

Consolidated Financial Statements

**THE CORPORATION OF THE
TOWN OF COBOURG**

And Independent Auditors' Report thereon

Year ended December 31, 2019

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THE CORPORATION OF THE TOWN OF COBOURG

Consolidated Financial Statements

Year ended December 31, 2019

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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.

Ian Davey

Interim Chief Administrative Officer / Treasurer

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, 2019
- 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, 2019, 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.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

October 13, 2020

THE CORPORATION OF THE TOWN OF COBOURG

Consolidated Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial assets:		
Cash	\$ 6,220,120	\$ 1,824,854
Investments (note 2)	4,958,681	3,222,979
Taxes receivable	2,603,164	2,824,960
Receivables - grant	263,096	467,504
Receivables - other	3,664,597	4,303,632
Other financial assets	629,156	672,869
Note receivable (note 4(c))	7,000,000	7,000,000
Investment in Town of Cobourg Holdings Inc. (note 4(a))	12,448,516	12,133,396
	<u>37,787,330</u>	<u>32,450,194</u>
Liabilities:		
Accounts payable and accrued liabilities	11,561,977	11,359,977
Deferred revenue	656,748	461,696
Deferred revenue - obligatory reserve funds (note 6)	13,033,530	11,513,233
Employee future benefit liability (note 7(d))	2,733,608	2,683,365
Promissory note payable (note 4(d))	450,000	495,000
Net long-term liabilities (note 8 (a))	6,485,143	7,945,132
	<u>34,921,006</u>	<u>34,458,403</u>
Total net financial assets (debt)	2,866,324	(2,008,209)
Non-financial assets:		
Tangible capital assets (note 12)	192,977,647	192,363,289
Other assets (note 12(d))	1,219,813	1,203,660
	<u>194,197,460</u>	<u>193,566,949</u>
Contingent liabilities (note 14)		
Subsequent event (note 18)		
Accumulated surplus (note 9)	\$ 197,063,784	\$ 191,558,740

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, 2019, with comparative information for 2018

	Budget 2019 (note 13)	Actual 2019	Actual 2018
Revenue:			
Taxation:			
Property taxation	\$ 24,135,529	\$ 23,819,478	\$ 23,703,850
Payments in lieu of taxation	61,600	172,730	174,160
User charges	19,078,878	18,766,912	17,819,799
Development charges	1,733,000	1,203,095	840,104
Contributed tangible capital assets	—	697,227	991,962
Grants:			
Government of Canada	1,452,121	590,647	868,598
Province of Ontario	1,289,515	1,685,943	977,365
Other municipalities	828,832	988,566	829,237
Other:			
Rental income	4,853,975	4,751,445	4,690,599
Penalty and interest	370,000	389,071	369,660
Other income	810,476	825,976	1,864,769
Donations	—	72,772	71,322
Interest income - Town of Cobourg Holdings Inc. (note 4(c))	507,500	507,500	507,500
Interest and dividend income	261,120	355,382	316,886
Loss on sale of assets	—	(97,796)	(91,302)
Net equity increase in investment in Town of Cobourg Holdings Inc. (note 4)	—	315,120	442,072
Total revenue	55,382,546	55,044,068	54,376,581
Expenses (note 10):			
General government	4,863,173	4,410,321	3,876,024
Protection to persons and property	14,529,991	15,335,951	14,794,423
Transportation services	6,602,699	6,236,681	6,554,366
Environmental services	9,389,191	9,371,268	9,350,435
Industrial property	2,252,160	2,376,840	2,443,805
Social and family services	348,600	116,182	38,554
Recreation and cultural services	10,551,495	10,216,408	10,154,827
Planning and development	1,430,439	1,475,373	1,353,163
Total expenses	49,967,748	49,539,024	48,565,597
Annual surplus	5,414,798	5,505,044	5,810,984
Accumulated surplus, beginning of year		191,558,740	185,747,756
Accumulated surplus, end of year (note 9)		\$ 197,063,784	\$ 191,558,740

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, 2019, with comparative information for 2018

