$1,676,500 and the net periodic benefit cost were determined by an actuarial valuation dated March 15, 2021. Actuarial valuations will be prepared every third year or when there are significant changes to the workforce.

Information about the Municipality's obligation for employee future benefits is as follows:

	2020	2019
	\$	\$
Accrued plan liability, beginning of year	1,081,700	963,300
Current service cost	87,200	84,400
Interest cost	48,100	44,500
Amortization of actuarial loss	40,900	37,500
Benefits paid for the period	(75,200)	(48,000)
Accrued plan liability, end of year	1,182,700	1,081,700
Unrecognized actuarial loss	493,800	287,300
Accrued benefit obligation, end of year	1,676,500	1,369,000

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

(a) General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 2.0% in 2020 (2019 - 2.0%) and thereafter.

(b) Interest (discount) rate

The obligation as at December 31, 2020 of the present value of future liabilities and the expense, was determined using an annual discount rate of 2.2% (2019 - 3.3%). This corresponds to the assumed CPI rate plus an assumed real rate of return of 2.5% (2019 - 1.8%).

(c) Health care costs

Health care costs were assumed to increase 6.2% in 2020 (2019 - 6.9%) and 6.1% in 2021, 6.0% in 2022.

(d) Dental costs

Dental costs were assumed to increase 4.0% in 2020 (2019 - 4.0%) and thereafter.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

14. Accumulated surplus

The accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2020	2019
	\$	\$
Surplus:		
Investment in tangible capital assets	245,661,556	237,568,428
Reserves set aside for specific purposes by Council		
Working funds	1,240,561	1,249,137
Government business enterprise	3,593,269	3,593,269
Water and wastewater	23,868,321	21,030,639
Operating	2,864,739	2,734,297
Tax rate stabilization	1,200,604	1,000,087
Acquisition of tangible capital assets	9,295,796	10,645,247
Total reserves	42,063,290	40,252,676
Reserve funds set aside for specific purposes by Council		
Acquisition of tangible capital assets	465,588	425,627
Investment in government business enterprises (Note 18)	17,117,516	16,953,624
Total accumulated surplus	305,307,950	295,200,355

15. Net municipal taxation

Net municipal taxation consists of:

	2020	2019
	\$	\$
Taxation revenue	46,328,820	44,020,904
Amount levied and remitted to School Boards	(8,943,495)	(8,632,063)
Amount levied and remitted to the County of Simcoe	(12,280,553)	(12,019,580)
Net municipal taxation	25,104,772	23,369,261

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

16. Other revenues

Other revenues on the consolidated statement of operations consists of the following:

	2020	2019
	\$	\$
Rent and concessions	707,136	989,596
Licences and permits	955,320	898,419
Fines	356,315	283,089
Donations, sale of publications and equipment	25,694	29,640
	2,044,465	2,200,744

17. Annual surplus transferred to reserves

A reconciliation between adjusted annual surplus as transferred to reserves and recorded annual surplus as per the consolidated statements is reflected below. The need for this is generated by the actual recorded results complying with PSAB reporting requirements.

	2020	2019
	\$	\$
Recorded annual surplus as per consolidated statement of operations	10,107,595	14,420,590
Change in government business enterprise	(163,892)	(531,652)
Amortization of tangible capital assets	7,159,715	7,172,110
Loss on disposal of tangible capital assets	(88,798)	398,689
Proceeds on disposal of tangible capital assets	109,272	48,235
Tangible capital asset additions	(15,004,270)	(20,457,030)
Issuance of debentures	518,679	-
Principal payments on long-term liabilities	(787,730)	(1,031,571)
Annual surplus transferred to reserves	1,850,571	19,371

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

18. Government business enterprise (GBE)

The following balances represent the consolidation of Geosands Inc., Wasaga Distribution Inc., Wasaga Genco Inc. and Wasaga Resource Services Inc. for the year ended December 31. The following operations are included in the consolidated statement of operations, accounted for on a modified equity basis:

