

CORPORATION OF THE TOWN OF GREATER NAPANEE

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

Management's Responsibility for the Consolidated Financial Statements

The consolidated financial statements of the Corporation of the Town of Greater Napanee are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared in compliance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

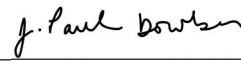
The Corporation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Town Council is responsible for ensuring that management fulfills its responsibilities for financial reporting. Council through the Audit Committee, reviews the Corporation's consolidated financial statements and discusses any significant financial reporting or internal control matters prior to Council approval of the consolidated financial statements.

The consolidated financial statements have been audited by Welch LLP, independent external auditors appointed by the Corporation, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report Outlines their responsibilities, the scope of their examination and their opinion on the Corporation's consolidated financial statements.

Brandt Zätterberg

Brandt Zatterberg
Interim Chief Administrative Officer



Paul Dowber, CPA, CGA
Treasurer

Signature: 

Email: bzatterberg@greaternapanee.com

INDEPENDENT AUDITOR'S REPORT

To the members of Council of the
CORPORATION OF THE TOWN OF GREATER NAPANEE

Opinion

We have audited the consolidated financial statements of Corporation of the Town of Greater Napanee (the Corporation), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations and accumulated surplus and the consolidated statement change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Town of Greater Napanee as at December 31, 2020 and the results of its operations, changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board (PSAB).

Basis for Opinion

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Welch LLP

Napanee, Ontario
September 14, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash - <i>note 3</i>	\$ 20,771,848	\$ 15,034,911
Taxes receivable	3,341,634	3,470,710
Accounts receivable	572,147	1,538,657
User charges receivable	768,603	804,359
Long-term receivable	8,869	11,642
Long-term investments - <i>note 4</i>	<u>2,035,078</u>	<u>2,428,267</u>
	<u>27,498,179</u>	<u>23,288,546</u>
 LIABILITIES		
Accounts payable and accrued liabilities	2,707,846	3,188,830
Employee benefits payable and other liabilities - <i>note 7</i>	539,440	270,782
Deferred revenue - <i>note 8</i>	6,889,621	5,985,944
Municipal debt - <i>note 9</i>	<u>4,943,290</u>	<u>5,849,723</u>
	<u>15,080,197</u>	<u>15,295,279</u>
NET FINANCIAL ASSETS	<u>12,417,982</u>	<u>7,993,267</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets - <i>note 5 and Schedule 1</i>	115,574,527	117,484,399
Prepaid expenses	<u>641,065</u>	<u>497,719</u>
	<u>116,215,592</u>	<u>117,982,118</u>
ACCUMULATED SURPLUS - <i>note 12</i>	<u>\$128,633,574</u>	<u>\$125,975,385</u>
 CONTINGENT LIABILITIES - <i>note 10</i>		

(See accompanying notes)

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2020

	2020 <u>Budget</u> <i>(Note 16)</i>	2020 <u>Actual</u>	2019 <u>Actual</u>
REVENUE			
Municipal taxation	\$ 10,908,853	\$ 11,229,492	\$ 10,321,696
Taxation from other governments	1,400,708	1,370,842	1,382,473
User charges	8,886,006	8,424,427	8,866,152
Government transfers			
Government of Canada	10,695	19,600	22,475
Province of Ontario	1,811,816	2,323,531	1,921,626
Other Municipalities	972,701	971,748	955,741
Other	11,000	-	22,136
Investment income	225,000	152,428	341,498
Interest and penalties on taxes	495,000	467,286	523,231
Donations	21,000	9,966	216,812
Miscellaneous	<u>32,100</u>	<u>9,105</u>	<u>7,869</u>
	<u>24,774,879</u>	<u>24,978,425</u>	<u>24,581,709</u>
EXPENDITURES			
General government	2,645,250	2,789,700	2,464,621
Protection to persons and property	7,159,512	7,194,831	6,459,810
Transportation services	6,372,335	6,054,628	6,680,608
Environmental services	5,687,833	5,768,997	4,359,502
Recreation and cultural services	3,230,416	2,560,418	2,973,124
Planning and development	586,839	610,579	594,804
Health services	<u>184,810</u>	<u>66,112</u>	<u>222,851</u>
	<u>25,866,995</u>	<u>25,045,265</u>	<u>23,755,320</u>
INCOME (LOSS) FROM OPERATIONS	<u>(1,092,116)</u>	<u>(66,840)</u>	<u>826,389</u>
OTHER INCOME AND (EXPENSES) RELATED TO CAPITAL			
Municipal taxation	694,000	658,371	704,690
Taxation from other governments	-	40,924	46,014
Contributed assets - note 5	-	-	164,887
Government transfers			
Government of Canada	482,103	585,669	1,329,643
Government of Ontario	705,166	719,449	1,291,925
Development charges	330,000	25,682	289,181
Donations and miscellaneous	-	198,404	179,218
Tangible capital asset gain (loss)	<u>-</u>	<u>496,530</u>	<u>(176,599)</u>
	<u>2,211,269</u>	<u>2,725,029</u>	<u>3,828,959</u>
ANNUAL SURPLUS	1,119,153	2,658,189	4,655,348
ACCUMULATED SURPLUS, beginning of year	<u>125,975,385</u>	<u>125,975,385</u>	<u>121,320,037</u>
ACCUMULATED SURPLUS, end of year	<u>\$127,094,538</u>	<u>\$128,633,574</u>	<u>\$125,975,385</u>

(See accompanying notes)

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2020

	2020 <u>Budget</u> <i>(Note 16)</i>	2020 <u>Actual</u>	2019 <u>Actual</u>
ANNUAL SURPLUS	\$ 1,119,153	\$ 2,658,189	\$ 4,655,348
Amortization of tangible capital assets	4,747,339	4,747,339	4,610,727
Acquisition of tangible capital assets	(6,131,250)	(8,104,146)	(4,042,906)
Change in assets under construction	-	4,408,985	(2,131,218)
Loss on sale of tangible capital assets	-	(496,530)	176,599
Proceeds on sale of tangible capital assets	-	1,354,224	43,606
Acquisition of prepaid expense	-	(641,065)	(497,719)
Use of prepaid expense	<u>-</u>	<u>497,719</u>	<u>362,467</u>
CHANGE IN NET FINANCIAL ASSETS	<u>(264,758)</u>	<u>4,424,715</u>	<u>3,176,904</u>
NET FINANCIAL ASSETS, beginning of year	<u>7,993,267</u>	<u>7,993,267</u>	<u>4,816,363</u>
NET FINANCIAL ASSETS, end of year	<u>\$ 7,728,509</u>	<u>\$ 12,417,982</u>	<u>\$ 7,993,267</u>