	Budget 2019	Actual 2019	Actual 2018
Annual surplus	\$ 5,414,798	\$ 5,505,044	\$ 5,810,984
Acquisition of tangible capital assets	(14,674,293)	(13,281,860)	(10,366,955)
Decrease (increase) in construction- in-progress	—	4,916,381	(2,251,440)
Amortization of tangible capital assets	7,537,461	7,563,871	7,510,379
Loss on disposal of tangible capital assets	—	97,796	91,302
Proceeds on disposals of tangible capital assets	—	89,454	64,237
Disposal (acquisition) of other assets	—	(16,153)	442,036
	(1,722,034)	4,874,533	1,300,543
Net debt, beginning of year	(2,008,209)	(2,008,209)	(3,308,752)
Net financial assets (debt), end of year	\$ (3,730,243)	\$ 2,866,324	\$ (2,008,209)

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF COBOURG

Consolidated Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Operations:		
Annual surplus	\$ 5,505,044	\$ 5,810,984
Items not involving cash:		
Amortization of tangible capital assets	7,563,871	7,510,379
Loss on disposal of tangible capital assets	97,796	91,302
Increase in employee future benefit liability	50,243	41,505
Changes in non-cash working capital balances:		
Taxes receivable	221,796	(762,067)
Receivables - grant	204,408	115,431
Receivables - other	639,035	1,218,473
Other financial assets	43,713	(60,337)
Other assets	(16,153)	26,071
Accounts payable and accrued liabilities	202,000	1,237,213
Deferred revenue	195,052	290,456
Deferred revenue - obligatory reserve funds	1,520,297	1,089,074
Net change in cash from operations	16,227,102	16,608,484
Capital activities:		
Cash used to acquire capital assets	(13,281,860)	(10,366,955)
Decrease (increase) in construction-in-progress	4,916,381	(2,251,440)
Proceeds on disposal of tangible capital assets	89,454	64,237
Net change in cash from capital activities	(8,276,025)	(12,554,158)
Investing activities:		
Increase in investment in Town of Cobourg Holdings Inc.	(315,120)	(442,072)
Decrease (increase) in investments	(1,735,702)	49,487
Net change in cash from investing activities	(2,050,822)	(392,585)
Financing activities:		
Repayment of mortgage payable	—	(312,387)
Repayment of long-term liabilities	(1,459,989)	(1,605,059)
Repayment of promissory note	(45,000)	(45,000)
Temporary borrowings	—	(5,500,000)
Net change in cash from financing activities	(1,504,989)	(7,462,446)
Increase (decrease) in cash	4,395,266	(3,800,705)
Cash, beginning of year	1,824,854	5,625,559
Cash, end of year	\$ 6,220,120	\$ 1,824,854

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements

Year ended December 31, 2019

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, 2019

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 9 years (2018 - 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, 2019

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 (2018 - 12 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. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the consolidated financial statements in the period they become known.

(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, 2019

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, 2019

1. Significant accounting policies (continued):

(I) 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 of 2.05% - 2.36% annually 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, 2019 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	
	2019	2018	2019	2018
Amounts requisitioned and collected	\$ 8,416,637	\$ 8,408,453	\$ 13,651,441	\$ 13,164,063

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, 2019

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:

	2019	2018
9,999,999 common shares of TCHI	\$ 7,002,145	\$ 7,002,145
Retained earnings, beginning of year	5,131,251	4,689,182
Pro-rata share of net income during the year	465,120	592,069
Dividend	(150,000)	(150,000)
Total investment in Town of Cobourg Holdings Inc.	\$ 12,448,516	\$ 12,133,396

The following tables provide condensed supplementary financial information with respect to the Town's investment in TCHI as at December 31, 2019 and December 31, 2018 and its results of operations for both years:

(a) Financial position:

	2019	2018
Current assets	\$ 8,870,586	\$ 8,353,964
Capital assets	21,807,701	21,479,839
Other assets	2,800,218	2,151,140
Total assets	33,478,505	31,984,943
Current liabilities	5,016,442	3,286,576
Long-term liabilities	13,850,661	14,499,125
Regulatory deferral account credit balances	2,162,886	2,065,846
Total liabilities	21,029,989	19,851,547
Net assets	\$ 12,448,516	\$ 12,133,396

(b) Results of operations:

	2019	2018
Revenue	\$ 35,117,199	\$ 31,808,036
Expenses	34,652,079	31,215,967
Net earnings for the period	\$ 465,120	\$ 592,069

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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

- (c) The note receivable bears interest at 7.25% per annum. The Town does not intend to demand repayment from LUI, a wholly-owned subsidiary of TCHI, prior to January 1, 2021. Interest earned on this note amounted to \$507,500 (2018 - \$507,500). Fair value of the note receivable is indeterminable as it is a non-arm's length loan.