	Notes	2020	2019
		\$	\$
Total assets		29,802,484	28,249,082
Total liabilities	(a)	(12,684,968)	(11,295,458)
Net assets		17,117,516	16,953,624
Common shares		2,745,596	2,745,596
Miscellaneous paid-in capital		5,175,468	5,175,468
Retained income		9,196,452	9,032,560
Investment in government business enterprise		17,117,516	16,953,624
Total revenues	(b)	26,496,459	21,879,832
Total expenditures		(25,942,567)	(20,982,180)
Net income for the year		553,892	897,652
Dividends		(390,000)	(366,000)
Change in investment in government business enterprise equity		163,892	531,652
Income from government business enterprise:			
Change in investment in GBE equity	(c)	163,892	531,652
Dividends	(d)	390,000	366,000
Interest on note receivable	(e)	135,826	135,826
		689,718	1,033,478

(a) Note receivable from Wasaga Distribution Inc.

Geosands' liabilities include a note receivable from Wasaga Distribution Inc., repayable to the Municipality, in the amount of \$3,593,269 (2019 - \$3,593,269), which has no fixed terms of principal repayment. Interest is determined on the principal amount outstanding on the 30th day following December 31st of each year in which principal is owing. The note bears interest at the rate approved by the Ontario Energy Board (OEB) in connection with the the current decision and order issued by the OEB approving the electricity distribution rates that Wasaga Distribution Inc. is permitted to recover. Interest may be receivable in cash or in additional common shares issued by the government business enterprise. The interest rate during the year was 3.78% (2019 - 3.78%).

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

18. Government business enterprise (GBE) (continued)

(b) Rent revenue

Included in total revenue of the GBE is rental income from the Municipality. In 2011, a lease agreement was entered into with Wasaga Distribution Inc., effective January 1, 2012 for the construction of a fire hall on a portion of the land owned by Wasaga Distribution Inc. The Municipality was charged rent of \$26,426 (2019 - \$25,943). Rent will increase by the same percentage as the Consumer Price Index for the first ten years. On the eleventh year of the lease there will be a revaluation of rent based on fair market value. The term of the lease is forty years, including options for two extensions of twenty years.

(c) Change in investment in government business enterprise equity

Change in investment in government business enterprise equity represents the annual increase or decrease in the retained earnings of Geosands Inc., Wasaga Distribution Inc. and Wasaga Resources Services Inc., after eliminating any intercompany transactions between the three companies. The amount of change in retained earnings is calculated as the companies' annual net income, less any dividends paid to the Municipality. The amount retained by those companies is determined by their Board of Directors, in their anticipation of investments in property, plant and equipment and their cash requirements to effectively operate the companies. The Municipality only receives cash from the investment in the government business enterprise when dividends are declared as described in (d) below.

(d) Dividends

During the year the Municipality received \$390,000 (2019 - \$366,000) cash in the form of dividends from Geosands Inc. The amount of dividends paid each year is determined by the Board of Directors of Wasaga Resources Services Inc., Wasaga Distribution Inc. and Geosands Inc. based on their annual earnings, their anticipated amount of investment required in property, plant and equipment and their available cash flow.

(e) Interest on note receivable

During the year the Municipality received \$135,826 (2019 - \$135,826) cash in the form of interest from the note receivable from Wasaga Distribution Inc., as described in (a) above.

