

Consolidated Financial Statements

**THE CORPORATION OF THE
TOWN OF COBOURG**

And Independent Auditors' Report thereon

Year ended December 31, 2020

THE CORPORATION OF THE TOWN OF COBOURG

Consolidated Financial Statements

Year ended December 31, 2020

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THE CORPORATION OF THE TOWN OF COBOURG

VICTORIA HALL
55 KING STREET WEST
COBOURG, ONTARIO
K9A 2M2
WWW.COBOURG.CA

Finance Department
Telephone (905) 372-8944
Toll Free 1-888-972-4301
Fax (905) 372-7421

File No.

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Town of Cobourg (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of 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 Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors 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 KPMG LLP, independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

Tracey Vaughan
Chief Administrative Officer

Ian Davey
Treasurer



KPMG LLP
863 Princess Street, Suite 400
Kingston ON K7L 5N4
Canada
Tel 613-549-1550
Fax 613-549-6349

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Cobourg

Opinion

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

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020, and its consolidated results of operations, its consolidated change in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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



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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

August 30, 2021

THE CORPORATION OF THE TOWN OF COBOURG

Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash	\$ 3,742,320	\$ 6,220,120
Investments (note 2)	3,882,502	4,958,681
Taxes receivable	2,675,093	2,603,164
Receivables - grant	781,050	263,096
Receivables - other	6,859,479	3,664,597
Other financial assets	627,316	629,156
Note receivable (note 4(c))	7,000,000	7,000,000
Investment in Town of Cobourg Holdings Inc. (note 4(a))	12,735,086	12,448,516
	<u>38,302,846</u>	<u>37,787,330</u>
Liabilities:		
Accounts payable and accrued liabilities	13,032,192	11,561,977
Deferred revenue	207,016	656,748
Deferred revenue - obligatory reserve funds (note 6)	10,251,662	13,033,530
Employee future benefit liability (note 7(d))	2,756,203	2,733,608
Promissory note payable (note 4(d))	405,000	450,000
Net long-term liabilities (note 8 (a))	5,164,358	6,485,143
	<u>31,816,431</u>	<u>34,921,006</u>
Total net financial assets	6,486,415	2,866,324
Non-financial assets:		
Tangible capital assets (note 12)	200,982,190	192,977,647
Other assets (note 12(d))	1,452,026	1,219,813
	<u>202,434,216</u>	<u>194,197,460</u>
Contingent liabilities (note 14)		
Accumulated surplus (note 9)	\$ 208,920,631	\$ 197,063,784

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF COBOURG

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2020, with comparative information for 2019

	Budget 2020 (note 13)	Actual 2020	Actual 2019
Revenue:			
Taxation:			
Property taxation	\$ 24,636,992	\$ 24,459,450	\$ 23,819,478
Payments in lieu of taxation	44,410	190,201	172,730
User charges	15,702,613	16,822,025	18,766,912
Development charges	2,280,010	4,244,793	1,203,095
Contributed tangible capital assets	–	2,137,478	697,227
Grants:			
Government of Canada	1,738,059	1,567,946	590,647
Province of Ontario	1,394,766	3,177,287	1,685,943
Other municipalities	950,920	932,758	988,566
Other:			
Rental income	4,812,424	4,606,031	4,751,445
Penalty and interest	410,000	315,532	389,071
Other income	782,351	1,436,741	825,976
Donations	6,000	156,001	72,772
Interest income - Town of Cobourg Holdings Inc. (note 4(c))	260,400	260,400	507,500
Interest and dividend income	346,024	74,739	355,382
Loss on sale of assets	–	(2,761)	(97,796)
Net equity increase in investment in Town of Cobourg Holdings Inc. (note 4)	–	286,570	315,120
Total revenue	53,364,969	60,665,191	55,044,068
Expenses (note 10):			
General government	4,877,062	4,358,656	4,410,321
Protection to persons and property	15,147,515	16,079,016	15,335,951
Transportation services	6,661,421	6,184,162	6,236,681
Environmental services	9,945,229	9,803,864	9,371,268
Industrial property	2,078,288	2,313,520	2,376,840
Social and family services	248,100	140,758	116,182
Recreation and cultural services	10,746,753	8,794,073	10,216,408
Planning and development	1,428,833	1,134,295	1,475,373
Total expenses	51,133,201	48,808,344	49,539,024
Annual surplus	2,231,768	11,856,847	5,505,044
Accumulated surplus, beginning of year		197,063,784	191,558,740
Accumulated surplus, end of year (note 9)		\$ 208,920,631	\$ 197,063,784

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF COBOURG

Consolidated Statement of Change in Net Debt

Year ended December 31, 2020, with comparative information for 2019

	Budget 2020	Actual 2020	Actual 2019
Annual surplus	\$ 2,231,768	\$ 11,856,847	\$ 5,505,044
Acquisition of tangible capital assets	(16,797,428)	(11,122,663)	(13,281,860)
Decrease (increase) in construction- in-progress	–	(4,721,403)	4,916,381
Amortization of tangible capital assets	7,730,455	7,836,762	7,563,871
Loss on disposal of tangible capital assets	–	2,761	97,796
Proceeds on disposals of tangible capital assets	–	–	89,454
Acquisition of other assets	–	(232,213)	(16,153)
	(6,835,205)	3,620,091	4,874,533
Net assets (debt), beginning of year	2,866,324	2,866,324	(2,008,209)
Net financial assets (debt), end of year	\$ (3,968,881)	\$ 6,486,415	\$ 2,866,324