(See accompanying notes)

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 2,658,189	\$ 4,655,348
Non-cash items:		
Amortization	4,747,339	4,610,727
Loss on sale of tangible capital assets	(496,530)	176,599
Contributed land and buildings	-	(164,887)
Employee benefits payable	231,799	(27,297)
Solid waste landfill closure and post-closure care	<u>36,859</u>	<u>-</u>
	7,177,656	9,250,490
Changes in non-cash charges to operations (net change):		
Taxes receivable	129,076	262,590
Accounts receivable	966,510	115,100
User charges receivable	35,756	(115,839)
Prepaid expenses	(143,346)	(135,252)
Accounts payable and accrued liabilities	(480,984)	(1,384,622)
Deferred revenue	<u>903,677</u>	<u>473,901</u>
	<u>8,588,345</u>	<u>8,466,368</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,695,161)	(6,009,237)
Proceeds on disposal of capital assets	<u>1,354,224</u>	<u>43,606</u>
	<u>(2,340,937)</u>	<u>(5,965,631)</u>
INVESTING ACTIVITIES		
Purchase of long-term investments	(1,490,078)	(1,835,078)
Proceeds from sale of long-term investments	1,883,267	2,749,511
Repayment of long-term receivable	<u>2,773</u>	<u>2,341</u>
	<u>395,962</u>	<u>916,774</u>
FINANCING ACTIVITIES		
Long-term debt repaid	<u>(906,433)</u>	<u>(891,460)</u>
NET CHANGE IN CASH	5,736,937	2,526,051
CASH, beginning of year	<u>15,034,911</u>	<u>12,508,860</u>
CASH, end of year	<u>\$20,771,848</u>	<u>\$15,034,911</u>

(See accompanying notes)

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Town of Greater Napanee are the representation of management prepared in accordance with generally accepted accounting policies as issued by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Corporation are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the Corporation and which are owned or controlled by the Corporation. In addition to general government tax-supported operations, they include the following:

Napanee Business Improvement Area Association

Interdepartmental and organizational transactions and balances are eliminated.

Accounting for County and School Board Transactions

The assets, liabilities, revenues, and expenditures with respect to the operations of school boards and the County of Lennox and Addington are not reflected in these consolidated financial statements..

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Land Held for Resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Included in tangible capital assets at December 31, 2020 is land held for resale of \$752,063 (2019 - \$1,142,531).

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Deferred Revenue

The Corporation receives contributions under the authority of provincial legislation and funding agencies. These funds, by their nature, are restricted in their use, and, until applied to applicable projects, are recorded as deferred revenue. Amounts applied to projects are recorded as revenue in the fiscal period in which they are expended.

Reserve and Reserve Funds

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

Government Transfers

Government transfers are recognized as revenues or expenditures in the year that the events giving rise to the transfer occurred, provided the transfer is authorized, eligibility criteria, if any, have been met by the recipient, and a reasonable estimate of the amount can be made.

Taxation and Related Revenues

Property tax billings are prepared by the Corporation based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council incorporating amounts to be raised for local services and amounts the Corporation is required to collect on behalf of the County of Lennox and Addington for general and library purposes and the Province of Ontario in respect of education taxes. Realty taxes are billed based on the assessment rolls provided by MPAC. Taxation revenues are recorded at the time tax billings are issued. A normal part of the assessment process is the issue of supplementary assessment rolls that provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Corporation determines the taxes applicable and renders supplementary tax billings. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with the school boards as appropriate.

Investments

Investments are stated at cost except for those cases where the decline in value is considered to be permanent in which case the investment is written down to market value.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Consolidated Change in Net Financial Assets for the year.

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-Financial Assets *(continued)*

a) Tangible Capital Assets

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

Land improvements	10 to 45 years
Buildings	25 to 50 years
Machinery and equipment	10 to 30 years
Vehicles	5 to 20 years
Computer hardware and software	3 to 5 years
Water and waste plants and networks	
- underground networks	50 to 125 years
- sewage treatment plants and lift stations	50 to 100 years
- water pumping stations and reservoirs	50 to 100 years
- flood stations and other infrastructure	50 to 100 years
Transportation	
- roads	10 to 40 years
- bridges and structures	45 to 50 years
Leased assets	5 to 40 years

Amortization will begin on the acquisition date in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized. Amortization will be prorated from the acquisition month or the month the asset is available for use.

The Corporation has a capitalization threshold so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

b) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue. Similarly, transfer of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

c) Works of Art

Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property can not be made.

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-Financial Assets *(continued)*

d) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Forgivable Loan

The Corporation has developed a doctor recruitment and retention program which provides a forgivable loan in the aggregate amount of \$100,000 per doctor. The doctors enter into a forgivable loan agreement in exchange for a minimum five year commitment to practice family medicine within the Town of Greater Napanee. The Corporation does not expect to be repaid unless certain conditions are not met, accordingly, payments under the forgivable loan agreements have been included as an expenditure in the consolidated financial statements.

Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when, as at the financial reporting date, all of the following criteria are met for a site or a portion of a site which is no longer in productive use:

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

Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining the estimated useful life of the Corporation's tangible capital assets, its allowance for doubtful accounts, the accrued liability for employee benefits and solid waste landfill closure and post-closure care. Actual results could differ from those estimates.

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

2. FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, taxes receivable, accounts and mortgages receivable, investments, accounts payable and accrued liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of the Corporation's financial instruments approximates their carrying value due to their short-term nature. It is not practical to determine the fair market value of long-term debt. The terms of such long-term debt have been disclosed separately.

3. CASH

Cash and investments consist of the following:

	<u>Market Value</u>	<u>2020</u>	<u>2019</u>
Cash and chequing accounts	\$19,523,100	\$19,523,100	\$14,318,584
Mutual Funds/segregated funds	<u>1,248,748</u>	<u>1,248,748</u>	<u>716,327</u>
	<u>\$20,771,848</u>	<u>\$20,771,848</u>	<u>\$15,034,911</u>
Unappropriated cash		\$ 7,915,198	\$ 6,112,046
Clean water and wastewater fund agreement		242,098	397,448
Federal-provincial safe restart agreement		446,400	-
Designated under Development charges by-law		3,930,360	3,216,212
Designated under Planning Act - Parkland		80,765	80,765
Designated under the Town of Greater Napanee bylaw for Water and Wastewater Utilities		6,512,096	3,976,698
Napanee Hydro Electric Commission proceeds		<u>1,644,931</u>	<u>1,251,742</u>
		<u>\$20,771,848</u>	<u>\$15,034,911</u>

Cash received under the Clean water and wastewater fund agreement is restricted for upgrades to the wastewater pollution control plant.

