

**CORPORATION OF THE TOWN OF GREATER NAPANEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2017**

### **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 for local governments established by the Public Sector Accounting Board 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.

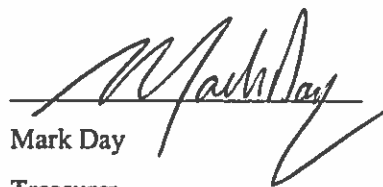
The Town Council is responsible for ensuring that management fulfills its responsibilities for financial reporting. Council through the Audit Committee, reviews the Corporation's consolidated financial statements and discusses any significant financial reporting or internal control matters prior to Council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



Ray Callery

Chief Administrative Officer



Mark Day

Treasurer

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Council of the:  
**CORPORATION OF THE TOWN OF GREATER NAPANEE**

We have audited the accompanying consolidated financial statements of the **CORPORATION OF THE TOWN OF GREATER NAPANEE** which comprise the consolidated statement of financial position at December 31, 2017 and the consolidated statements operations and accumulated surplus, consolidated change in net assets and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion, the 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, 2017 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Napanee, Ontario  
August 21, 2018

  
CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**CORPORATION OF THE TOWN OF GREATER NAPANEE  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>FINANCIAL ASSETS</b>		
Cash - <i>note 3</i>	\$ 10,515,064	\$ 8,297,455
Taxes receivable - <i>note 20</i>	5,296,201	5,488,876
Accounts receivable	727,511	428,513
User charges receivable	691,905	755,104
Long-term receivable	32,467	47,013
Long-term investments - <i>note 4</i>	<u>3,327,219</u>	<u>3,353,514</u>
	<u>20,590,367</u>	<u>18,370,475</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities	2,880,796	1,271,535
Employee benefits payable and other liabilities - <i>note 6</i>	278,622	578,440
Deferred revenue - <i>note 7</i>	4,298,931	3,682,632
Municipal debt - <i>note 8</i>	<u>7,622,381</u>	<u>9,007,765</u>
	<u>15,080,730</u>	<u>14,540,372</u>
<b>NET FINANCIAL ASSETS</b>	<u>5,509,637</u>	<u>3,830,103</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - <i>Schedule 1</i>	112,247,907	111,382,545
Prepaid expenses	<u>416,213</u>	<u>409,383</u>
	<u>112,664,120</u>	<u>111,791,928</u>
<b>ACCUMULATED SURPLUS - <i>note 10</i></b>	<u>\$118,173,757</u>	<u>\$115,622,031</u>
<b>CONTINGENT LIABILITY - <i>note 16</i></b>		

(See accompanying notes)

**CORPORATION OF THE TOWN OF GREATER NAPANEE**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u> <u>Budget</u> <i>(Note 15)</i>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>REVENUE</b>			
Municipal taxation - note 19	\$ 9,425,741	\$ 9,709,519	\$ 9,495,766
Taxation from other governments	1,400,682	1,339,730	1,412,584
User charges	7,625,487	7,953,221	7,435,538
Government transfers			
Government of Canada	3,000	12,933	12,356
Province of Ontario	1,742,200	1,829,105	1,797,348
Other Municipalities	924,800	920,784	830,166
Other	4,412	-	4,225
Investment income	146,574	108,880	107,458
Interest and penalties on taxes	475,000	651,209	632,013
Donations	52,100	44,202	38,141
Miscellaneous	<u>136,200</u>	<u>355,144</u>	<u>26,728</u>
	<u>21,936,196</u>	<u>22,924,727</u>	<u>21,792,323</u>
<b>EXPENDITURES</b>			
General government - note 19	2,459,283	2,449,699	2,252,213
Protection to persons and property	6,375,508	6,187,534	6,117,739
Transportation services	5,971,353	5,846,060	5,854,691
Environmental services	4,782,370	4,395,775	4,378,117
Recreation and cultural services	3,134,707	3,062,941	3,037,990
Planning and development	515,815	713,356	489,348
Health services	<u>166,110</u>	<u>118,025</u>	<u>115,369</u>
	<u>23,405,146</u>	<u>22,773,390</u>	<u>22,245,467</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>(1,468,950)</u>	<u>151,337</u>	<u>(453,144)</u>
<b>OTHER INCOME AND (EXPENSES) RELATED TO CAPITAL</b>			
Municipal taxation	671,700	674,890	659,360
Taxation from other governments	42,300	42,485	42,627
Government transfers			
Government of Canada	705,289	855,837	747,424
Government of Ontario	307,000	317,982	347,054
Development charges	580,275	-	48,187
Donations and miscellaneous	271,000	457,979	272,921
Tangible capital asset gain (loss)	<u>-</u>	<u>53,064</u>	<u>125,461</u>
	<u>2,577,564</u>	<u>2,296,109</u>	<u>2,243,034</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	1,108,614	2,447,446	1,789,890
<b>ACCUMULATED SURPLUS, beginning of year</b>	115,622,031	115,622,031	113,832,141
Change in estimate adjustment - note 18	<u>-</u>	<u>104,280</u>	<u>-</u>
<b>ACCUMULATED SURPLUS, end of year</b>	<u>\$116,730,645</u>	<u>\$118,173,757</u>	<u>\$115,622,031</u>