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF COBOURG

Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Operations:		
Annual surplus	\$ 11,856,847	\$ 5,505,044
Items not involving cash:		
Amortization of tangible capital assets	7,836,762	7,563,871
Loss on disposal of tangible capital assets	2,761	97,796
Increase in employee future benefit liability	22,595	50,243
Changes in non-cash working capital balances:		
Taxes receivable	(71,929)	221,796
Receivables - grant	(517,954)	204,408
Receivables - other	(3,194,882)	639,035
Other financial assets	1,840	43,713
Other assets	(232,213)	(16,153)
Accounts payable and accrued liabilities	1,470,215	202,000
Deferred revenue	(449,732)	195,052
Deferred revenue - obligatory reserve funds	(2,781,868)	1,520,297
Net change in cash from operations	13,942,442	16,227,102
Capital activities:		
Cash used to acquire tangible capital assets	(11,122,663)	(13,281,860)
Decrease (increase) in construction-in-progress	(4,721,403)	4,916,381
Proceeds on disposal of tangible capital assets	-	89,454
Net change in cash from capital activities	(15,844,066)	(8,276,025)
Investing activities:		
Increase in investment in Town of Cobourg Holdings Inc.	(286,570)	(315,120)
Decrease (increase) in investments	1,076,179	(1,735,702)
Net change in cash from investing activities	789,609	(2,050,822)
Financing activities:		
Repayment of long-term liabilities	(1,320,785)	(1,459,989)
Repayment of promissory note	(45,000)	(45,000)
Net change in cash from financing activities	(1,365,785)	(1,504,989)
Increase (decrease) in cash	(2,477,800)	4,395,266
Cash, beginning of year	6,220,120	1,824,854
Cash, end of year	\$ 3,742,320	\$ 6,220,120

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements

Year ended December 31, 2020

1. Significant accounting policies:

The consolidated financial statements of The Corporation of the Town of Cobourg (the "Town") are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenue, expenses and fund balances of the current, capital and reserves of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards which are owned or controlled by the Town.

Interdepartmental and interorganizational transactions and balances between these organizations are eliminated. These consolidated financial statements include:

Downtown Business Improvement Area
Library Board
Waterworks of the Town of Cobourg

These consolidated financial statements also include the assets, liabilities, revenue and expenses of the industrial property, which is 100% owned by the Town.

(ii) Investment in Town of Cobourg Holdings Inc.:

Town of Cobourg Holdings Inc. ("TCHI") and its subsidiaries are accounted for on a modified equity basis, consistent with Canadian public sector accounting standards. Under the modified equity basis of accounting, the business enterprise's accounting principles are not adjusted to conform to those of the Corporation, and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of TCHI in its Consolidated Statement of Operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from TCHI will be reflected as reductions in the investment asset account.

(iii) Accounting for school board and County transactions:

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards, and the County of Northumberland are not reflected in the municipal fund balances of these consolidated financial statements. Overlevies (underlevies) are reported on the Consolidated Statement of Financial Position.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(b) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Deferred revenue - obligatory reserve funds:

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

(d) Employee future benefit liability:

The Town accrues its obligations for employee benefit plans which require funding in future periods. The cost of post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on services and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

Actuarial gains (losses), which can arise from changes in actuarial assumptions used to determine the accrued benefit obligation, are amortized over the average remaining service life of the related employee groups, which is estimated to be 12 years (2019 - 9 years).

(e) Deferred revenue:

The Town receives contributions pursuant to legislation, regulations or agreement that may only be used for certain programs or in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the related expenses are incurred or services performed.

(f) Investments:

Investments are recorded at cost plus accrued interest and amortization of purchase premiums and discounts. If the market value of investments becomes lower than cost and this decline in value is considered to be other than temporary, the investments are written down to market value.

Investment income earned on current available funds and reserve funds (other than obligatory funds) are 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 balance.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(g) Workplace safety and insurance compensation:

The Town bears the cost of certain insurance and pension benefits awarded under workplace safety and insurance legislation and accrues the actuarially determined cost of these obligations.

Actuarial gains (losses), which can arise from changes in actuarial assumptions used to determine the accrued obligation, are amortized over the mean term of the liabilities which is estimated to be 11 years (2019 - 11 years).

(h) Government transfers:

Government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except, when and to the extent that, stipulations by the transferor give rise to an obligation that meets the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(i) Use of estimates:

The preparation of consolidated financial statements 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 revenue and expenses during the period. Actual results could differ from those estimates.

Significant areas requiring the use of management's estimates include management's estimates used to develop actuarial assumptions with respect to employee future benefits.

(j) Land held for resale:

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvement to prepare the land for sale or servicing.