Cash received under the federal-provincial safe restart agreement is to assist with Covid-19 costs and pressures.

Cash received under the Federal Gas Tax agreement is restricted for expenditure on environmentally sustainable municipal infrastructure.

Cash raised under the Development charges bylaw is restricted for growth related capital costs for which the development charge was imposed.

Cash raised under the Planning Act regarding parkland is restricted for capital costs for the acquisition of land or other capital expenditures for park or other recreational purposes.

Cash raised under the Town of Greater Napanee bylaw for Greater Napanee Utilities is restricted for ongoing maintenance, capital projects and emergency expenses.

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

4. LONG-TERM INVESTMENTS

The balance of long-term investments consists of the following:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Napanee Hydro Electric Commission Proceeds				
- Provincial bond coupon	\$ -	\$ -	\$ 445,000	\$ 453,328
Guaranteed investment certificates	<u>2,035,078</u>	<u>2,048,357</u>	<u>1,983,267</u>	<u>3,031,300</u>
	<u>\$ 2,035,078</u>	<u>\$ 2,048,357</u>	<u>\$ 2,428,267</u>	<u>\$ 3,484,628</u>

Investments are initially recorded at cost. Cost is adjusted annually to amortize any premiums or discounts over the term of the respective investments.

The Corporation holds guaranteed investment certificates having effective interest rates of 2.2 % to 3.0% with maturity dates from April 29, 2021 to December 10, 2021. Included in accounts receivable is \$20,536 (2019 - \$28,564) of accrued interest on guaranteed investment certificates.

5. TANGIBLE CAPITAL ASSETS

Schedule 1 provides information on the cost and accumulated amortization of tangible capital assets of the Corporation by major asset category.

Contributed tangible capital assets

During the current year the value of contributed capital assets is \$Nil (2019 - \$164,887).

In 2018, Council approved the write-off of taxes receivable, accrued interest and related charges on several development, abandoned or inactive properties owned by taxpayers. The properties have been vested in the name of the Corporation under the tax sale provisions of the Municipal Act, declared surplus and advertised for sale. Proceeds from future sales will be returned to reserves with County and School board portions returned accordingly. During the year parcels of this vested property were sold for \$1,150,000 (2019 - \$170,951) netting \$405,027 (2019 - \$8,437) returned to the Reserve for Working Capital in 2020 and Assessment Appeals for 2019.

6. BANK INDEBTEDNESS

The Corporation has an operating line of credit of \$4,000,000 at an interest rate of prime less .5% of which \$Nil (2019 - \$Nil) was utilized at year end.

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

7. EMPLOYEE BENEFITS PAYABLE AND OTHER LIABILITIES

The Corporation provides certain employee benefits and operates two solid waste landfill sites which will require funding in future periods and are comprised of the following:

	<u>2020</u>	<u>2019</u>
Solid waste landfill closure and post-closure care	\$ 108,065	\$ 71,206
Staff retirement allowance	<u>431,375</u>	<u>199,576</u>
	<u>\$ 539,440</u>	<u>\$ 270,782</u>

a) Landfill Closure and Post-Closure Care

The Ontario Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. The estimated liability for these expenditures is recognized based on the cumulative capacity used to date, compared to the total estimated landfill capacity.

The estimated liability for the South Fredricksburg and Roblin landfills is \$108,065 based on the present value of closure and post-closure costs estimated at \$482,153 using assumed rates of 3% for inflation and 6% for interest.

The South Fredricksburg landfill has an estimated remaining capacity of 76% and is expected to provide capacity for 42 years based on estimated current waste generation rates.

The Roblin landfill site is closed and no longer receiving waste. The landfill has an estimated remaining capacity of 89%.

The liability is currently unfunded, it is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill.

Post-closure care is estimated to continue for a period of approximately 20 years.

b) Staff Retirement Allowance

Under Town of Greater Napanee Bylaw 2020-0041 "Conditions of employment, compensation and benefits", upon retirement a full time employee with more than 1 year of service but less than 10 years shall receive two day's pay per year of service to the Corporation, for full time employees with 10 years of service or more shall receive three day's pay per year of service. All retirement packages are capped at a maximum of \$10,000.

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

8. DEFERRED REVENUE

The balance of deferred revenue consists of the following:

	Balance December 31, <u>2019</u>	<u>Additions</u>	Transferred to <u>Income</u>	Balance December 31, <u>2020</u>
Externally restricted				
Development charges	\$ 3,216,212	\$ 714,148	\$ -	\$ 3,930,360
Developer contributions	152,000	-	-	152,000
Federal Gas tax	-	482,103	(482,103)	-
Clean Waste Water Fund	397,448	-	(155,350)	242,098
Parkland	<u>80,765</u>	<u>-</u>	<u>-</u>	<u>80,765</u>
	3,846,425	1,196,251	(637,453)	4,405,223
Water and Wastewater Utilities				
Impost fees	1,959,487	377,248	-	2,336,735
Recreation revenue	3,691	-	(3,691)	-
Deferred deposits	<u>176,341</u>	<u>-</u>	<u>(28,678)</u>	<u>147,663</u>
	<u>\$ 5,985,944</u>	<u>\$ 1,573,499</u>	<u>\$ (641,144)</u>	<u>\$ 6,889,621</u>

Development charges are restricted by legislation. These funds are recognized as revenue in the period they are used for the purpose specified.

Developer contributions are restricted by agreement for the future construction of a regional storm water management facility and urbanization of Alkenbrack Street and remediation work on McPherson Drive.

Clean Waste Water funds are restricted for use in the Waste Water Expansion project and funds will be recognized as used.

Parkland is restricted by legislation. These funds are for the acquisition of land to be used for park or other public recreational purposes, including the erection or repair of buildings and the acquisition of machinery for park or other public recreational purposes.

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

9. LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2020</u>	<u>2019</u>
Bank loans - Strathcona Paper Centre	\$ 1,743,679	\$ 2,229,315
OMEIFA loan	2,499,611	2,570,408
Assessment appeal settlement - <i>note 17</i>	<u>700,000</u>	<u>1,050,000</u>
	<u>\$ 4,943,290</u>	<u>\$ 5,849,723</u>

The Strathcona Paper Centre bank loan of \$ 1,743,679 has an effective interest rate of 3.18%, payable in monthly blended payments of \$45,806, with a maturity date of April 20, 2024.

The OMEIFA loan bears interest at 2.74%, payable in semi-annual payments of \$70,372, with maturity date of June 15, 2045.