(See accompanying notes)

**CORPORATION OF THE TOWN OF GREATER NAPANEE**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**YEAR ENDED DECEMBER 31, 2017**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<u><b>Budget</b></u>	<u><b>Actual</b></u>	<u><b>Actual</b></u>
	<i>(Note 15)</i>		
<b>INCOME (LOSS) FROM OPERATIONS</b>	\$ 1,108,614	\$ 2,447,446	\$ 1,789,890
Amortization of tangible capital assets	4,337,544	4,337,544	4,262,877
Acquisition of tangible capital assets	(7,896,631)	(6,061,242)	(3,713,335)
Change in assets under construction	-	779,755	62,952
Loss on sale of tangible capital assets	-	53,064	(125,461)
Proceeds on sale of tangible capital assets	-	129,797	370,131
Acquisition of prepaid expense	-	(416,213)	(409,383)
Use of prepaid expense	<u>-</u>	<u>409,383</u>	<u>421,333</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<u>(2,450,473)</u>	<u>1,679,534</u>	<u>2,659,004</u>
<b>NET FINANCIAL ASSETS, beginning of year</b>	<u>3,830,103</u>	<u>3,830,103</u>	<u>1,171,099</u>
<b>NET FINANCIAL ASSETS, end of year</b>	<u>\$ 1,379,630</u>	<u>\$ 5,509,637</u>	<u>\$ 3,830,103</u>

(See accompanying notes)

**CORPORATION OF THE TOWN OF GREATER NAPANEE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>OPERATING</b>		
Annual surplus	\$ 2,447,446	\$ 1,789,890
Non-cash items:		
Amortization	4,337,544	4,262,877
Loss on sale of tangible capital assets	53,064	(125,461)
Employee benefits payable	(304,643)	(70,263)
Solid waste landfill closure and post-closure care	<u>4,825</u>	<u>(18,603)</u>
	6,538,236	5,838,440
Changes in non-cash charges to operations (net change):		
Taxes receivable	192,675	(100,937)
Accounts receivable	(298,998)	17,166
User charges receivable	63,199	(14,475)
Prepaid expenses	(6,830)	11,950
Accounts payable and accrued liabilities	1,609,261	(498,694)
Deferred revenue	<u>616,299</u>	<u>61,075</u>
	<u>8,713,842</u>	<u>5,314,525</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(5,281,487)	(3,650,383)
Proceeds on disposal of capital assets	<u>129,797</u>	<u>370,131</u>
	<u>(5,151,690)</u>	<u>(3,280,252)</u>
<b>INVESTING</b>		
Purchase of long-term investments	(1,273,705)	(2,654,889)
Proceeds from sale of long-term investments	1,300,000	837,729
Repayment of long-term receivable	<u>14,546</u>	<u>6,614</u>
	<u>40,841</u>	<u>(1,810,546)</u>
<b>FINANCING</b>		
Long-term debt repaid	<u>(1,385,384)</u>	<u>(1,358,480)</u>
<b>NET CHANGE IN CASH</b>	2,217,609	(1,134,753)
<b>CASH, beginning of year</b>	<u>8,297,455</u>	<u>9,432,208</u>
<b>CASH, end of year</b>	<u>\$10,515,064</u>	<u>\$ 8,297,455</u>

(See accompanying notes)

**CORPORATION OF THE TOWN OF GREATER NAPANEE**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**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 for local governments, as recommended by the Public Sector Accounting Board 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.

**Trust Funds**

Trust funds and their related operations administered by the Corporation are not reflected in these consolidated financial statements, but are reported separately on the "Trust Funds Statement of Financial Position and Statement of Financial Activities and Changes in Fund Balances".

**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.



**CORPORATION OF THE TOWN OF GREATER NAPANEE**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**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, 2017**

**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, 2017**

**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 \$60,000 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, 2017**

**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 consist of the following:

	<u>2017</u>	<u>2016</u>
Unappropriated cash	\$ 3,923,057	\$ 2,120,852
Designated under Federal Gas Tax agreement	141,117	388,965
Designated under Development charges by-law	2,377,121	1,970,367
Designated under Planning Act - Parkland	80,765	80,765
Designated under the Town of Greater Napanee bylaw for Water and Wastewater Utilities	3,640,214	3,410,011
Napanee Hydro Electric Commission proceeds	<u>352,790</u>	<u>326,495</u>
	<u>\$10,515,064</u>	<u>\$ 8,297,455</u>