(k) Property taxation:

The Town recognizes property tax revenue using the approved tax rate and the anticipated assessment. Taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. The standard requires that property tax revenue be reported net of tax concessions. Tax transfers are reported as an expense and taxes levied on behalf of others in a flow through arrangement are not reported in the Consolidated Statement of Operations.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(l) 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.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives as follows:

Asset		Years
Land improvements	Straight-line	20 to 80
Buildings and building improvements	Straight-line	15 to 95
Roads, sewer, water infrastructure	Straight-line	20 to 80
Machinery and equipment	Straight-line	3 to 30
Vehicles	Straight-line	6 to 20
Books and periodicals	Straight-line	7
Industrial property - land improvements and buildings	Declining balance	5%

Annual amortization is charged for months in use. Assets under construction are not amortized until the asset is available for productive use.

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Consolidated Statement of Operations.

(ii) Contributions of tangible capital assets:

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

(iii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

(iv) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(l) Non-financial assets (continued):

(v) Inventories of supplies:

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

(vi) Interest capitalization:

The Town capitalizes interest costs associated with the acquisition or construction of a tangible capital asset up to the period of substantial completion.

2. Investments:

Investments, which consist of guaranteed investment certificates earning rates of interest ranging from 2.05% to 2.36% per annum which mature between January 2020 and September 2022, are recorded on the Consolidated Statement of Financial Position at cost plus accrued interest which also approximates market value. These investments are being held in trust from a developer and all investment income earned is payable to the developer. Investments which have matured subsequent to December 31, 2020 have been reinvested.

3. Operations of school boards and the County of Northumberland:

Requisitions were made by the school boards and the County of Northumberland requiring the Town to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

	School Boards		County of Northumberland	
	2020	2019	2020	2019
Amounts requisitioned and collected	\$ 8,362,031	\$ 8,416,637	\$ 14,280,543	\$ 13,651,441

4. Investment in Town of Cobourg Holdings Inc.:

In compliance with provincial legislation enacted to restructure the electricity industry in Ontario, Council approved the incorporation of the electricity distribution business of the former Public Utilities Commission - Electric Department of Cobourg (the "Commission") in April 2000. Through its 99.9% interest in Town of Cobourg Holdings Inc. ("TCHI"), the Town retains its interest in the electricity business conducted by TCHI.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

4. Investment in Town of Cobourg Holdings Inc. (continued):

As part of electricity restructuring, incorporated distribution utilities have been allowed to take on commercial debt structures and have the ability to earn a regulated commercial rate of return. Effective May 1, 2000, the electricity distribution business formerly conducted by the Commission was transferred to TCHI. The Corporation's consolidated financial statements as a result of this transaction are comprised of the following:

	2020	2019
9,999,999 common shares of TCHI	\$ 7,002,145	\$ 7,002,145
Retained earnings, beginning of year	5,446,371	5,131,251
Pro-rata share of net income during the year	511,487	465,120
Dividend	–	(150,000)
Accumulated other comprehensive income change	(224,917)	–
Total investment in Town of Cobourg Holdings Inc.	\$ 12,735,086	\$ 12,448,516

The following tables provide condensed supplementary financial information with respect to the Town's investment in TCHI as at December 31, 2020 and December 31, 2019 and its results of operations for both years:

(a) Financial position:

	2020	2019
Current assets	\$ 8,070,519	\$ 8,870,586
Capital assets	23,106,662	21,807,701
Other assets	4,043,143	2,944,135
Total assets	35,220,324	33,622,422
Current liabilities	5,635,969	5,016,442
Long-term liabilities	14,536,059	13,850,661
Regulatory deferral account credit balances	2,313,210	2,306,803
Total liabilities	22,485,238	21,173,906
Net assets	\$ 12,735,086	\$ 12,448,516

(b) Results of operations:

	2020	2019
Revenue	\$ 38,562,006	\$ 35,117,199
Expenses	38,050,519	34,652,079
Net earnings for the period	\$ 511,487	\$ 465,120

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

4. Investment in Town of Cobourg Holdings Inc. (continued):

- (c) The note receivable bears interest at 3.72% (2019 - 7.25%) per annum. The Town does not intend to demand repayment from LUI, a wholly-owned subsidiary of TCHI. Interest earned on this note amounted to \$260,400 (2019 - \$507,500). Fair value of the note receivable is indeterminable as it is a non-arm's length loan.
- (d) The promissory note payable to LUI bears interest at 5.4% and is due in annual repayments of \$45,000 plus interest with the total balance due on January 1, 2029. Interest paid in 2020 was \$24,300 (2019 - \$26,730).

5. Industrial property:

Non-financial assets of the Industrial property represent the unamortized cost of the land, land improvements and buildings purchased by the Town and rented out.

	Cost	Accumulated amortization	2020	2019
Land	\$ 3,125,000	\$ –	\$ 3,125,000	\$ 3,125,000
Land improvements	967,348	430,199	537,149	581,421
Buildings	25,107,874	11,436,528	13,671,346	13,578,543
	\$ 29,200,222	\$ 11,866,727	\$ 17,333,495	\$ 17,284,964

Cost and accumulated amortization at December 31, 2019 amounted to \$28,429,263 and \$11,144,299, respectively.