Subsequent to December 31, 2019, a new agreement with a reduced interest rate of 3.72% has been signed between the Town and LUI.

- (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 2019 was \$26,730 (2018 - \$29,160).

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	2019	2018
Land	\$ 3,125,000	\$ —	\$ 3,125,000	\$ 3,125,000
Land improvements	967,348	385,927	581,421	612,022
Buildings	24,336,915	10,758,372	13,578,543	13,610,688
	<u>\$ 28,429,263</u>	<u>\$ 11,144,299</u>	<u>\$ 17,284,964</u>	<u>\$ 17,347,710</u>

Cost and accumulated amortization at December 31, 2018 amounted to \$27,766,670 and \$10,418,960, respectively.

(a) Financial position:

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

	2019	2018
Cash	\$ 4,636,777	\$ 2,299,707
Accounts receivable	190,460	251,083
Prepaid expenses	13,773	11,896
Industrial property	17,284,965	17,347,710
Total assets	<u>22,125,975</u>	<u>19,910,396</u>
Accounts payable and accrued liabilities	1,127,665	302,317
Deferred revenue	191,304	134,734
Total liabilities	<u>1,318,969</u>	<u>437,051</u>
Net equity in industrial property	<u>\$ 20,807,006</u>	<u>\$ 19,473,345</u>

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

5. Industrial property:

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

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

	2019	2018
Gross rental income	\$ 3,528,033	\$ 3,463,270
Operating expenses	(1,447,441)	(1,493,908)
Operating expenses recovery	1,069,566	1,090,567
Administrative expenses	(204,059)	(210,357)
Interest on long-term debt	—	(694)
Amortization	(725,338)	(738,846)
Net earnings for the year	\$ 2,220,761	\$ 2,110,032
Equity, beginning of the year	\$ 18,473,345	\$ 16,850,413
Net income for the period	2,220,761	2,110,032
Transfer to reserves	(887,100)	(487,100)
Capital reserve	1,000,000	1,000,000
Equity, end of year	\$ 20,807,006	\$ 19,473,345

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, 2019

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:

	2019	2018
Balance, beginning of year	\$ 11,513,233	\$ 10,424,159
Recreational land	53,848	80,006
Federal grant - gasoline tax	1,190,570	589,848
Provincial grant - gasoline tax transit	254,475	203,002
Development contributions	1,009,171	1,157,453
Cannabis Fund	22,430	—
Building code	6,000	362,005
Ontario Community Infrastructure Fund	636,739	411,148
Investment income	259,081	201,618
Utilization - capital	(1,038,032)	(1,107,570)
Utilization - operating	(873,985)	(808,436)
Balance, end of year	\$ 13,033,530	\$ 11,513,233
Analyzed as follows:		
Sub-divider contributions	\$ 296,221	\$ 308,903
Recreational land	(20,092)	(12,203)
Ontario Community Infrastructure Fund	752,240	243,997
Cannabis Fund	22,430	—
Development charges	8,215,371	8,174,630
Building code	846,927	942,063
Gasoline tax:		
Provincial	97,334	73,000
Federal	2,823,099	1,782,843
	\$ 13,033,530	\$ 11,513,233

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 January 2017.

At December 31, 2019, the Town's accrued benefit liability relating to post-retirement and post-employment benefit plans is \$2,324,377 (2018 - \$2,277,617).

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

7. Employee future benefit liability (continued):

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

(i) The Corporation of the Town of Cobourg (continued):

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

Discount rate	4.00% per annum
Inflation rate	1.75% per annum
Salary escalation	2.75% per annum
Dental benefits escalation	3.75% per annum
Health benefits escalation	4.08% in 2019 reducing by 0.33% per year to 3.75% in 2020

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

	2019	2018
Accrued benefit liability, January 1	\$ 2,277,617	\$ 2,235,846
Service cost	88,903	83,808
Benefits paid for the period	(161,512)	(160,519)
Interest cost	97,734	96,847
Amortization of actuarial loss	21,635	21,635
Accrued benefit liability, December 31	\$ 2,324,377	\$ 2,277,617

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

	2019	2018
Accrued benefit obligation	\$ 3,011,352	\$ 2,479,656
Unamortized actuarial loss	(686,975)	(202,039)
Accrued benefit liability, end of year	\$ 2,324,377	\$ 2,277,617

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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, 2018.