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, 2017**

**4. LONG-TERM INVESTMENTS**

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

	<u>2017</u>		<u>2016</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	\$ 444,521	\$ 145,000	\$ 144,590
Guaranteed investment certificates	<u>2,882,219</u>	<u>2,937,711</u>	<u>3,208,514</u>	<u>3,214,644</u>
	<u>\$ 3,327,219</u>	<u>\$ 3,382,232</u>	<u>\$ 3,353,514</u>	<u>\$ 3,214,644</u>

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

Ontario Hydro bonds had effective interest rate of 1.426% with maturity dates of November 27, 2016. Province of Nova Scotia bonds have an effective interest rate of 1.397% with maturity dates of June 2, 2019. Guaranteed investment certificates have effective interest rates of 1.25% to 2.10% with maturity dates from April 17, 2018 to December 19, 2018. Included in accounts receivable is \$42,043 (2016 - \$20,106) of accrued interest on government bonds and guaranteed investment certificates.

**5. 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 (2016 \$Nil) was utilized at year end.

**6. 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>2017</u>	<u>2016</u>
Solid waste landfill closure and post-closure care	\$ 62,674	\$ 57,849
Staff retirement allowance	215,948	205,853
Future payments required to WSIB	<u>-</u>	<u>314,738</u>
	<u>\$ 278,622</u>	<u>\$ 578,440</u>

**CORPORATION OF THE TOWN OF GREATER NAPANEE**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**6. EMPLOYEE BENEFITS PAYABLE AND OTHER LIABILITIES** *(continued)*

**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 \$57,849 based on the present value of closure and post-closure costs estimated at \$6,441,156 using assumed rates of 3% for inflation and 6% for interest.

The South Fredricksburg landfill has an estimated remaining capacity of 85% and is expected to provide capacity for 45 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 25 years.

**b) Staff Retirement Allowance**

Under Town of Greater Napanee Bylaw 2012-22 "Conditions of employment, compensation and benefits" effective in 2012, upon retirement a full time employee with more than 1 year of service but less than 10 years shall receive one day's pay per year of service to the Corporation, for full time employees with 10 years of service or more shall receive two day's pay per year of service. All retirement packages are capped at a maximum of \$7,500.

**c) WSIB**

The Workplace Safety and Insurance Board (WSIB) administers injured workers benefits on behalf of the Corporation as a schedule 2 employer. The expense for the year was \$4,000 2016 - \$4,570). A portion of the expense has been recovered from the Corporation's group insurance plan in the amount of \$4,000 (2016 - \$4,570). As a result of the death of the spouse of the deceased worker who was receiving benefits from WSIB the Corporation is no longer liable for reimbursing WSIB for all costs relating to its workers' WSIB claims

**CORPORATION OF THE TOWN OF GREATER NAPANEE  
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**7. DEFERRED REVENUE**

The balance of deferred revenue consists of the following:

	Balance December 31, <u>2016</u>	<u>Additions</u>	Transferred to <u>Income</u>	Balance December 31, <u>2017</u>
<b>Externally restricted</b>				
Development charges	\$ 1,970,367	\$ 406,764	\$ -	\$ 2,377,131
Developer contributions	152,000	-	-	152,000
Federal Gas tax	388,695	484,359	(731,937)	141,117
Parkland	<u>80,765</u>	<u>-</u>	<u>-</u>	<u>80,765</u>
	2,591,827	891,123	(731,937)	2,751,013
<b>Water and Wastewater Utilities</b>				
Impost fees	1,089,542	248,284	-	1,337,826
Recreation revenue	1,263	34,510	-	35,773
Deferred deposits	<u>-</u>	<u>174,328</u>	<u>-</u>	<u>174,328</u>
	<u>\$ 3,682,632</u>	<u>\$ 1,348,245</u>	<u>\$ (731,937)</u>	<u>\$ 4,298,940</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.

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, 2017**

**8. LONG-TERM DEBT**

Long-term debt consists of the following:

	<u>2017</u>	<u>2016</u>
Bank loans - Strathcona Paper Centre	\$ 3,155,885	\$ 3,597,563
Debenture - tile drainage	10,145	17,903
OMEIFA loan	2,706,351	2,771,597
OILC Debenture - water storage tank	-	520,702
Assessment appeal settlement - <i>note 17</i>	<u>1,750,000</u>	<u>2,100,000</u>
	<u>\$ 7,622,381</u>	<u>\$ 9,007,765</u>

The Strathcona Paper Centre bank loans of \$ 3,155,885 has an effective interest rate of 3.18%, payable in monthly blended payments of \$45,806, with a maturity date of April 20, 2024.

Outstanding tile drainage debentures of \$10,145 have varying maturity dates bearing interest at 6.00%.

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 2016 the interest rate is 2.5 % with a maturity date of January 2022.

Principal repayments are estimated to be as follows:

2018	\$ 881,198
2019	891,460
2020	906,432
2021	924,248
2022	942,437
2023 - 2027	1,130,384
2028 and subsequent	1,946,222



**CORPORATION OF THE TOWN OF GREATER NAPANEE**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**9. COMMITMENTS**

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

2018	\$ 22,036
2019	22,960
2020	22,960
2021	20,330
2022	6,219

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, 2019. Charges for the 2016 year garbage collection and disposal services were 312,618 and for recycling collection and processing were \$86,057.