(a) Financial position:

Included in the Consolidated Statement of Financial Position are the following assets and liabilities pertaining to the industrial property operations:

	2020	2019
Cash	\$ 4,969,525	\$ 4,636,777
Accounts receivable	571,211	190,460
Prepaid expenses	16,959	13,773
Industrial property	17,333,495	17,284,965
Total assets	22,891,190	22,125,975
Accounts payable and accrued liabilities	875,725	1,127,665
Deferred revenue	112,762	191,304
Total liabilities	988,487	1,318,969
Net equity in industrial property	\$ 21,902,703	\$ 20,807,006

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

5. Industrial property:

(b) Results of operations and change in net equity:

The following table provides condensed financial information for the industrial property operations:

	2020	2019
Gross rental income	\$ 3,492,538	\$ 3,528,033
Operating expenses	(1,309,645)	(1,447,441)
Operating expenses recovery	982,334	1,069,566
Administrative expenses	(281,446)	(204,059)
Amortization	(722,428)	(725,338)
Net earnings for the year	\$ 2,161,353	\$ 2,220,761
Equity, beginning of the year	\$ 18,807,006	\$ 18,473,345
Net income for the period	2,161,353	2,220,761
Transfer to reserves	(1,065,656)	(887,100)
Capital reserve	2,000,000	1,000,000
Equity, end of year	\$ 21,902,703	\$ 20,807,006

The industrial property is managed by an independent management company under a year-to-year contract. Rental income is recognized on a straight-line basis over the term of the tenants' respective lease agreements.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

6. Deferred revenue - obligatory reserve funds:

A requirement of the Canadian public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Town are summarized below:

	2020	2019
Balance, beginning of year	\$ 13,033,530	\$ 11,513,233
Recreational land	142,703	53,848
Federal grant - gasoline tax	589,737	1,190,570
Provincial grant - gasoline tax transit	203,868	254,475
Development contributions	2,361,413	1,009,171
Cannabis Fund	–	22,430
Building code	555,684	6,000
Ontario Community Infrastructure Fund	638,141	636,739
SRA-Transit	97,780	–
Investment income	93,196	259,081
Utilization - capital	(6,815,144)	(1,038,032)
Utilization - operating	(649,246)	(873,985)
Balance, end of year	\$ 10,251,662	\$ 13,033,530
Analyzed as follows:		
Sub-divider contributions	\$ 291,820	\$ 296,221
Recreational land	102,018	(20,092)
Ontario Community Infrastructure Fund	88,739	752,240
SRA-Transit	97,896	–
Cannabis Fund	22,430	22,430
Development charges	6,274,863	8,215,371
Building code	1,340,657	846,927
Gasoline tax:		
Provincial	96,873	97,334
Federal	1,936,366	2,823,099
	\$ 10,251,662	\$ 13,033,530

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

7. Employee future benefit liability:

(a) Extended health care and dental benefits:

(i) The Corporation of the Town of Cobourg:

The Town provides extended health care and dental benefits to its employees. An independent actuarial study of the post-retirement and post-employment benefits was undertaken in September 2019.

At December 31, 2020, the Town's accrued benefit liability relating to post-retirement and post-employment benefit plans is \$2,434,156 (2019 - \$2,324,377).

The significant actuarial assumptions adopted in estimating the Town's accrued benefit obligation are as follows:

Discount rate	3.50% per annum
Inflation rate	1.75% per annum
Salary escalation	2.75% per annum
Dental benefits escalation	3.75% per annum
Health benefits escalation	6.75% in 2020 reducing by 0.33% per year to 3.75% in 2029

Information with respect to the Town's post-retirement and post-employment obligations is as follows:

	2020	2019
Accrued benefit liability, January 1	\$ 2,324,377	\$ 2,277,617
Service cost	127,733	88,903
Benefits paid for the period	(186,181)	(161,512)
Interest cost	104,375	97,734
Amortization of actuarial loss	63,852	21,635
Accrued benefit liability, December 31	\$ 2,434,156	\$ 2,324,377

The accrued benefit liability at December 31, includes the following components:

	2020	2019
Accrued benefit obligation	\$ 3,057,280	\$ 3,011,352
Unamortized actuarial loss	(623,124)	(686,975)
Accrued benefit liability, end of year	\$ 2,434,156	\$ 2,324,377

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

7. Employee future benefit liability (continued):

(a) Extended health care and dental benefits (continued):

(ii) Waterworks of the Town of Cobourg:

The Waterworks of the Town of Cobourg (the "Waterworks") provides extended health, dental and life insurance benefits for retired employees. An independent actuarial valuation was undertaken as at December 31, 2020.

At December 31, 2020, the accrued benefit liability relating to post-retirement benefit plans is \$250,675 (2019 - \$335,402).

The significant actuarial assumptions adopted in estimating the Waterworks' accrued benefit obligation are as follows:

Discount rate	2.7% per annum
Inflation rate	2.0% per annum
Salary escalation	2.0% per annum
Dental benefits escalation	4.7% in 2020, increasing by 0.20% per annum to 2023
Health benefits escalation	4.40% in 2020 increasing by 0.20% per annum until 2023

Information with respect to the Waterworks' post-retirement and post-employment obligations is as follows:

	2020	2019
Accrued benefit liability, January 1	\$ 335,402	\$ 329,413
Service cost	15,619	14,849
Benefits paid for the period	(35,744)	(19,840)
Actuarial loss (gain)	760	(496)
Interest cost	10,953	11,476
Past service cost	(76,315)	—
Accrued benefit liability, December 31	\$ 250,675	\$ 335,402

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

7. Employee future benefit liability (continued):

(b) Workplace safety and insurance:

In common with other Schedule 2 employers, the Town funded its obligations to the Workplace Safety and Insurance Board on a "pay-as-you-go" basis for employees under Schedule 2. An independent actuarial study of the work place Safety and Insurance Board liabilities was completed November 2019.