The assessment appeal settlement is payable in annual installments of \$350,000, bearing interest at an escalating rate of 0.5% each year, for 2020 the interest rate is 4.0 % (2019 - 3.5%) with a maturity date of January 2022.

Principal repayments are estimated to be as follows:

2021	\$ 924,248
2022	942,437
2023	611,228
2024	269,031
2025	81,116
2026 - 2030	440,410
2031 and subsequent	1,674,820

10. CONTINGENT LIABILITIES AND COMMITMENTS

In the course of its business, the Corporation becomes involved in various claims and legal proceedings. Litigation is subject to many uncertainties and the outcome of individual matters is not predictable. An estimate of the contingency cannot be made since the outcome of these matters is not predictable. The Corporation carries liability insurance. Any settlement in excess of amounts which have been recorded in the accounts and insurance coverage will be accounted for as a current transaction in the year of settlement. Contingent environmental liabilities may arise out of existing operations. Such liabilities are different from environmental remediation and solid waste landfill closure and post-closure care liabilities because the liabilities are not determinable, the condition which may give rise to the expenditures are uncertain, and the future expectations of the applicable regulatory authorities are not known. Potential costs that may arise in connection with such liabilities are not included in our provisions until the source and nature of the obligation become clear and is reasonably estimable.

The Corporation has commitments under various operating leases. The minimum payments under the leases are as follows:

2021	21,029
2022	21,029
2023	21,029
2024	21,029
2025	10,515

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

10. CONTINGENT LIABILITIES AND COMMITMENTS *(continued)*

The Corporation has an agreement with Waste Management of Canada Corporation for garbage collection and disposal services and recycling and processing services to December 31, 2020. Charges for the 2020 year garbage collection and disposal services were \$682,628 and for recycling collection and processing were \$545,278.

The Corporation had an agreement with the Ministry of Community Safety and Correctional Services for the provision of police services to December 31, 2020. Details for the renewal of contracted services remains under negotiation. Charges for 2020 for police services were \$3,965,813 (2019 - \$3,588,948).

The Corporation has entered into a cost sharing agreement with the County of Hastings to share the cost of recruitment of family doctors. The Corporation has agreed to reimburse Country of Hastings 30% of the expenses. Future reimbursements in force at December 31, 2020 are as follows:

2021	\$18,000
2022	\$18,000

The Corporation has developed a doctor recruitment program. Future payments for the program, based on agreements in force at December 31, 2020 are as follows:

2021	\$22,500
2022	\$22,500
2023	\$22,500
2024	\$22,500

As at December 31, 2020 the Corporation has no outstanding capital project contractual commitments.

11. CONTRACTUAL RIGHTS

The Corporation is involved in various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future.

a) Lease revenue

The Corporation has entered into a number of fixed term lease agreements for the use of Corporation owned land and/or buildings that are anticipated to provide the Corporation with future revenues.

b) Developer contributions

The Corporation has entered into property development agreements which require the developers to contribute various infrastructure assets to the Corporation, including roads and underground networks. The timing and extent of these future contributions vary depending on development activity and fair value of the assets at time of contribution which cannot be determined with certainty at this time.

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

11. CONTRACTUAL RIGHTS *(continued)*

c) Funding agreements and grants

The Corporation is the recipient of funding agreements and grants from federal, provincial, municipal and other government agencies. These funding agreements do not abnormally impact the Corporation's financial position and do not guarantee the Corporation the right to future funding. At December 31, 2020, the balance of the outstanding contractual rights not accrued in the financial statements are as follows:

2021	\$ 504,017
2022	504,017
2023	525,931

12. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	<u>2020</u>	<u>2019</u>
Equity in tangible capital assets	\$ 115,574,526	\$ 117,484,398
Less: related debt	<u>(4,243,290)</u>	<u>(4,799,723)</u>
	111,331,236	112,684,675
Capital projects	(3,559,732)	(3,915,154)
Reserve and reserve funds - <i>schedule 2</i>	21,051,492	11,295,131
Amounts to be recovered		
Landfill closure and post-closure costs	(108,065)	(71,206)
Employee costs	(431,375)	(199,576)
Unrestricted Surplus		
Town of Greater Napanee	303,162	6,144,409
Napanee Business Improvement Area	<u>46,856</u>	<u>37,106</u>
	<u>\$ 128,633,574</u>	<u>\$ 125,975,385</u>

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

13. SEGMENTED INFORMATION

The Corporation's services are provided by departments. Certain departments that have been separately disclosed in the segmented information, along with services they provide, are as follows:

General Government

General government is comprised of council, chief administrative office (CAO), community and corporate services department, and finance department. A municipal council is the ultimate authority, subject to provincial law, for all actions taken on behalf of the municipal corporation in that it exercises both executive and legislative roles. It fulfills its role by making policies in accordance with the wishes and concerns of the general public, subject to provincial laws, policies and directives. Council plays a managerial role by monitoring ongoing administrative performance and ensuring the best care of resources. The chief administrative officer is responsible to council for the general control and management of the affairs of the Corporation as prescribed by council. The CAO, as head of the corporation's civic administration, provides leadership and direction to the senior management team, co-ordinates the administrative functions of the Corporation and exercises general management and control of operations. The CAO's office ensures coordinated responsible services are delivered to residents and businesses in accordance with the approved policies and directions. The community and corporate services department consists of clerks & by-law enforcement department, economic development department, information technology department and recreation department. Clerks and by-law enforcement department is responsible for the following service areas: birth and death certificates, marriage licenses, lottery and taxi licensing, by-laws and minutes, by-law enforcement, requests for information, crossing guards and dog and kennel licensing.

The finance department is responsible for the administration of taxes, water and wastewater billing, accounts payable and receivable, financial statements and all other financial information and reporting for the Corporation.

Protection to Persons and Property

Protection to persons and property is comprised of police services, emergency services, and bylaw enforcement. Police services are provided by the Ontario provincial police whose mandate is the safety of lives and property of citizens, preserve peace and good order, prevent crimes from occurring, detect offenders and enforce the law. The emergency services goal is to ensure that we protect our residents and properties in our community through prompt emergency response in the event of fire, accident or disaster relief, and in our commitment to meeting the health, safety and accessibility needs of all people. By-law enforcement department of community and corporate services is committed to serve, protect and provide a desired quality of life for citizens and visitors through education to raise awareness of community standards and enforcement of by-Laws to ensure timely compliance with a professional, unbiased approach.

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

13. SEGMENTED INFORMATION *(continued)*

Transportation Services

As part of infrastructure services the public works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, storm water management, parking, fleet, and street lighting.