The Corporation has an agreement with the Ministry of Community Safety and Correctional Services for the provision of police services to December 31, 2017. Charges for 2017 for police services were \$3,377,376.

As at December 31, 2017 the Corporation has no outstanding capital project contractual commitments.

**10. ACCUMULATED SURPLUS**

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

	<u>2017</u>	<u>2016</u>
Equity in tangible capital assets	\$ 112,247,907	\$ 111,382,545
Less: related debt	<u>(5,862,236)</u>	<u>(6,889,862)</u>
	106,385,671	104,492,683
Capital projects	(3,256,884)	(2,912,529)
Reserve and reserve funds - <i>schedule 2</i>	10,660,596	10,613,897
Amounts to be recovered		
Landfill closure and post-closure costs	(62,674)	(57,849)
Employee costs	(215,948)	(205,853)
WSIB	-	(314,738)
Unrestricted Surplus		
Town of Greater Napanee	4,634,928	3,978,214
Napanee Business Improvement Area	<u>28,068</u>	<u>28,206</u>
	<u>\$ 118,173,757</u>	<u>\$ 115,622,031</u>

**CORPORATION OF THE TOWN OF GREATER NAPANEE**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**11. 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, 2017**

**11. 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, 2017**

**12. 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	\$ 5,497,837	\$10,003,119
Requisitions	5,497,837	10,003,119
	\$ -	\$ -

**13. TRUST FUNDS**

Trust funds administered by the Corporation amounting to \$Nil (2016 - \$6,477) have not been included in the Consolidated Statement of Financial Position, nor have their operations been included on the Consolidated Statement of Operations.

**14. 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% (2016 - 9.0%) for earnings up to the annual maximum pensionable earnings of \$55,300 (2016 - \$54,900) and at a rate of 14.6% (2016 - 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% (2016 - 9.2%) for earnings up to the maximum pensionable earnings of \$55,300 (2016 - \$54,900) and at a rate of 15.8% (2016 - 15.8%) for earnings greater than the actual maximum pensionable earnings.

The amount contributed to OMERS for 2017 was \$502,342 (2016 - \$488,078) 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, 2017 indicated a surplus (deficit) in the plan of \$605,000,000 (2016 - (\$2,341,000)). 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, 2017**

**15. 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.

**16. CONTINGENT LIABILITIES**

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 which such liabilities are not included in our provisions until the source and nature of the obligation become clear and is reasonably estimable.

**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. CHANGE IN ESTIMATE ADJUSTMENT**

In 2017, as a result of evolving tangible capital asset accounting, certain firefighting equipment was identified as having been expensed as purchased whereas it is replaced every ten years. The adjustment was accounted for prospectively within the current year. The effect of these changes on the 2017 tangible capital assets and accumulated surplus are:

Financial statement item	<u>Opening Balance</u>	<u>Change</u>	<u>Adjusted Balance</u>
Statement of financial position			
Tangible capital assets	\$184,603,859	\$ 387,878	\$184,991,737
Accumulated amortization	\$ 73,221,314	\$ 283,598	\$ 73,504,912
Accumulated surplus	\$115,622,031	\$ 104,280	\$115,722,405

**CORPORATION OF THE TOWN OF GREATER NAPANEE**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**19. COMPARATIVE FIGURES**

Certain figures for 2016 have been reclassified to reflect the financial statement presentation adopted for 2017.

The Corporation has reclassified taxes written off from general government expenditures to municipal taxation revenue to be consistent with the presentation required by the financial information return (FIR) by the Ministry of Municipal Affairs. As a result of the adjustment taxation revenue decreased by \$167,346, general government expenditures decreased by \$165,453 and planning and development expenditures decreased by \$1,893 and this adjustment has no impact on annual surplus for 2016.

**20. SUBSEQUENT EVENT**

Subsequent to the year end 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 will be vested and declared surplus and advertised for sale. The total write-off is \$2,560,814 of which the Town's share is \$2,075,176, the County's share is \$327,744 and the School board share is \$157,894. The Town has funded their share from the Reserve for Assessment Appeals net of the estimated net realizable value on sale. Once the taxes are written off in 2018 the related land held for resale will be included in Financial Assets and valued at the current Municipal Property Assessment Corporation (MPAC) value at an amount of approximately \$1,025,000. Proceeds from future sales will be returned to the Reserve for Assessment Appeals with County and School board portions returned accordingly.