Effective March 31, 2010, the Town is included in Workplace Safety and Insurance Board Schedule 1 and therefore has no additional liability for Workplace Safety and Insurance Board claims on or after that date.

At December 31, 2020, the Town's accrued benefit liability relating to future payments on Workplace Safety and Insurance Board claims is \$71,372 (2019 - \$73,829).

Information with respect to the Town's Workplace Safety and Insurance Board future payments is as follows:

	2020	2019
Accrued benefit liability, beginning of year	\$ 73,829	\$ 76,335
Benefits paid for the period	(8,259)	(5,013)
Interest cost	3,462	2,902
Amortization of actuarial loss (gain)	2,340	(395)
Accrued benefit liability, end of year	\$ 71,372	\$ 73,829

The accrued benefit liability at December 31, 2020, includes the following components:

	2020	2019
Accrued benefit obligation	\$ 98,244	\$ 72,947
Unamortized actuarial gain (loss)	(26,872)	882
Accrued benefit liability	\$ 71,372	\$ 73,829

(c) Liability for vacation credits:

Compensated vacation expense is accrued for employees as entitlement to these payments is earned in accordance with the Town's benefit plans for vacation time. Vacation credits earned as at December 31, 2020 amount to \$1,383,460 (2019 - \$1,331,848) and are included in accounts payable and accrued liabilities on the Consolidated Statement of Financial Position.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

7. Employee future benefit liability (continued):

(d) Employee future benefit liability:

	2020	2019
Employee future benefit liability is comprised of:		
Health and dental benefits - Town	\$ 2,434,156	\$ 2,324,377
Workplace safety and insurance	71,372	73,829
	2,505,528	2,398,206
Health, dental and life insurance benefits - Waterworks	250,675	335,402
	\$ 2,756,203	\$ 2,733,608

8. Net long-term liabilities:

(a) The balance of the net long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following:

	2020	2019
Total long-term liabilities incurred by the Town and outstanding at the end of the year	\$ 5,164,358	\$ 6,485,143

(b) Of the net long-term liabilities reported in note 8(a) of this note, principal payments for the next five years and thereafter are payable from general municipal revenues as follows:

2021	\$ 1,266,654
2022	1,300,747
2023	366,758
2024	203,010
2025	209,868
Thereafter	1,817,321
	\$ 5,164,358

(c) Approval of the Ontario Municipal Board or by-law as required has been obtained for the long-term liabilities in note 8(a) issued in the name of the Town.

(d) Total interest on long-term liabilities that are reported on the Consolidated Statement of Operations amount to \$171,257 (2019 - \$209,289). The long-term liabilities bear interest at rates ranging from 2.49% to 3.47% with term renewals to take place in 2021 through 2033.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

9. Accumulated surplus:

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

	2020	2019
Surplus (deficit):		
Operations	\$ 263,355	\$ (2,762,593)
Unfinanced capital	(14,705,120)	(13,067,007)
Invested in tangible capital assets	200,982,190	192,977,646
Long-term debt	(5,164,358)	(6,485,143)
Unfunded:		
Employee benefits	(2,756,203)	(2,733,608)
Promissory note payable to Town of Cobourg Holdings Inc.	(405,000)	(450,000)
Waterworks	1,421,326	667,004
Downtown Business Improvement Area	174,931	154,731
Town of Cobourg Public Library Board	(30,032)	(54,416)
Note receivable from Town of Cobourg Holdings Inc.	7,000,000	7,000,000
Investment in Town of Cobourg Holdings Inc.	12,735,086	12,448,516
Total surplus	199,516,175	187,695,130
Reserves:		
Contingencies	264,682	83,613
Parking	499,598	607,703
Current:		
General	487,909	619,005
Social & Health services	351,853	237,537
Library	276,828	224,155
Capital:		
General government	938,789	1,153,235
Protection services	714,104	1,700,548
Transportation services	411,243	(151,283)
Environmental services	4,319,814	3,573,271
Recreation and cultural services	346,882	724,366
Planning and development	792,754	596,504
Total reserves	9,404,456	9,368,654
Total accumulated surplus	\$ 208,920,631	\$ 197,063,784

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

10. Classification of expenses by object:

The Consolidated Statement of Operations presents the expenses by function, whereas the following classifies those same expenses by object:

	2020	2019
Salary, wages and employee benefits	\$ 23,282,446	\$ 23,954,107
Operating materials and supplies	7,352,028	7,513,588
Contracted services	8,995,463	8,968,260
Rents and financial expenses	493,158	658,100
External transfers to other	652,419	645,080
Interest on long-term debt	196,068	236,018
Amortization of tangible capital assets	7,836,762	7,563,871
	<u>\$ 48,808,344</u>	<u>\$ 49,539,024</u>

11. Pension agreements:

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2020. At that time, the plan reported at \$4.3 billion actuarial deficit (2019 -\$3.4 billion actuarial deficit). The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

For the year ended December 31, 2020, the amount contributed for and included as current service pension cost expenses on the Consolidated Statement of Operations and Accumulated Surplus is \$1,772,739 (2019 - \$1,687,366).