Environmental Services

The Corporation contracts with Waste Management Inc. for the collection and disposal of household and commercial solid waste. The Corporation contracts with Waste Management Inc. for the collection of household recycling. The Corporation owns and operates two landfill sites within the municipal limits. Twice a year the Corporation provides free pickup of leaf and yard waste. The Corporation occasionally provides free drop off of Hazardous Household waste. As part of infrastructure services the utilities department owns and operates its water and wastewater treatment plants and is responsible for water distribution and wastewater collection systems.

Recreation and Cultural Services

As part of community and corporate service the recreation department is a social service with its purpose to assist individual and community development, to enhance social functioning and to improve the quality of life. The recreation department provides accessible recreational programs including aquatics, minor ball and skating. Infrastructure services is responsible for the Corporation's facilities, including community halls, arenas, pools, parks, ball diamonds, soccer fields, tennis courts and boat launches.

Planning and Development

As part of infrastructure services the planning department is responsible for building and planning matters within the municipality including the issuance of building permits, land severance and minor variance applications, applications for official plan amendments and zoning by-law amendments, site plan control and subdivision matters and property standards inspections. As part of community and corporate services, economic development services is geared to assisting the existing business community while also encouraging new business development and growth to ensure a strong and diversified economic base.

The Napanee Business Improvement Area, under the municipal government, is mandated to promote and encourage local businesses by attracting residents and visitors to the areas shops, other attractions and enterprises, by means of beautification, revitalization and special promotions.

**CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

14. OPERATION OF SCHOOL BOARD AND THE COUNTY OF LENNOX AND ADDINGTON

Further to Note 1, the taxation, other revenues and expenditures of school boards and the County of Lennox and Addington are comprised of the following:

	<u>School Boards</u>	<u>County</u>
Taxation	\$ 5,780,475	\$11,507,126
Requisitions	<u>5,780,475</u>	<u>11,507,126</u>
	\$ <u> -</u>	\$ <u> -</u>

15. PENSION AGREEMENTS

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan on behalf of its staff. The plan is a defined benefit plan which specified the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. Employees and employers contribute jointly to the plan.

Contributions for employees with a normal retirement age of 65 were being made at a rate of 9.0% (2019 - 9.0%) for earnings up to the annual maximum pensionable earnings of \$58,700 (2019 - \$57,400) and at a rate of 14.6% (2019 - 14.6%) for earnings greater than the annual maximum pensionable earnings.

Contributions from employees with a normal retirement age of 60 were being made at a rate of 9.2% (2019 - 9.2%) for earnings up to the maximum pensionable earnings of \$58,700 (2019 - \$57,400) and at a rate of 15.8% (2019 - 15.8%) for earnings greater than the actual maximum pensionable earnings.

The amount contributed to OMERS for 2020 was \$560,754 (2019 - \$532,812) for current service and is included as an expenditure on the "Consolidated Statement of Operations". The actuarial valuation of the OMERS plan at December 31, 2020 indicated a (deficit)/surplus in the plan of (\$7,655,000,000) (2019 - \$1,531,000,000). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario Municipal organization and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit.

CORPORATION OF THE TOWN OF GREATER NAPANEE
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

16. BUDGET FIGURES

Budget established by the corporation are based on a project oriented basis, the costs of which may be carried out over one or more years. Although they are not directly comparable with current year actual amounts, budget figures have been reflected on the "Consolidated Statement of Operations". Budget figures have been reclassified for the purpose of these consolidated financial statements to comply with PSAB reporting requirements.

17. ASSESSMENT APPEAL SETTLEMENT

On April 5, 2013 the Corporation reached an agreement regarding an assessment by a taxpayer for the years 2003 to 2012. The Corporation is refunding the taxpayer the total amount of \$3,500,000, repayable in annual payments of \$350,000 commencing in 2014. \$950,430 of this liability, being the County's share has been recovered from the County of Lennox and Addington in 2014. A reserve has been established regarding this liability and is reported in schedule 2 to the financial statements.

18. RIVERSIDE AND RIVERVIEW CEMETERIES

In May 2020, Council approved the assumption of operations of the Riverside and Riverview cemeteries. Licensure has been authorized to avoid interruption of services however the Bereavement Authority of Ontario has yet to finalize the transfer of cemetery assets to the Corporation. The value of these assets are indeterminable at the financial statement date. The assets include land and trust funds that are to be held for the benefit of others and as such do not affect and would not be presented as part of the Corporation's statement of financial position or operations.

19. UNCERTAINTY DUE TO THE ECONOMIC CONSEQUENCES OF THE CORONAVIRUS DISEASE (COVID-19) OUTBREAK

In mid-March of 2020, the province of Ontario declared a state of emergency in response to the public health concerns originating from the spread of the coronavirus disease.

A high degree of uncertainty persists surrounding the full economic impact of the situation. The unpredictable nature of the spread of the disease makes it difficult to determine the length of time that the Corporation's operations will be impacted. Consequently, at the time of issuance of these financial statements, the effect that the continued disruptions to economic activity will have on the Corporation's operations, assets, liabilities, revenues and expenses are not yet known.

CORPORATION OF THE TOWN OF GREATER NAPANEE
SCHEDULE 1 - CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2020

	GENERAL					INFRASTRUCTURE					TOTALS
	Land	Buildings and Leasehold Improvements	Vehicles	Other Equipment	Assets Under Construction	Plant and Facilities	Roads	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	2020
		COST									
Opening cost	\$ 11,100,587	\$ 15,979,574	\$ 9,392,131	\$ 7,397,638	\$ 17,833	\$ 13,729,786	\$ 81,302,935	\$ 51,777,924	\$ 4,793,521	\$ 7,148,801	\$ 202,640,730
Additions during the year	11,519	-	135,308	208,063	12,248	2,634,537	2,430,895	2,552,722	131,102	570,110	8,686,504
Disposals during the year	<u>(502,619)</u>	<u>(149,577)</u>	<u>(93,106)</u>	<u>(140,668)</u>	<u>(2,976)</u>	<u>-</u>	<u>(665,875)</u>	<u>(227,337)</u>	<u>-</u>	<u>(4,988,367)</u>	<u>(6,770,525)</u>
Closing cost	<u>10,609,487</u>	<u>15,829,997</u>	<u>9,434,333</u>	<u>7,465,033</u>	<u>27,105</u>	<u>16,364,323</u>	<u>83,067,955</u>	<u>54,103,309</u>	<u>4,924,623</u>	<u>2,730,544</u>	<u>204,556,709</u>
ACCUMULATED AMORTIZATION											
Opening accumulated amortization	636,243	5,026,906	4,807,089	3,924,830	-	6,139,180	46,800,458	15,491,201	2,330,424	-	85,156,331
Amortization during the year	83,480	352,886	601,430	435,107	-	346,943	2,278,985	553,508	95,000	-	4,747,339
Disposals and writedowns	<u>(10,071)</u>	<u>(69,831)</u>	<u>(80,141)</u>	<u>(121,294)</u>	<u>-</u>	<u>-</u>	<u>(552,416)</u>	<u>(87,735)</u>	<u>-</u>	<u>-</u>	<u>(921,488)</u>
Balance, end of year	<u>709,652</u>	<u>5,309,961</u>	<u>5,328,378</u>	<u>4,238,643</u>	<u>-</u>	<u>6,486,123</u>	<u>48,527,027</u>	<u>15,956,974</u>	<u>2,425,424</u>	<u>-</u>	<u>88,982,182</u>
Net Book Value of Tangible Capital Assets	<u>\$ 9,899,835</u>	<u>\$ 10,520,036</u>	<u>\$ 4,105,955</u>	<u>\$ 3,226,390</u>	<u>\$ 27,105</u>	<u>\$ 9,878,200</u>	<u>\$ 34,540,928</u>	<u>\$ 38,146,335</u>	<u>\$ 2,499,199</u>	<u>\$ 2,730,544</u>	<u>\$ 115,574,527</u>