(See accompanying notes)

**CORPORATION OF THE TOWN OF GREATER NAPANEE  
SCHEDULE 1 - CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS  
YEAR ENDED DECEMBER 31, 2017**

COST	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	2017	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	2016	
Operating cost previously reported	\$ 9,578,988	\$ 15,735,360	\$ 8,730,775	\$ 5,710,511	\$ 245,514	\$ 13,279,468	\$ 77,738,066	\$ 47,560,386	\$ 4,634,733	\$ 1,370,058	\$ 184,603,859					
Adjustment	-	-	-	448,885	-	-	(61,007)	-	-	-	387,878					
Operating cost revised	9,578,988	15,735,360	8,730,775	6,159,396	245,514	13,279,468	77,697,059	47,560,386	4,634,733	1,370,058	184,991,737					
Additions during the year	90,529	29,015	653,126	860,875	173,971	163,606	1,856,341	2,398,406	10,043	295,222	6,531,134					
Disposals during the year	(65,001)	-	(374,006)	(158,457)	(83,114)	-	(146,933)	(116,767)	-	(1,165,834)	(2,110,092)					
Closing cost	2,604,516	15,764,375	9,009,895	6,861,834	336,371	13,443,074	79,406,467	49,842,025	4,644,776	499,446	189,412,779					
<b>ACCUMULATED AMORTIZATION</b>																
Operating accumulated amortization previously reported	415,580	3,974,158	4,203,070	2,580,601	-	5,437,569	40,634,715	13,955,476	2,020,145	-	73,221,314					
Adjustment	-	-	-	369,885	-	-	(88,192)	3,002	-	-	284,695					
Operating accumulated amortization revised	415,580	3,974,158	4,203,070	2,950,486	-	5,437,569	40,546,523	13,958,478	2,020,145	-	73,506,009					
Amortization during the year	59,019	350,154	515,419	394,263	-	234,332	2,163,934	518,768	101,655	-	4,337,544					
Disposals and write-downs	-	-	377,787	158,547	-	-	66,617	75,731	-	-	678,682					
Balance, end of year	474,599	4,324,312	4,340,702	3,186,202	-	5,671,901	42,643,840	14,401,515	2,121,800	-	77,164,871					
<b>Net Book Value of Tangible Capital Assets</b>	<b>\$ 9,129,917</b>	<b>\$ 11,440,063</b>	<b>\$ 4,669,193</b>	<b>\$ 3,675,632</b>	<b>\$ 336,371</b>	<b>\$ 7,771,173</b>	<b>\$ 36,762,627</b>	<b>\$ 35,440,510</b>	<b>\$ 2,522,976</b>	<b>\$ 499,446</b>	<b>\$ 112,247,908</b>					
	<b>YEAR ENDED DECEMBER 31, 2016</b>															
	GENERAL										INFRASTRUCTURE					
COST	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	2016	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	2016	
Operating costs	\$ 9,575,908	\$ 15,259,018	\$ 8,560,896	\$ 5,614,480	\$ 1,259,799	\$ 13,099,227	\$ 76,538,645	\$ 47,463,065	\$ 4,634,733	\$ 418,726	\$ 182,424,497					
Adjustment	-	-	(14,253)	-	-	-	40,956	-	-	-	26,703					
Operating costs - adjusted	9,575,908	15,259,018	8,546,643	5,614,480	1,259,799	13,099,227	76,538,645	47,504,021	4,634,733	418,726	182,451,200					
Additions during the year	197,094	476,342	738,422	609,673	159,720	180,241	1,440,565	56,365	-	1,115,166	4,973,588					
Disposals during the year	(194,014)	-	(554,290)	(513,642)	(1,174,005)	-	(221,144)	-	-	(163,834)	(2,820,929)					
Balance, end of year	9,578,988	15,735,360	8,730,775	5,710,511	245,514	13,279,468	77,738,066	47,560,386	4,634,733	1,370,058	184,603,859					
<b>ACCUMULATED AMORTIZATION</b>																
Operating accumulated amortization	357,588	3,642,466	4,209,635	2,660,910	-	5,199,639	38,759,629	13,436,411	1,918,510	-	70,184,788					
Amortization during the year	57,992	331,692	523,385	347,072	-	237,930	2,146,576	516,595	101,635	-	70,184,788					
Disposals and write-downs	-	-	(529,950)	(427,381)	-	-	(271,490)	2,470	-	-	4,262,877					
Balance, end of year	415,580	3,974,158	4,203,070	2,580,601	-	5,437,569	40,634,715	13,955,476	2,020,145	-	73,221,314					
<b>Net Book Value of Tangible Capital Assets</b>	<b>\$ 9,163,408</b>	<b>\$ 11,761,202</b>	<b>\$ 4,527,705</b>	<b>\$ 3,129,910</b>	<b>\$ 245,514</b>	<b>\$ 7,841,899</b>	<b>\$ 37,123,351</b>	<b>\$ 33,604,910</b>	<b>\$ 2,614,588</b>	<b>\$ 1,370,058</b>	<b>\$ 111,382,545</b>					