At December 31, 2019, the accrued benefit liability relating to post-retirement benefit plans is \$335,402 (2018 - \$329,413).

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

Discount rate	3.5% per annum
Inflation rate	2.0% per annum
Salary escalation	3.0% per annum
Dental benefits escalation	4.5% per annum
Health benefits escalation	5.71% in 2019 decreasing by 0.25% per annum until 2025

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

	2019	2018
Accrued benefit liability, January 1	\$ 329,413	\$ 326,884
Service cost	14,849	14,377
Benefits paid for the period	(19,840)	(22,656)
Actuarial gain	(496)	(496)
Interest cost	11,476	11,304
Accrued benefit liability, December 31	\$ 335,402	\$ 329,413

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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 July 2017.

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, 2019, the Town's accrued benefit liability relating to future payments on Workplace Safety and Insurance Board claims is \$73,829 (2018 - \$76,335).

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

	2019	2018
Accrued benefit liability, beginning of year	\$ 76,335	\$ 79,130
Benefits paid for the period	(5,013)	(5,391)
Interest cost	2,902	2,991
Amortization of actuarial gain	(395)	(395)
Accrued benefit liability, end of year	\$ 73,829	\$ 76,335

The accrued benefit liability at December 31, 2019, includes the following components:

	2019	2018
Accrued benefit obligation	\$ 72,947	\$ 75,058
Unamortized actuarial gain	882	1,277
Accrued benefit liability	\$ 73,829	\$ 76,335

(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, 2019 amount to \$1,304,357 (2018 - \$1,136,777) 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, 2019

7. Employee future benefit liability (continued):

(d) Employee future benefit liability:

	2019	2018
Employee future benefit liability is comprised of:		
Health and dental benefits - Town	\$ 2,324,377	\$ 2,277,617
Workplace safety and insurance	73,829	76,335
	2,398,206	2,353,952
Health, dental and life insurance benefits - Waterworks	335,402	329,413
	\$ 2,733,608	\$ 2,683,365

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:

	2019	2018
Total long-term liabilities incurred by the Town and outstanding at the end of the year	\$ 6,485,143	\$ 7,945,132

(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:

2020	\$ 1,320,785
2021	1,266,654
2022	1,300,747
2023	366,758
2024	203,010
Thereafter	2,027,189
	\$ 6,485,143

(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 \$236,018 (2018 - \$287,577). The long-term liabilities bear interest at rates ranging from 2.49% to 3.47% with term renewals to take place in 2020 through 2033.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

9. Accumulated surplus:

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

	2019	2018
Surplus (deficit):		
Operations	\$ (2,762,593)	\$ (3,728,657)
Unfinanced capital	(13,067,007)	(14,090,342)
Invested in tangible capital assets	192,977,646	192,363,289
Long-term debt	(6,485,143)	(7,945,132)
Unfunded:		
Employee benefits	(2,733,608)	(2,683,365)
Promissory note payable to Town of Cobourg Holdings Inc.	(450,000)	(495,000)
Waterworks	667,004	436,525
Downtown Business Improvement Area	154,731	102,429
Town of Cobourg Public Library Board	(54,416)	(16,686)
Note receivable from Town of Cobourg Holdings Inc.	7,000,000	7,000,000
Investment in Town of Cobourg Holdings Inc.	12,448,516	12,133,396
Total surplus	187,695,130	183,076,457
Reserves:		
Contingencies	83,613	73,613
Parking	607,703	579,329
Current:		
General	619,005	—
Social & Health services	237,537	4,207
Library	224,155	223,239
Capital:		
General government	1,153,235	1,287,726
Protection services	1,700,548	1,242,424
Transportation services	(151,283)	119,173
Environmental services	3,573,271	4,030,410
Recreation and cultural services	724,366	678,356
Planning and development	596,504	243,806
Total reserves	9,368,654	8,482,283
Total accumulated surplus	\$ 197,063,784	\$ 191,558,740

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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:

	2019	2018
Salary, wages and employee benefits	\$ 23,954,107	\$ 22,528,041
Operating materials and supplies	7,513,588	7,980,436
Contracted services	8,968,260	9,098,335
Rents and financial expenses	658,100	529,103
External transfers to other	645,080	631,727
Interest on long-term debt	236,018	287,576
Amortization of tangible capital assets	7,563,871	7,510,379
	<u>\$ 49,539,024</u>	<u>\$ 48,565,597</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, 2019. At that time, the plan reported at \$3.397 billion actuarial deficit (2018 - \$4.191 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, 2019, the amount contributed for and included as current service pension cost expenses on the Consolidated Statement of Operations and Accumulated Surplus is \$1,756,103 (2018 - \$1,595,574).