YEAR ENDED DECEMBER 31, 2019

	GENERAL					INFRASTRUCTURE					TOTALS
	Land	Buildings and Leasehold Improvements	Vehicles	Other Equipment	Assets Under Construction	Plant and Facilities	Roads	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	2019
		COST									
Opening costs	11,007,925	15,778,112	9,013,900	7,070,409	61,876	13,566,910	80,806,632	50,182,850	4,644,776	4,973,539	197,106,929
Additions during the year	263,613	201,462	715,579	428,689	17,833	162,876	496,303	1,625,639	148,745	3,981,215	8,041,954
Disposals during the year	<u>(170,951)</u>	<u>-</u>	<u>(337,348)</u>	<u>(101,460)</u>	<u>(61,876)</u>	<u>-</u>	<u>-</u>	<u>(30,565)</u>	<u>-</u>	<u>(1,805,953)</u>	<u>(2,508,153)</u>
Closing cost	<u>11,100,587</u>	<u>15,979,574</u>	<u>9,392,131</u>	<u>7,397,638</u>	<u>17,833</u>	<u>13,729,786</u>	<u>81,302,935</u>	<u>51,777,924</u>	<u>4,793,521</u>	<u>7,148,801</u>	<u>202,640,730</u>
ACCUMULATED AMORTIZATION											
Opening accumulated amortization	571,665	4,674,655	4,549,575	3,550,508	-	5,902,841	44,526,509	14,963,947	2,226,022	-	80,965,722
Amortization during the year	64,578	352,251	593,237	438,391	-	236,339	2,273,949	547,580	104,402	-	4,610,727
Disposals and writedowns	<u>-</u>	<u>-</u>	<u>(335,723)</u>	<u>(64,069)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,326)</u>	<u>-</u>	<u>-</u>	<u>(420,118)</u>
Balance, end of year	<u>636,243</u>	<u>5,026,906</u>	<u>4,807,089</u>	<u>3,924,830</u>	<u>-</u>	<u>6,139,180</u>	<u>46,800,458</u>	<u>15,491,201</u>	<u>2,330,424</u>	<u>-</u>	<u>85,156,331</u>
Net Book Value of Tangible Capital Assets	<u>\$ 10,464,344</u>	<u>\$ 10,952,668</u>	<u>\$ 4,585,042</u>	<u>\$ 3,472,808</u>	<u>\$ 17,833</u>	<u>\$ 7,590,606</u>	<u>\$ 34,502,477</u>	<u>\$ 36,286,723</u>	<u>\$ 2,463,097</u>	<u>\$ 7,148,801</u>	<u>\$ 117,484,399</u>

(See accompanying notes)

CORPORATION OF THE TOWN OF GREATER NAPANEE
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF CONTINUITY OF RESERVES AND RESERVE FUNDS
YEAR ENDED DECEMBER 31, 2020

	Balance, beginning of year	Revenue Contributions				Transfers				Balance, end of year
		Interest on Reserve Funds	From Operations	From Capital	Total	To Operations	To Capital	Interfund	Total	
RESERVES										
Acquisition of capital assets and debt reduction	\$ 519,817	\$ -	\$ 242,694	\$ 496,620	\$ 739,314	\$ -	\$ 117,694	\$ -	\$ 117,694	\$ 1,141,437
Arena reserve	277,873	-	-	-	-	-	-	-	-	277,873
Arena user surcharge	595,893	-	38,473	-	38,473	-	-	-	-	634,366
Assessment appeals	329,861	-	-	-	-	-	-	-	-	329,861
Conservation Authority	65,005	-	-	-	-	-	-	-	-	65,005
Election	20,000	-	20,000	-	20,000	-	-	-	-	40,000
Accessibility reserve	51,000	-	5,000	-	5,000	-	-	-	-	56,000
Park land	8,690	-	-	-	-	-	-	-	-	8,690
Physician recruitment	229,000	-	-	-	-	18,000	-	-	18,000	211,000
Policing reserve	19,688	-	-	-	-	-	-	-	-	19,688
Recreational and cultural services capital reserve	77,936	-	-	-	-	-	-	-	-	77,936
Safe Recovery Act	-	-	446,400	-	446,400	-	-	-	-	446,400
Strategic Plan	50,000	-	50,000	-	50,000	-	-	-	-	100,000
Working capital	1,393,661	-	5,679,013	1,066,705	6,745,718	77,904	750,046	-	827,950	7,311,429
	<u>3,638,424</u>	<u>-</u>	<u>6,481,580</u>	<u>1,563,325</u>	<u>8,044,905</u>	<u>95,904</u>	<u>867,740</u>	<u>-</u>	<u>963,644</u>	<u>10,719,685</u>
RESERVE FUNDS										
Napanee Hydro Electric Commission proceeds	3,680,009	-	-	-	-	-	-	-	-	3,680,009
Capital improvement fund	727,563	6,565	1,139,242	-	1,145,807	-	1,018,276	-	1,018,276	855,094
Emergency operating	255,214	-	1,386,609	-	1,386,609	-	-	-	-	1,641,823
Maintenance reserve fund	2,993,921	21,718	1,139,242	-	1,160,960	-	-	-	-	4,154,881
	<u>7,656,707</u>	<u>28,283</u>	<u>3,665,093</u>	<u>-</u>	<u>3,693,376</u>	<u>-</u>	<u>1,018,276</u>	<u>-</u>	<u>1,018,276</u>	<u>10,331,807</u>
TOTAL	<u>\$ 11,295,131</u>	<u>\$ 28,283</u>	<u>\$ 10,146,673</u>	<u>\$ 1,563,325</u>	<u>\$ 11,738,281</u>	<u>\$ 95,904</u>	<u>\$ 1,886,016</u>	<u>\$ -</u>	<u>\$ 1,981,920</u>	<u>\$ 21,051,492</u>