(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, 2017**

	Balance, beginning of year	Revenue Contributions				Transfers			Balance, end of year
		Interest on Reserve Funds	From Operations	From Capital	Total	To Operations	To Capital Acquisitions	Interfund	
<b>Reserves</b>									
Acquisition of capital assets and debt reduction	\$ 173,506	\$ -	\$ 275,990	\$ -	\$ 275,990	\$ -	\$ 213,435	\$ -	\$ 236,061
Atena reserve	277,873	-	-	-	44,414	-	-	-	277,873
Atena user surcharge	479,961	-	44,414	-	-	-	-	-	524,375
Assessment appeals	1,220,277	-	-	-	-	425,000	-	-	795,277
Bag tag	5,594	-	-	-	-	-	-	-	5,594
Election	22,000	-	15,000	-	15,000	-	-	-	37,000
Accessibility reserve	41,000	-	-	-	-	-	-	-	41,000
Park land	8,690	-	-	-	-	-	-	-	8,690
Physician recruitment	65,000	-	-	-	-	-	-	-	65,000
Recreational and cultural services capital reserve	77,936	-	-	-	-	-	-	-	77,936
Self-insurance	50,000	-	-	-	-	-	-	-	50,000
Working capital	1,102,038	-	119,529	-	119,529	-	-	-	1,221,567
	3,523,875	-	454,933	-	454,933	425,000	213,435	-	3,340,373
<b>Reserve Funds</b>									
Napanee Hydro Electric Commission proceeds	3,680,009	33,038	-	-	33,038	33,038	-	-	3,680,009
Capital improvement fund	1,625,227	17,019	1,000,374	-	1,017,393	-	457,244	-	2,185,376
Emergency operating	255,214	-	-	-	-	-	-	-	255,214
Maintenance reserve fund	1,529,572	16,018	1,000,374	-	1,016,392	-	1,346,340	-	1,199,624
	7,090,022	66,075	2,000,748	-	2,066,823	33,038	1,803,584	-	7,320,223
<b>Total</b>	\$ 10,613,897	\$ 66,075	\$ 2,455,681	\$ -	\$ 2,521,756	\$ 458,038	\$ 2,017,019	\$ -	\$ 10,660,596

(See accompanying notes)



**CORPORATION OF THE TOWN OF GREATER NAPANEE  
 SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE STATEMENT OF OPERATIONS  
 YEAR ENDED DECEMBER 31, 2017  
 BUDGET**

	GENERAL GOVERNMENT	PROTECTION SERVICES	TRANSPORTATION SERVICES	ENVIRONMENTAL SERVICES	RECREATION AND CULTURAL SERVICES	PLANNING AND DEVELOPMENT	HEALTH SERVICES	CONSOLIDATED
<b>REVENUES</b>								
Municipal taxation	\$ 151,445	\$ 5,713,912	\$ 2,456,636	\$ (2,009,504)	\$ 2,491,735	\$ 463,155	\$ 158,362	\$ 9,425,741
Taxation from other governments	9,691	863,932	371,439	(303,833)	376,745	58,764	23,944	1,400,682
User Charges	55,500	295,000	43,068	6,080,363	1,122,556	29,000	-	7,625,487
Government Transfers	-	-	-	-	-	-	-	-
Province of Ontario	1,571,200	50,000	-	-	11,000	11,000	-	3,000
Other Municipalities	-	-	919,300	-	-	4,412	-	1,742,200
Other	-	-	-	-	-	5,500	-	924,800
Investment Income	145,000	-	-	500	-	1,074	-	4,412
Interest and Penalties on taxes	475,000	-	-	-	-	-	-	146,574
Donations	-	-	-	-	-	-	-	475,000
Miscellaneous	95,000	-	41,200	-	-	52,100	-	52,100
	<u>2,502,836</u>	<u>6,922,844</u>	<u>3,831,643</u>	<u>3,877,526</u>	<u>4,058,548</u>	<u>560,493</u>	<u>182,306</u>	<u>21,936,196</u>
<b>EXPENDITURES</b>								
Salaries, wages and employee benefits	1,415,262	1,889,228	1,496,528	1,511,788	1,342,118	302,253	100,650	8,057,827
Interest on long-term debt	-	6,800	86,815	8,058	134,043	1,074	-	236,790
Materials and supplies	864,875	593,700	1,570,330	1,690,195	1,226,065	188,884	65,460	6,199,509
Contracted services and general services	-	3,383,780	219,000	562,625	-	-	-	4,165,405
Rents and financial expenses	22,000	5,530	5,600	91,495	10,700	5,266	-	140,591
External transfers	19,000	248,500	-	-	-	-	-	267,500
Amortization	138,146	247,970	2,593,080	918,209	421,781	18,338	-	4,337,524
	<u>2,459,283</u>	<u>6,375,508</u>	<u>3,971,353</u>	<u>4,782,370</u>	<u>3,134,707</u>	<u>515,815</u>	<u>166,110</u>	<u>23,405,146</u>
<b>Net Revenues (Expenditures)</b>	<u>\$ 43,553</u>	<u>\$ 547,336</u>	<u>\$ (2,139,710)</u>	<u>\$ (904,844)</u>	<u>\$ 923,841</u>	<u>\$ 44,678</u>	<u>\$ 16,196</u>	<u>\$ (1,468,950)</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, 2017**