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

12. Tangible capital assets:

Cost	Balance at December 31, 2018	Additions	Disposals/ transfers/ write-offs	Balance at December 31, 2019
Land	\$ 15,347,882	\$ –	\$ –	\$ 15,347,882
Land improvements	11,139,830	154,301	22,283	11,271,848
Buildings and building improvements	77,166,157	1,557,334	29,560	78,693,931
Machinery and equipment	17,621,142	614,194	1,458,655	16,776,681
Vehicles	11,838,578	778,503	967,821	11,649,260
Roads infrastructure	36,493,573	669,528	84,945	37,078,156
Sewer infrastructure	85,379,496	8,102,858	–	93,482,354
Water infrastructure	37,533,649	1,355,007	–	38,888,656
Books and periodicals	763,126	50,135	129,139	684,122
Construction-in-progress	11,143,148	5,234,219	10,150,600	6,226,767
	\$ 304,426,581	\$ 18,516,079	\$ 12,843,003	\$ 310,099,657

Accumulated amortization	Balance at December 31, 2018	Amortization expense	Disposals/ transfers/ write-offs	Balance at December 31, 2019
Land improvements	\$ 4,286,897	\$ 330,931	\$ 20,265	\$ 4,597,563
Buildings and building improvements	23,649,090	2,069,708	29,560	25,689,238
Machinery and equipment	9,587,096	906,109	1,399,383	9,093,822
Vehicles	5,584,422	835,709	841,861	5,578,270
Roads infrastructure	15,783,927	865,467	84,945	16,564,449
Sewer infrastructure	35,285,722	1,610,467	–	36,896,189
Water infrastructure	17,401,993	859,611	–	18,261,604
Books and periodicals	484,145	85,869	129,139	440,875
	\$ 112,063,292	\$ 7,563,871	\$ 2,505,153	\$ 117,122,010

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

12. Tangible capital assets (continued):

	Net book value December 31, 2018	Net book value December 31, 2019
Land	\$ 15,347,882	\$ 15,347,882
Land improvements	6,852,933	6,674,285
Buildings and building improvements	53,517,067	53,004,693
Machinery and equipment	8,034,046	7,682,859
Vehicles	6,254,156	6,070,990
Roads infrastructure	20,709,646	20,513,707
Sewer infrastructure	50,093,774	56,586,165
Water infrastructure	20,131,656	20,627,052
Books and periodicals	278,981	243,247
Construction-in-progress	11,143,148	6,226,767
	\$ 192,363,289	\$ 192,977,647

(a) Construction-in-progress:

Construction-in-progress having a value of \$6,226,767 (2018 - \$11,143,148) 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 (2018 - \$Nil).

(d) Assets held for sale in the amount of \$325,634 (2018 - \$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, 2019

13. Budget figures:

The budget figures reported on the Consolidated Statement of Operations are based on the 2019 municipal and other local board operating and capital budgets as approved by Council on January 29, 2019.

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 2019
Total revenue as reported on the consolidated statement of operations:	
Operating budget	\$ 36,367,101
Capital budget	3,003,500
Water budget	5,144,888
Wastewater budget	6,209,232
Northam Industrial Park budget	4,657,825
	55,382,546
Total expenses as reported on the consolidated statement of operations:	
Operating budget	39,770,750
Water budget	3,943,477
Wastewater budget	3,701,361
Northam Industrial Park budget	2,552,160
	49,967,748
Annual operating surplus	5,414,798
Budget not reported on consolidated financial statements:	
Operating net transfer to (from) reserves	(2,149,855)
Principal debt repayments	1,749,706
Operating transfer to reserves - water	1,201,411
Operating transfer to reserves - wastewater	2,507,871
Operating transfer to reserves - Northam Industrial Park	2,105,665
Total budgeted surplus not reported on consolidated financial statements	\$ 5,414,798

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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, 2019, 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) During 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 expire in March 2020. They will automatically renew until the project is complete.