19. Trust funds

Trust funds administered by the Municipality amounting to \$231,908 (2019 - \$227,081) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations. The trust funds are comprised of the following:

	2020	2019
	\$	\$
Cemetery Pre-Need	31,279	34,382
Cemetery Perpetual Care and Maintenance	200,629	192,699

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

20. COVID-19

Subsequent to December 31, 2020 the COVID-19 pandemic was declared by the World Health Organization and thus had a significant impact on the finances and services of the Town. At the time of these consolidated financial statements, the Town of Wasaga Beach has undertaken the following in responding to the COVID-19 pandemic:

- Throughout the pandemic the Town offices remained open for staff to continue working. The offices were open to the public with the exception of limited access for closures during the period of March 17 to June 8, 2020. The Library reopened June 23rd. Limited access also took place from December 26 to February 17 201. Curbside pickups were in effect when the offices were closed to public access.
- Regular monthly Committee meetings such as Coordinated Committee, Committee of the Whole and Council meetings continued to take place through virtual meetings. Advisory Committees were delayed, functioned virtually or temporarily stopped.
- Some staff were redeployed to other departments where work was needed.
- Minimal short-term layoffs were part of cost containment measures.
- Students in most departments were not hired.
- Building department services were impacted in the spring but regained activity at normal levels following the reopening of the office to the public in June
- Revenue from Recreation Rental facilities was impacted.
- Recreation programs were cancelled or reduced.
- Several events (Fire external training, Parades, Mayor's Golf Tournament) were cancelled with some virtual initiatives implemented to replace the cancelled events.
- Some services were made available online to ensure residents can still access services.
- Adapted Recreational Programming to ensure residents had safe alternatives to conventional programming. Revenues did decline but programs were implemented to ensure active, engaged municipal services continued.
- Significant staff time was used for communications and adoption of business practices to ensure resident services continued.
- Implemented new process for taking credit card payments by telephone.
- Purchased 6 mobile pin pad units to assist with curbside pickups and ability to take payments at most locations.
- Significant changes in office and staff work protocols implemented to support government protocols to stop the spread of COVID while ensuring services remained in place.
- Facility improvements were put in place to meet regulations and protect staff and public from potential sources of COVID.

At this time COVID-19 continues to impact the Town. The extent of the impact, duration and severity on the financial position and operations of the Town is unknown at this time.

CORPORATION OF THE TOWN OF WASAGA BEACH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

21. Subsequent Events

Subsequent to year end the Municipality has entered into a financing agreement with Ontario Infrastructure and Lands Corporation ("OILC") whereby OILC has made financing available up to a maximum of \$36,500,000 for the acquisition of tangible capital assets related to specific long-term infrastructure projects. The financing is in the form of a non-revolving construction loan. Interest on the facility will be calculated at a floating rate per annum based on OILC's Construction Financing Rate. Interest costs during construction will be included in the cost of tangible capital assets. Upon substantial completion of construction, any remaining balance on the non-revolving loan will be converted to a debenture with terms and interest rate to be determined at that time.

CORPORATION OF THE TOWN OF WASAGA BEACH

SCHEDULE 1 SCHEDULE OF LIBRARY OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2020	Actual 2020	Actual 2019
	\$ (Note 2)	\$	\$
Revenue			
Government grants	30,180	37,683	36,539
Contribution from municipality	783,360	671,419	664,078
Copier, duplicating fees and miscellaneous	12,430	3,741	14,243
Donations	23,500	979	8,689
	849,470	713,822	723,549
Expenses			
Salaries, wages and benefits	694,740	623,197	600,074
Services	7,330	21,045	50,051
Materials and supplies	116,100	61,855	63,290
Memberships and training	8,300	6,517	8,403
	826,470	712,614	721,818
Annual surplus	23,000	1,208	1,731
Accumulated surplus, beginning of the year	381,852	381,852	380,121
Accumulated surplus, end of the year	404,852	383,060	381,852

The supplemental information provided above has been extracted from the records of the Municipality and is included in the consolidated statement of operations.