**ACTUAL**

	GENERAL GOVERNMENT	PROTECTION SERVICES	TRANSPORTATION SERVICES	ENVIRONMENTAL SERVICES	RECREATION AND CULTURAL SERVICES	PLANNING AND DEVELOPMENT	HEALTH SERVICES	CONSOLIDATED
<b>REVENUES</b>								
Municipal taxation	\$ 14,339	\$ 6,297,441	\$ 2,657,215	\$ (2,538,238)	\$ 2,706,521	\$ 423,268	\$ 148,973	\$ 9,709,519
Taxation from other governments	1,978	868,928	366,645	(350,229)	373,449	58,403	20,556	1,339,730
User Charges	158,778	373,736	443,146	5,653,561	1,147,532	176,467	-	7,953,220
Government Transfers	-	-	-	-	-	-	-	-
Province of Ontario	-	-	-	-	-	-	-	-
Other Municipalities	1,571,200	139,740	920,784	2,736	5,565	4,632	-	12,933
Other	-	-	-	-	-	-	-	1,829,105
Investment Income	107,806	-	-	-	-	-	-	920,784
Interest and Penalties on taxes	651,209	-	-	-	-	1,074	-	108,880
Donations	6,200	1,000	-	-	-	-	-	651,209
Miscellaneous	-	314,738	-	-	37,003	-	-	44,203
	<u>2,511,510</u>	<u>7,995,583</u>	<u>4,428,196</u>	<u>2,885,995</u>	<u>4,270,070</u>	<u>663,844</u>	<u>169,529</u>	<u>22,924,727</u>
<b>EXPENDITURES</b>								
Salaries, wages and employee benefits	1,370,468	1,806,398	1,325,328	1,434,237	1,304,961	373,084	94,391	7,708,867
Interest on long-term debt	-	-	75,419	7,233	107,569	1,074	-	191,295
Materials and supplies	668,495	513,921	1,492,462	1,446,168	1,168,931	174,713	23,635	5,488,325
Contracted services and general services	-	3,380,782	353,379	502,315	-	137,500	-	4,373,976
Rents and financial expenses	254,343	5,406	6,392	87,611	59,699	8,647	-	422,098
External transfers	18,247	233,056	-	-	-	-	-	251,303
Amortization	138,146	247,970	2,593,080	918,209	421,781	18,338	-	4,337,524
	<u>2,449,692</u>	<u>6,187,533</u>	<u>5,846,060</u>	<u>4,395,773</u>	<u>3,062,941</u>	<u>713,356</u>	<u>118,026</u>	<u>22,773,388</u>
<b>Net Revenues (Expenditures)</b>	<u>\$ 61,811</u>	<u>\$ 1,808,050</u>	<u>\$ (1,417,864)</u>	<u>\$ (1,509,778)</u>	<u>\$ 1,207,129</u>	<u>\$ (49,512)</u>	<u>\$ 51,503</u>	<u>\$ 151,339</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 2016**

**ACTUAL**

	GENERAL GOVERNMENT	PROTECTION SERVICES	TRANSPORTATION SERVICES	ENVIRONMENTAL SERVICES	RECREATION AND CULTURAL SERVICES	PLANNING AND DEVELOPMENT	HEALTH SERVICES	CONSOLIDATED
<b>REVENUES</b>								
Municipal taxation	\$ 66,338	\$ 5,914,017	\$ 2,542,669	\$ (2,079,879)	\$ 2,578,997	\$ 477,062	\$ 163,908	\$ 9,663,112
Taxation from other governments	9,774	871,273	374,595	(306,415)	379,947	59,263	24,147	1,412,584
User Charges	88,302	261,537	58,817	5,816,857	1,183,800	26,225	-	7,435,538
Government Transfers	-	-	-	-	-	-	-	-
Government of Canada	1,591,500	85,937	-	4,729	3,000	1,475	-	9,204
Province of Ontario	-	-	830,166	114,161	-	(5,750)	-	1,785,848
Other Municipalities	-	-	-	-	-	-	-	830,166
Other	-	-	-	-	-	4,225	-	4,225
Investment Income	105,730	-	-	-	-	1,513	-	107,458
Interest and Penalties on taxes	632,013	-	-	215	-	-	-	632,013
Donations	48	14,555	-	-	23,538	-	-	38,141
Miscellaneous	-	-	26,728	-	-	-	-	26,728
	<u>2,493,705</u>	<u>7,147,319</u>	<u>3,832,975</u>	<u>3,549,668</u>	<u>4,169,282</u>	<u>564,013</u>	<u>188,055</u>	<u>21,945,017</u>
<b>EXPENDITURES</b>								
Salaries, wages and employee benefits	1,360,878	1,726,985	1,379,763	1,397,080	1,222,474	343,903	93,943	7,525,026
Interest on long-term debt	-	-	77,173	17,813	121,832	1,513	-	218,331
Materials and supplies	635,980	553,814	1,518,599	1,429,310	1,211,448	119,115	21,426	5,489,692
Contracted services and general services	-	3,397,202	291,851	528,076	-	-	-	4,217,129
Rents and financial expenses	128,310	5,139	7,529	91,053	66,128	5,369	-	303,528
External transfers	21,500	207,383	-	-	-	-	-	228,883
Amortization	105,544	227,216	2,579,776	914,785	416,108	19,448	-	4,262,877
	<u>2,252,212</u>	<u>6,117,739</u>	<u>5,854,691</u>	<u>4,378,117</u>	<u>3,037,990</u>	<u>489,348</u>	<u>115,369</u>	<u>22,245,466</u>
<b>Net Revenues (Expenditures)</b>	<u>\$ 241,493</u>	<u>\$ 1,029,580</u>	<u>\$ (2,021,716)</u>	<u>\$ (828,449)</u>	<u>\$ 1,131,292</u>	<u>\$ 74,665</u>	<u>\$ 72,686</u>	<u>\$ (300,449)</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 2016**