15. 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.
- (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.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

15. Segmented information (continued):

- (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.

16. Adoption of new accounting policies:

On January 1, 2019, the Town adopted Canadian public sector accounting standard PS3430 Restructuring transactions. The adoption of this standard did not result in an accounting policy change for the Town and did not result in any adjustments to the financial statements as at January 1, 2019.

17. Comparative information:

Certain comparative information have been reclassified to conform to the financial statements presentation adopted for the current year.

THE CORPORATION OF THE TOWN OF COBOURG

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

18. Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market, and social impact.

At the time of approval of these consolidated financial statements, 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, and new hirings were deferred.
- 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.
- Expected decline in some revenues, such as user fees for recreation facilities and special events, interest, and investment income.

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.

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

THE CORPORATION OF THE TOWN OF COBOURG

Consolidated Schedule of Segment Information, continued

Year ended December 31, 2018

	General Government Administration	Protection Services	Transportation Services	Environmental Services	Industrial Property	Health and Social Services	Parks Recreation and Culture	Planning & Development and Commercial	Total
Revenue:									
Taxation									
Tax revenue distributed	\$ 2,379,069	\$ 10,272,697	\$ 4,132,159	\$ (61,297)	\$ -	\$ 38,554	\$ 6,298,908	\$ 643,760	\$ 23,703,850
PIL revenue distributed	8,777	16,418	45,739	53,847	-	-	49,193	186	174,160
User fees and service charges	272,428	3,375,690	509,676	10,565,813	-	-	3,015,059	81,133	17,819,799
Development charges	-	-	274,868	-	-	-	565,236	-	840,104
Contributed tangible capital assets	-	-	991,962	-	-	-	-	-	991,962
Penalty and interest on tax distributed	18,629	34,848	97,082	114,293	-	-	104,413	395	369,660
Grants:									
Government of Canada	-	-	610,989	101,362	-	-	156,247	-	868,598
Province of Ontario	79,500	261,138	442,784	63,966	-	-	113,257	16,720	977,365
Other municipalities	-	487,992	-	-	-	-	337,885	3,360	829,237
Other:									
Rental income	6,609	-	4,425	36,612	4,553,837	-	66,720	22,396	4,690,599
Other income	(6,641)	734,154	140,581	273,995	-	-	134,564	588,116	1,864,769
Donations	15,000	600	-	-	-	-	55,722	-	71,322
Interest income - Town of Cobourg Holdings Inc.	507,500	-	-	-	-	-	-	-	507,500
Interest and dividend income	290,076	-	-	24,937	-	-	1,873	-	316,886
Gain (loss) on sale of assets	-	(132,857)	18,000	-	-	-	23,555	-	(91,302)
Net equity increase in investment in Town of Cobourg Holdings Inc.	442,072	-	-	-	-	-	-	-	442,072
	4,013,019	15,050,680	7,268,265	11,173,528	4,553,837	38,554	10,922,632	1,356,066	54,376,581
Expenses:									
Salaries, wages and employee benefits	2,230,838	11,175,769	2,128,172	1,452,720	-	-	4,755,655	784,887	22,528,041
Long-term debt charges (interest)	-	-	91,421	46,019	-	-	150,136	-	287,576
Materials	547,331	1,963,020	1,125,958	1,536,243	-	-	2,544,874	263,010	7,980,436
Contracted services	467,156	920,054	1,687,362	3,296,271	1,704,959	-	897,556	124,977	9,098,335
Rents and financial expenses	349,999	-	58,687	98,089	-	-	22,328	-	529,103
External transfers	-	210,513	-	-	-	38,554	211,060	171,600	631,727
Amortization	280,700	525,067	1,462,766	2,921,093	738,846	-	1,573,218	8,689	7,510,379
	3,876,024	14,794,423	6,554,366	9,350,435	2,443,805	38,554	10,154,827	1,353,163	48,565,597
Excess of revenue over expenses	\$ 136,995	\$ 256,257	\$ 713,899	\$ 1,823,093	\$ 2,110,032	\$ -	\$ 767,805	\$ 2,903	\$ 5,810,984