CORPORATION OF THE TOWN OF WASAGA BEACH

**SCHEDULE 2
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31**

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Linear Assets	Construction in Progress	2020 Total	2019 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Balance, beginning of year	42,919,748	11,807,287	51,982,560	11,259,227	12,732,946	223,444,104	4,716,049	358,694,857	340,425,570
Additions	167,064	2,467,781	473,417	595,677	1,278,697	1,524,889	8,882,151	15,389,676	26,401,856
Disposals	-	(20,269)	(3,456)	(455,118)	(1,477,450)	(236,668)	(385,406)	(2,578,367)	(7,818,677)
Write downs	-	-	-	-	-	-	-	-	(313,892)
Balance, end of year	42,919,748	14,254,799	52,452,521	11,399,786	12,534,193	224,732,325	13,212,794	371,506,166	358,694,857
Accumulated amortization									
Balance, beginning of year	-	4,038,675	22,364,172	4,736,311	8,247,470	68,301,152	-	107,687,780	102,256,485
Amortization	-	317,058	1,223,192	713,676	857,138	4,048,654	-	7,159,718	7,172,110
Disposals	-	(20,269)	(3,456)	(455,118)	(1,477,450)	(216,194)	-	(2,172,487)	(1,740,815)
Balance, end of year	-	4,335,464	23,583,908	4,994,869	7,627,158	72,133,612	-	112,675,011	107,687,780
Net book value, end of year	42,919,748	9,919,335	28,868,613	6,404,917	4,907,035	152,598,713	13,212,794	258,831,155	251,007,077

See accompanying notes to the financial statements

CORPORATION OF THE TOWN OF WASAGA BEACH

SCHEDULE 3 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2020

	General Government	Protection to Persons and Property	Transportation	Environmental	Recreation and Cultural	Planning and Development	Health, Social and Family	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Net municipal taxation	1,468,172	9,376,740	6,211,870	547,820	4,805,980	2,627,160	67,030	25,104,772
Payments in lieu of taxation	565,616	-	-	-	-	-	-	565,616
User charges	66,511	57,678	1,326,862	7,189,799	328,345	545,936	50,155	9,565,286
Government grants	2,107,781	3,920	256,503	-	65,123	-	42,700	2,476,027
Payments from other municipalities	-	27,858	-	-	-	50,000	8,550	86,408
Contributions from deferred revenue - obligatory reserve funds and other	14,344	-	-	15,423	2,284	-	-	32,051
Investment	545,943	-	-	-	-	-	-	545,943
Penalties and interest on taxes	371,557	-	-	-	-	-	-	371,557
Other	38,451	933,404	337,671	85,062	64,989	556,148	8,490	2,024,215
	5,178,375	10,399,600	8,132,906	7,838,104	5,266,721	3,779,244	176,925	40,771,875
Expenses								
Salaries, wages and employee benefits	1,329,301	5,297,228	3,503,348	1,491,206	3,190,787	1,328,485	146,198	16,286,553
Interest on long-term liabilities	-	5,342	38,049	-	-	369,736	-	413,127
Materials and supplies	217,918	680,820	1,449,036	1,709,121	915,024	360,565	63,173	5,395,657
Rent, financial expenses and external transfers	131,733	300,873	221,694	140,940	58,604	268,606	8,154	1,130,604
Contracted services	389,147	5,174,421	1,070,936	1,566,915	282,787	447,752	129,609	9,061,567
Amortization of tangible capital assets	139,979	343,019	2,813,509	2,924,040	652,950	266,290	19,931	7,159,718
	2,208,078	11,801,703	9,096,572	7,832,222	5,100,152	3,041,434	367,065	39,447,226
Net revenues (expenses)	2,970,297	(1,402,103)	(963,666)	5,882	166,569	737,810	(190,140)	1,324,649
Other								
Grants and transfers related to capital	-	-	-	115,607	-	-	-	115,607
User charges	-	-	20,863	-	-	-	-	20,863
Government grants	-	-	-	20,670	-	-	-	20,670
Payments from other municipalities	-	-	-	-	-	-	-	-
Contributions from deferred revenue - obligatory reserve funds and other	-	-	3,792,494	2,862,404	195,696	-	-	6,850,594
Investment	-	-	-	352,322	-	-	-	352,322
Other	1,650	-	-	-	18,600	-	-	20,250
Gain on disposal of tangible capital assets	-	4,144	35,622	26,373	22,659	-	-	88,798
Contributed tangible capital assets	-	-	214,805	277,319	132,000	-	-	624,124
Income from government business enterprise	689,718	-	-	-	-	-	-	689,718
	691,368	4,144	4,063,784	3,654,695	368,955	-	-	8,782,946
Annual surplus (deficit)	3,661,665	(1,397,959)	3,100,118	3,660,577	535,524	737,810	(190,140)	10,107,595