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

12. Tangible capital assets:

Cost	Balance at December 31, 2019	Additions	Disposals/ transfers/ write-offs	Balance at December 31, 2020
Land	\$ 15,347,882	\$ –	\$ –	\$ 15,347,822
Land improvements	11,271,848	805,523	4,370	12,073,001
Buildings and building improvements	78,693,931	1,073,468	129,601	79,637,798
Machinery and equipment	16,776,681	825,906	273,489	17,329,098
Vehicles	11,649,260	179,935	–	11,829,195
Roads infrastructure	37,078,156	2,709,277	124,833	39,662,600
Sewer infrastructure	93,482,354	2,699,572	4,221	96,177,705
Water infrastructure	38,888,656	2,770,492	–	41,659,148
Books and periodicals	684,122	58,490	116,077	626,535
Construction-in-progress	6,226,767	11,523,359	6,801,956	10,948,170
	\$ 310,099,657	\$ 22,646,022	\$ 7,454,547	\$ 325,291,132

Accumulated amortization	Balance at December 31, 2019	Amortization expense	Disposals/ transfers/ write-offs	Balance at December 31, 2020
Land improvements	\$ 4,597,563	\$ 343,559	\$ 3,502	\$ 4,937,620
Buildings and building improvements	25,689,238	2,091,927	127,708	27,653,457
Machinery and equipment	9,093,822	884,960	273,489	9,705,293
Vehicles	5,578,270	847,539	–	6,425,809
Roads infrastructure	16,564,449	873,036	124,833	17,312,652
Sewer infrastructure	36,896,189	1,807,326	4,221	38,699,294
Water infrastructure	18,261,604	911,179	–	19,172,783
Books and periodicals	440,875	77,236	116,077	402,034
	\$ 117,122,010	\$ 7,836,762	\$ 649,830	\$ 124,308,942

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

12. Tangible capital assets (continued):

	Net book value December 31, 2019	Net book value December 31, 2020
Land	\$ 15,347,882	\$ 15,347,882
Land improvements	6,674,285	7,135,381
Buildings and building improvements	53,004,693	51,984,341
Machinery and equipment	7,682,859	7,623,805
Vehicles	6,070,990	5,403,386
Roads infrastructure	20,513,707	22,349,948
Sewer infrastructure	56,586,165	57,478,411
Water infrastructure	20,627,052	22,486,365
Books and periodicals	243,247	224,501
Construction-in-progress	6,226,767	10,948,170
	<u>\$ 192,977,647</u>	<u>\$ 200,982,190</u>

(a) Construction-in-progress:

Construction-in-progress having a value of \$10,948,170 (2019 - \$6,226,767) has not been amortized. Amortization of this asset will commence when the asset is put into service.

(b) Tangible capital assets disclosed at nominal value:

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

(c) Write-down of tangible capital assets

The write-down of tangible capital assets during the year amounted to \$Nil (2019 - \$Nil).

(d) Assets held for sale in the amount of \$325,634 (2019 - \$325,634) have been transferred out of tangible capital assets and are included in other assets on the Consolidated Statement of Financial Position.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

13. Budget figures:

The budget figures reported on the Consolidated Statement of Operations are based on the 2020 municipal and other local board operating and capital budgets as approved by Council on February 3, 2020.

Approved budget figures also include council approved budget estimates for Public Sector Accounting Board (PSAB) reporting requirements. The budgets established for capital 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 current year's actual amounts. The chart below reconciles the approved Town operating budgets and PSAB budget estimates to the total consolidated budget figures as reported on the Consolidated Statement of Operations and Accumulated Surplus.

	Budget 2020
Total revenue as reported on the consolidated statement of operations:	
Operating budget	\$ 32,746,651
Capital budget	4,533,679
Water budget	5,231,883
Wastewater budget	6,209,232
Northam Industrial Park budget	4,643,524
	<u>53,364,969</u>
Total expenses as reported on the consolidated statement of operations:	
Operating budget	40,679,714
Water budget	4,173,838
Wastewater budget	3,701,361
Northam Industrial Park budget	2,578,288
	<u>51,133,201</u>
Annual operating surplus	2,231,768
Budget not reported on consolidated financial statements:	
Operating net transfer to (from) reserves	(5,041,441)
Principal debt repayments	1,642,057
Operating transfer to reserves - water	1,058,045
Operating transfer to reserves - wastewater	2,507,871
Operating transfer to reserves - Northam Industrial Park	2,065,236
Total budgeted surplus not reported on consolidated financial statements	<u>\$ 2,231,768</u>

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

14. Contingent liabilities:

- (a) The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims at December 31, 2020, management believes that the Town has valid defenses and appropriate and adequate insurance coverages in place. In the event any claims are successful, the amount of any potential liability is not determinable, therefore no amount has been accrued in the consolidated financial statements.
- (b) In 2014, the Town assumed ownership of property that was identified as being contaminated. In accordance with the site management plan established by the Town, regular monitoring and sampling of ground water is performed. To date, this monitoring has indicated that certain levels of contaminants have decreased. Until the Town is required to complete a zoning amendment that would identify the need for another Phase II environmental assessment, the estimates for remediation, if any, remains uncertain and unmeasurable.
- (c) In 2019, the Town entered into two letters of guarantee with its financial institution as required by the Ministry of Fisheries and Oceans as a requirement for the ongoing midtown creek capital project to address flooding. The letters of guarantee amount to \$935,000 and will automatically renew until the project is complete.