	OPERATING BUDGET	CAPITAL BUDGET	RESERVES AND RESERVE FUNDS	TANGIBLE CAPITAL ASSET ADJUSTMENTS	NAPANEE BUSINESS IMPROVEMENT	ELIMINATIONS	PSAB BUDGET
<b>REVENUES</b>							
Municipal taxation	\$ 9,347,741	\$ -	\$ -	\$ -	\$ 78,000	\$ -	\$ 9,425,741
Taxation from other governments	1,400,682	-	-	-	-	-	1,400,682
User fees and sale of goods and services	7,741,767	-	-	-	-	(123,280)	7,625,487
Government Transfers	-	-	-	-	-	-	-
Government of Canada	-	-	-	-	-	-	-
Province of Ontario	1,742,200	-	-	-	-	-	3,000
Other Municipalities	924,800	-	-	-	-	-	1,742,200
Other	4,412	-	-	-	-	-	924,800
Investment income	146,574	-	-	-	-	-	4,412
Penalty and interest on taxes	475,000	-	-	-	-	-	146,574
Donations	52,100	-	-	-	-	-	475,000
Miscellaneous	136,200	-	-	-	-	-	52,100
	21,971,476	-	-	-	88,000	(123,280)	21,936,196
<b>EXPENDITURES</b>							
Current							
General government	2,321,137	-	-	138,146	-	-	2,459,283
Protection services	6,130,338	-	-	247,970	-	(2,800)	6,375,508
Transportation services	3,380,473	-	-	2,593,080	-	(2,200)	5,971,353
Environmental services	3,916,911	-	-	918,289	-	(52,750)	4,782,370
Recreational and cultural services	2,778,456	-	-	421,781	-	(65,530)	3,134,707
Planning and development	411,477	-	-	10,856	93,482	-	515,815
Health services	166,110	-	-	-	-	-	166,110
Capital							
General government	-	177,000	-	(177,000)	-	-	-
Protection services	-	497,991	-	(497,991)	-	-	-
Transportation services	-	2,187,485	-	(2,187,485)	-	-	-
Environmental services	-	4,442,655	-	(4,442,655)	-	-	-
Recreational and cultural services	-	591,500	-	(591,500)	-	-	-
	19,104,902	7,886,631	-	(3,566,589)	93,482	(123,280)	23,405,146
<b>NET REVENUES/(EXPENDITURES)</b>	<b>2,866,574</b>	<b>(7,896,631)</b>	<b>-</b>	<b>3,566,589</b>	<b>(5,482)</b>	<b>-</b>	<b>(1,468,950)</b>
<b>OTHER INCOME AND EXPENSES RELATED TO CAPITAL</b>							
Municipal taxation	-	671,700	-	-	-	-	671,700
Taxation from other governments	-	42,300	-	-	-	-	42,300
Government transfers	-	705,289	-	-	-	-	705,289
Canada	-	307,000	-	-	-	-	307,000
Ontario	-	580,275	-	-	-	-	580,275
Development charges	-	271,000	-	-	-	-	271,000
Other	-	2,577,564	-	-	-	-	2,577,564
<b>FINANCING AND TRANSFERS</b>							
Debt and other long-term borrowing	-	2,394,535	-	(2,394,535)	-	-	-
Debt repayment	(1,025,016)	-	-	1,025,016	-	-	-
Transfers from (to) other funds	(1,872,080)	2,589,285	(717,205)	-	-	-	-
	(2,897,096)	4,983,820	(717,205)	(1,369,519)	-	-	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (30,522)</b>	<b>\$ (335,247)</b>	<b>\$ (717,205)</b>	<b>\$ 2,197,070</b>	<b>\$ (5,482)</b>	<b>\$ -</b>	<b>\$ 1,108,614</b>

(See accompanying notes)