(See accompanying notes)

CORPORATION OF THE TOWN OF GREATER NAPANEE
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2020

BUDGET

	GENERAL GOVERNMENT	PROTECTION SERVICES	TRANSPORTATION SERVICES	ENVIRONMENTAL SERVICES	RECREATION AND CULTURAL SERVICES	PLANNING AND DEVELOPMENT	HEALTH SERVICES	CONSOLIDATED
REVENUES								
Municipal taxation	\$ 1,214,388	\$ 5,612,128	\$ 2,128,967	\$ (4,407)	\$ 1,468,402	\$ 325,430	\$ 163,945	\$ 10,908,853
Taxation from other governments	166,905	714,249	270,951	(561)	186,882	41,417	20,865	1,400,708
User Charges	67,600	485,500	211,000	6,943,753	1,071,530	106,623	-	8,886,006
Government Transfers								
Government of Canada	-	-	-	-	5,000	5,695	-	10,695
Province of Ontario	1,649,800	57,016	-	95,000	-	10,000	-	1,811,816
Other Municipalities	-	-	972,701	-	-	-	-	972,701
Other	-	-	-	-	11,000	-	-	11,000
Investment Income	225,000	-	-	-	-	-	-	225,000
Interest and Penalties on taxes	495,000	-	-	-	-	-	-	495,000
Donations	-	-	-	-	21,000	-	-	21,000
Miscellaneous	-	-	32,100	-	-	-	-	32,100
	<u>3,818,693</u>	<u>6,868,893</u>	<u>3,615,719</u>	<u>7,033,785</u>	<u>2,763,814</u>	<u>489,165</u>	<u>184,810</u>	<u>24,774,879</u>
EXPENDITURES								
Salaries, wages and employee benefits	1,530,417	2,027,384	1,705,831	1,681,933	1,465,195	367,297	83,510	8,861,567
Interest on long-term debt	-	-	69,948	-	64,034	-	-	133,982
Materials and supplies	780,505	492,580	1,533,040	1,507,625	1,017,124	134,388	21,300	5,486,562
Contracted services and general services	119,300	4,147,462	296,100	1,436,105	207,381	62,500	80,000	6,348,848
Rents and financial expenses	31,370	6,050	10,800	10,600	10,180	5,280	-	74,280
External transfers	19,000	195,417	-	-	-	-	-	214,417
Amortization	164,658	290,619	2,756,616	1,051,570	466,502	17,374	-	4,747,339
	<u>2,645,250</u>	<u>7,159,512</u>	<u>6,372,335</u>	<u>5,687,833</u>	<u>3,230,416</u>	<u>586,839</u>	<u>184,810</u>	<u>25,866,995</u>
NET REVENUES (EXPENDITURES)	<u>\$ 1,173,443</u>	<u>\$ (290,619)</u>	<u>\$ (2,756,616)</u>	<u>\$ 1,345,952</u>	<u>\$ (466,602)</u>	<u>\$ (97,674)</u>	<u>\$ -</u>	<u>\$ (1,092,116)</u>

(See accompanying notes)

CORPORATION OF THE TOWN OF GREATER NAPANEE
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2020

ACTUAL

	GENERAL GOVERNMENT	PROTECTION SERVICES	TRANSPORTATION SERVICES	ENVIRONMENTAL SERVICES	RECREATION AND CULTURAL SERVICES	PLANNING AND DEVELOPMENT	HEALTH SERVICES	CONSOLIDATED
REVENUES								
Municipal taxation	\$ 1,573,618	\$ 5,582,857	\$ 2,117,863	\$ (83,329)	\$ 1,460,743	\$ 414,650	\$ 163,090	\$ 11,229,492
Taxation from other governments	163,347	699,019	265,174	(549)	182,897	40,534	20,420	1,370,842
User Charges	135,567	484,961	256,421	6,540,822	808,162	198,494	-	8,424,427
Government Transfers								
Government of Canada	-	-	-	3,920	11,760	3,920	-	19,600
Province of Ontario	2,097,200	93,485	-	132,846	-	-	-	2,323,531
Other Municipalities	-	-	971,748	-	-	-	-	971,748
Investment Income	152,428	-	-	-	-	-	-	152,428
Interest and Penalties on taxes	467,286	-	-	-	-	-	-	467,286
Donations	3,023	2,500	-	-	4,443	-	-	9,966
Miscellaneous	-	95	8,410	600	-	-	-	9,105
	<u>4,592,469</u>	<u>6,862,917</u>	<u>3,619,616</u>	<u>6,594,310</u>	<u>2,468,005</u>	<u>657,598</u>	<u>183,510</u>	<u>24,978,425</u>
EXPENDITURES								
Salaries, wages and employee benefits	1,586,197	2,047,934	1,476,284	1,763,947	1,130,441	354,055	48,030	8,406,888
Interest on long-term debt	-	-	69,862	-	63,568	-	-	133,430
Materials and supplies	732,086	468,907	1,392,207	1,406,444	741,863	96,167	82	4,837,756
Contracted services and general services	265,424	4,193,578	310,682	1,521,620	150,698	139,125	18,000	6,599,127
Rents and financial expenses	26,335	2,687	48,977	25,416	7,346	3,858	-	114,619
External transfers	15,000	191,106	-	-	-	-	-	206,106
Amortization	164,658	290,619	2,756,616	1,051,570	466,502	17,374	-	4,747,339
	<u>2,789,700</u>	<u>7,194,831</u>	<u>6,054,628</u>	<u>5,768,997</u>	<u>2,560,418</u>	<u>610,579</u>	<u>66,112</u>	<u>25,045,265</u>
NET REVENUES (EXPENDITURES)	<u>\$ 1,802,769</u>	<u>\$ (331,914)</u>	<u>\$ (2,435,012)</u>	<u>\$ 825,313</u>	<u>\$ (92,413)</u>	<u>\$ 47,019</u>	<u>\$ 117,398</u>	<u>\$ (66,840)</u>

(See accompanying notes)