15. Impact of COVID-19 pandemic:

On March 11, 2020 the World Health Organization categorized COVID-19 as a pandemic. As the pandemic continues to unfold and develop, the full effects and ramifications are still unknown.

The Town's 2020 budget was prepared and approved by council before the WHO declared the pandemic. The Town has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Temporarily closed all Town buildings, with some staff setup to work remotely. Some Town facilities reopened to the public as the pandemic progressed and allowed certain services to be provided.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

15. Impact of COVID-19 pandemic (continued):

- Incurred additional costs for enhanced facility cleaning, PPE acquisition, signage, and other safety measures to promote physical distancing for public and Town staff.
- Implemented support measures for residents, including, waiving interest charges on property taxes, providing extensions on property tax billing, offering free transit, and providing free parking in the downtown core.
- Experienced a decline in some revenues, such as user fees for recreation facilities and special events, interest, and investment income.
- Delayed and reprioritized some special projects and capital projects to assist with cash flow.
- Redeployed staff to other departments and delayed hiring new positions for cost cutting measures.

Council members and senior management are monitoring the pandemic closely, and continue to assess the financial impact on the Town. The Town plans to mitigate any additional operating costs with committed Provincial government funding, cost savings in other budget items, and other contingency reserves if necessary.

At this time these factors present uncertainty over cash flows, and may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

16. Segmented information:

The Town is a municipal government institution that provides a range of services to its citizens, including police, fire, transportation, recreational, and environmental. For management reporting purposes the Town's operations and activities are organized and reported by department. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

- (a) General Government Administration: Includes administration, corporate services and governance of the Town. Administration as a segment includes human resource management, support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status as well as frontline reception and customer service.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

16. Segmented information (continued):

- (b) Protection Services: Includes policing, fire protection, conservation authority, protective inspection and control and emergency measures. The mandate of the police services is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. Fire protection includes inspection, extinguishing and suppression services; emergency medical first response; and prevention education and training programs. Inspection and control includes building inspection, by-law enforcement and dog control services.
- (c) Transportation Services: This department provides the winter and summer maintenance, the repair and the construction of the municipal roads system including bridges and culverts.
- (d) Environmental Services: Includes the management and maintenance of the wastewater plant and sanitary sewer distribution services.
- (e) Water Services: Includes the management and maintenance of water treatment and distribution.
- (f) Industrial property: Includes the management and maintenance of the Industrial Park.
- (g) Health and Social Services: Provides resources to assist with community physician recruitment and retention and assistance with one specific housing project.
- (h) Parks, Recreation and Culture: Provides services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure programs and facilities including community halls, libraries, parks, recreation fields, arena and marina.
- (i) Planning and Development: Manages development for business interests, environmental concerns, heritage matters, local neighbourhoods and community development. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of the zoning by-law and official plan, and the provision of geomatics services.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These municipal services are funded primarily by property tax revenue.

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

THE CORPORATION OF THE TOWN OF COBOURG

Consolidated Schedule of Segment Information, continued

Year ended December 31, 2020

	General Government Administration	Protection Services	Transportation Services	Environmental Services	Industrial Property	Water Services	Health and Social Services	Parks Recreation and Culture	Planning and Development	Total
Revenue:										
Taxation										
Tax revenue distributed	\$ 3,707,682	\$ 10,532,334	\$ (488,230)	\$ 1,240,378	\$ -	\$ -	\$ 140,758	\$ 8,397,511	\$ 929,017	\$ 24,459,450
PIL revenue distributed	9,588	17,290	47,301	62,733	-	-	-	52,247	1,042	190,201
User fees and service charges	228,797	3,791,611	240,462	5,860,016	-	5,027,955	-	1,519,134	154,050	16,822,025
Development charges	-	-	3,875,107	-	-	-	-	363,000	6,686	4,244,793
Contributed tangible capital assets	-	-	962,744	1,174,734	-	-	-	-	-	2,137,478
Grants:										
Government of Canada	-	-	1,472,865	-	-	-	-	95,081	-	1,567,946
Province of Ontario	143,996	881,979	2,046,092	-	-	-	-	79,765	25,455	3,177,287
Other municipalities	-	592,308	-	-	-	-	-	340,450	-	932,758
Other:										
Rental income	3,166	-	4,867	28,839	4,476,764	-	-	61,445	30,950	4,606,031
Penalty and interest	15,906	28,683	78,470	104,070	-	-	-	86,674	1,729	315,532
Other income	57,629	1,005,231	73,526	-	-	238,684	-	29,408	32,263	1,436,741
Donations	30,000	7,500	-	-	-	-	-	118,501	-	156,001
Interest income - Town of Cobourg Holdings Inc	260,400	-	-	-	-	-	-	-	-	260,400
Interest and dividend income	46,281	-	-	-	-	26,917	-	1,541	-	74,739
Loss on sale of assets	-	-	(868)	-	(1,893)	-	-	-	-	(2,761)
Net equity increase in investment in	286,570	-	-	-	-	-	-	-	-	286,570
	4,790,015	16,856,936	8,312,336	8,470,770	4,474,871	5,293,556	140,758	11,144,757	1,181,192	60,665,191
Expenses:										
Salaries, wages and employee benefits	2,585,145	12,175,020	2,062,105	1,570,686	-	-	-	4,201,291	688,199	23,282,446
Long-term debt charges (interest)	-	-	58,906	16,786	-	-	-	120,376	-	196,068
Materials	475,281	2,279,821	793,590	1,476,566	-	-	-	2,114,208	212,562	7,352,028
Contracted services	755,020	833,874	1,749,658	528,034	1,591,092	2,883,531	-	467,737	186,517	8,995,463
Rents and financial expenses	248,719	11,108	66,981	129,281	-	-	-	22,069	15,000	493,158
External transfers	-	248,100	-	-	-	-	140,758	263,561	-	652,419
Amortization	294,491	531,093	1,452,922	1,926,933	722,428	1,272,047	-	1,604,831	32,017	7,836,762
	4,358,656	16,079,016	6,184,162	5,648,286	2,313,520	4,155,578	140,758	8,794,073	1,134,295	48,808,344
Excess of revenue over expenses	\$ 431,359	\$ 777,920	\$ 2,128,174	\$ 2,822,484	\$ 2,161,351	\$ 1,137,978	\$ -	\$ 2,350,684	\$ 46,897	\$ 11,856,847