See accompanying notes to the financial statements

CORPORATION OF THE TOWN OF WASAGA BEACH

**SCHEDULE 4
CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES
ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2019**

	General Government	Protection to Persons and Property	Transportation	Environmental	Recreation and Cultural	Planning and Development	Health, Social and Family	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Net municipal taxation	1,727,381	8,869,870	5,776,460	387,710	4,575,130	1,940,320	92,390	23,369,261
Payments in lieu of taxation	539,025	-	-	-	-	-	-	539,025
User charges	48,614	40,406	1,278,472	6,669,908	517,532	445,880	45,726	9,046,538
Government grants	2,670,430	1,960	179,037	-	63,189	1,960	48,607	2,965,183
Payments from other municipalities	-	131,428	-	-	14,345	2,757	-	148,530
Contributions from deferred revenue - obligatory reserve funds and other	17,060	-	-	-	14,850	5,223	-	37,133
Investment	562,177	-	-	-	-	-	-	562,177
Penalties and interest on taxes	466,297	-	-	-	-	-	-	466,297
Other	53,109	809,986	263,624	126,193	203,749	721,398	13,710	2,191,769
	6,084,093	9,853,650	7,497,593	7,183,811	5,388,795	3,117,538	200,433	39,325,913
Expenses								
Salaries, wages and employee benefits	620,861	5,047,449	3,502,938	1,482,737	3,583,493	1,373,864	223,167	15,834,509
Interest on long-term liabilities	-	937	40,282	3,444	-	383,139	-	427,802
Materials and supplies	645,545	304,923	1,472,868	1,544,248	952,655	277,007	70,625	5,267,871
Rent, financial expenses and external transfers	294,483	271,731	175,237	128,044	113,055	224,381	20,000	1,226,931
Contracted services	277,392	4,954,063	875,059	1,451,898	469,549	190,918	77,187	8,296,066
Amortization of tangible capital assets	150,366	317,077	2,830,970	2,940,720	640,263	273,946	18,768	7,172,110
	1,988,647	10,896,180	8,897,354	7,551,091	5,759,015	2,723,255	409,747	38,225,289
Net revenues (expenses)	4,095,446	(1,042,530)	(1,399,761)	(367,280)	(370,220)	394,283	(209,314)	1,100,624
Other								
Grants and transfers related to capital	-	-	-	137,914	-	-	-	137,914
User charges	-	-	-	-	-	-	-	-
Government grants	-	-	-	-	-	-	-	-
Payments from other municipalities	-	-	-	374,314	-	-	-	374,314
Contributions from deferred revenue - obligatory reserve funds and other	-	-	3,542,600	1,122,946	1,549,053	-	-	6,214,599
Investment	-	-	-	382,685	-	-	-	382,685
Other	-	-	-	-	8,975	-	-	8,975
Loss on disposal of tangible capital assets	(59,062)	1,883	(106,557)	5,238	4,786	(244,977)	-	(398,689)
Contributed tangible capital assets	-	-	1,988,550	3,230,140	348,000	-	-	5,566,690
Income from government business enterprise	1,033,478	-	-	-	-	-	-	1,033,478
	974,416	1,883	5,424,593	5,253,237	1,910,814	(244,977)	-	13,319,966
Annual surplus (deficit)	5,069,862	(1,040,647)	4,024,832	4,885,957	1,540,594	149,306	(209,314)	14,420,590

See accompanying notes to the financial statements