CORPORATION OF THE TOWN OF GREATER NAPANEE
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2019

ACTUAL

	<u>GENERAL GOVERNMENT</u>	<u>PROTECTION SERVICES</u>	<u>TRANSPORTATION SERVICES</u>	<u>ENVIRONMENTAL SERVICES</u>	<u>RECREATION AND CULTURAL SERVICES</u>	<u>PLANNING AND DEVELOPMENT</u>	<u>HEALTH SERVICES</u>	<u>CONSOLIDATED</u>
REVENUES								
Municipal taxation	\$ 582,009	\$ 5,340,155	\$ 2,195,147	\$ (245,233)	\$ 1,911,365	\$ 395,476	\$ 142,777	\$ 10,321,696
Taxation from other governments	73,064	718,163	295,211	(22,705)	257,047	42,492	19,201	1,382,473
User Charges	99,000	248,322	762,218	6,532,076	1,142,224	82,312	-	8,866,152
Government Transfers								
Government of Canada	-	-	-	-	5,000	17,475	-	22,475
Province of Ontario	1,612,900	154,398	-	144,328	-	10,000	-	1,921,626
Other Municipalities	-	-	954,791	-	950	-	-	955,741
Other	-	-	-	-	22,136	-	-	22,136
Investment Income	341,383	-	-	-	-	115	-	341,498
Interest and Penalties on taxes	523,231	-	-	-	-	-	-	523,231
Donations	4,248	1,000	-	-	6,264	5,300	200,000	216,812
Miscellaneous	61	-	7,808	-	-	-	-	7,869
	<u>3,235,896</u>	<u>6,462,038</u>	<u>4,215,175</u>	<u>6,408,466</u>	<u>3,344,986</u>	<u>553,170</u>	<u>361,978</u>	<u>24,581,709</u>
EXPENDITURES								
Salaries, wages and employee benefits	1,471,836	1,837,722	1,592,794	1,514,622	1,348,321	397,909	77,200	8,240,404
Interest on long-term debt	-	-	71,684	-	78,140	115	-	149,939
Materials and supplies	667,481	488,724	1,821,610	1,347,810	1,081,809	143,163	35,651	5,586,248
Contracted services and general services	122,552	3,659,058	399,410	549,719	-	30,900	110,000	4,871,639
Rents and financial expenses	28,282	5,213	22,802	9,875	9,464	5,343	-	80,979
External transfers	17,800	197,584	-	-	-	-	-	215,384
Amortization	156,670	271,509	2,772,308	937,476	455,390	17,374	-	4,610,727
	<u>2,464,621</u>	<u>6,459,810</u>	<u>6,680,608</u>	<u>4,359,502</u>	<u>2,973,124</u>	<u>594,804</u>	<u>222,851</u>	<u>23,755,320</u>
NET REVENUES (EXPENDITURES)	<u>\$ 771,275</u>	<u>\$ 2,228</u>	<u>\$ (2,465,433)</u>	<u>\$ 2,048,964</u>	<u>\$ 371,862</u>	<u>\$ (41,634)</u>	<u>\$ 139,127</u>	<u>\$ 826,389</u>

(See accompanying notes)

CORPORATION OF THE TOWN OF GREATER NAPANEE
SCHEDULE 4 - CONSOLIDATED SCHEDULE OF RECONCILIATION OF FINANCIAL PLAN TO THE BUDGET
YEAR ENDED 2020

	OPERATING BUDGET	CAPITAL BUDGET	RESERVES AND RESERVE FUNDS	TANGIBLE CAPITAL ASSET ADJUSTMENTS	NAPANEE BUSINESS IMPROVEMENT	ELIMINATIONS	PSAB BUDGET
REVENUES							
Municipal taxation	\$ 10,832,053	\$ -	\$ -	\$ -	\$ 76,800	\$ -	\$ 10,908,853
Taxation from other governments	1,400,708	-	-	-	-	-	1,400,708
User fees and sale of goods and services	9,025,451	-	-	-	-	(139,445)	8,886,006
Government Transfers							
Government of Canada	10,695	-	-	-	-	-	10,695
Province of Ontario	1,811,816	-	-	-	-	-	1,811,816
Other Municipalities	972,701	-	-	-	-	-	972,701
Other	11,000	-	-	-	-	-	11,000
Investment income	225,000	-	-	-	-	-	225,000
Penalty and interest on taxes	495,000	-	-	-	-	-	495,000
Donations	21,000	-	-	-	-	-	21,000
Miscellaneous	32,100	-	-	-	-	-	32,100
	<u>24,837,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,800</u>	<u>(139,445)</u>	<u>24,774,879</u>
EXPENDITURES							
Current							
General government	2,480,592	-	-	164,658	-	-	2,645,250
Protection services	6,874,143	-	-	290,619	-	(5,250)	7,159,512
Transportation services	3,618,919	-	-	2,756,616	-	(3,200)	6,372,335
Environmental services	4,698,863	-	-	1,051,570	-	(62,600)	5,687,833
Recreational and cultural services	2,832,184	-	-	466,502	-	(68,270)	3,230,416
Planning and development	414,472	-	-	11,194	161,298	(125)	586,839
Health services	184,810	-	-	-	-	-	184,810
Capital							
General government	-	200,000	-	(200,000)	-	-	-
Protection services	-	380,000	-	(380,000)	-	-	-
Transportation services	-	2,443,450	-	(2,443,450)	-	-	-
Environmental services	-	2,579,000	-	(2,579,000)	-	-	-
Recreational and cultural services	-	528,800	-	(528,800)	-	-	-
	<u>21,103,983</u>	<u>6,131,250</u>	<u>-</u>	<u>(1,390,091)</u>	<u>161,298</u>	<u>(139,445)</u>	<u>25,866,995</u>
NET REVENUES/(EXPENDITURES)	3,733,541	(6,131,250)	-	1,390,091	(84,498)	-	(1,092,116)
OTHER INCOME AND EXPENSES RELATED TO CAPITAL							
Municipal taxation	-	694,000	-	-	-	-	694,000
Government transfers							
Canada	-	482,103	-	-	-	-	482,103
Ontario	-	705,166	-	-	-	-	705,166
Development charges	-	330,000	-	-	-	-	330,000
	<u>-</u>	<u>2,211,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,211,269</u>
FINANCING AND TRANSFERS							
Debt repayment	(556,433)	-	-	556,433	-	-	-
Transfers from (to) other funds	(4,077,108)	3,919,981	157,127	-	-	-	-
	<u>(4,633,541)</u>	<u>3,919,981</u>	<u>157,127</u>	<u>556,433</u>	<u>-</u>	<u>-</u>	<u>-</u>
ANNUAL SURPLUS (DEFICIT)	\$ (900,000)	\$ -	\$ 157,127	\$ 1,946,524	\$ (84,498)	\$ -	\$ 1,119,153

(See accompanying notes)