THE CORPORATION OF THE TOWN OF COBOURG

Consolidated Schedule of Segment Information, continued

Year ended December 31, 2019

	General Government Administration	Protection Services	Transportation Services	Environmental Services	Industrial Property	Water Services	Health and Social Services	Parks Recreation and Culture	Planning & Development and Commercial	Total
Revenue:										
Taxation										
Tax revenue distributed	\$ 2,357,851	\$ 9,881,906	\$ 3,778,176	\$ 36,525	\$ -	\$ -	\$ 116,182	\$ 6,555,300	\$ 1,093,538	\$ 23,819,478
PIL revenue distributed	9,509	17,000	44,824	51,549	-	-	-	48,865	983	172,730
User fees and service charges	283,919	4,424,170	532,677	5,587,081	-	4,756,000	-	2,962,080	220,985	18,766,912
Development charges	-	15,722	712,373	-	-	-	-	475,000	-	1,203,095
Contributed tangible capital assets	-	-	697,227	-	-	-	-	-	-	697,227
Penalty and interest on tax distributed	21,416	38,292	100,966	116,114	-	237,405	-	110,068	2,215	626,476
Grants:										
Government of Canada	-	-	342,008	128,456	-	-	-	60,383	59,800	590,647
Province of Ontario	696,316	323,330	482,184	64,228	-	-	-	81,042	38,843	1,685,943
Other municipalities	-	648,881	-	-	-	-	-	339,685	-	988,566
Other:										
Rental income	1,457	-	4,425	32,323	4,597,600	-	-	64,020	51,620	4,751,445
Other income	36,280	259,977	174,218	-	-	-	-	97,637	20,459	588,571
Donations	-	-	-	-	-	-	-	72,772	-	72,772
Interest income - Town of Cobourg Holdings Inc.	507,500	-	-	-	-	-	-	-	-	507,500
Interest and dividend income	319,292	-	-	-	-	34,906	-	1,184	-	355,382
Loss on sale of assets	(11,940)	(47,332)	(36,506)	-	-	-	-	(2,018)	-	(97,796)
Net equity increase in investment in Town of Cobourg Holdings Inc.	315,120	-	-	-	-	-	-	-	-	315,120
	4,536,720	15,561,946	6,832,572	6,016,276	4,597,600	5,028,311	116,182	10,866,018	1,488,443	55,044,068
Expenses:										
Salaries, wages and employee benefits	2,455,228	12,319,008	2,034,101	1,553,817	-	-	-	4,739,506	852,447	23,954,107
Long-term debt charges (interest)	-	-	74,502	26,521	-	-	-	134,995	-	236,018
Materials	499,199	1,345,357	1,000,748	1,509,604	-	-	-	2,760,611	398,069	7,513,588
Contracted services	755,858	858,151	1,606,425	389,151	1,651,502	2,826,799	-	687,534	192,840	8,968,260
Rents and financial expenses	390,401	10,922	61,174	173,160	-	-	-	22,443	-	658,100
External transfers	-	248,903	-	-	-	-	116,182	279,995	-	645,080
Amortization	309,635	553,610	1,459,731	1,678,732	725,338	1,213,484	-	1,591,324	32,017	7,563,871
	4,410,321	15,335,951	6,236,681	5,330,985	2,376,840	4,040,283	116,182	10,216,408	1,475,373	49,539,024
Excess of revenue over expenses	\$ 126,399	\$ 225,995	\$ 595,891	\$ 685,291	\$ 2,220,760	\$ 988,028	\$ -	\$ 649,610	\$ 13,070	\$ 5,505,044