

Consolidated Financial Statements

City of Orillia

December 31, 2018

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Independent Auditor's Report

To the Mayor and Councillors of the City of Orillia

Opinion

We have audited the consolidated financial statements of the City of Orillia and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, the consolidated statements of changes in net financial assets and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018, and its consolidated results of operations, its consolidated change in net assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Those charged with governance are responsible for overseeing the Group'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.



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 Group'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
July 18, 2019

City of Orillia

Consolidated Statement of Financial Position

December 31

2018

2017

Financial assets

Cash and cash equivalents (Note 3)	\$ 9,967,882	\$ 13,722,451
Investments (Note 4)	19,399,734	15,000,000
Taxes receivable	5,034,638	5,296,203
Receivables	5,806,763	7,129,624
Inventories for resale	31,862	40,442
Investment in Orillia Power Corporation (Note 5)	<u>45,783,000</u>	<u>47,082,000</u>
	<u>86,023,879</u>	<u>88,270,720</u>

Financial liabilities

Payables and accruals (Note 5)	21,021,630	18,552,685
Deferred revenue - obligatory reserves (Note 6)	5,167,672	3,828,023
Deferred revenue - other	544,690	1,312,327
Long term debt (Note 7)	8,012,736	10,015,920
Landfill closure and post-closure costs (Note 8)	7,493,254	5,268,847
Employee future benefits payable (Note 9)	<u>6,799,600</u>	<u>6,508,200</u>
	<u>49,039,582</u>	<u>45,486,002</u>

Net financial assets (Page 5)

36,984,297 42,784,718

Non-financial assets

Other assets (Note 10)	323,737	470,512
Tangible capital assets (Note 11)	<u>401,373,992</u>	<u>375,200,911</u>
	<u>401,697,729</u>	<u>375,671,423</u>

Accumulated surplus (Note 12)

\$ 438,682,026 \$ 418,456,141

Contingencies (Note 19)

See accompanying notes to the consolidated financial statements

City of Orillia

Consolidated Statements of Operations and Accumulated Surplus

Year Ended December 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 2)		
Revenue			
Taxation (Note 13)	\$ 56,538,160	\$ 57,222,572	\$ 52,672,411
Grants (Note 15)	3,417,142	7,070,282	6,954,798
User charges (Note 16)	20,706,137	20,692,907	19,125,757
Other revenue (Note 17)	5,359,262	7,849,619	7,188,522
Developer contributions earned	<u>564,000</u>	<u>4,243,153</u>	<u>3,577,998</u>
	86,584,701	97,078,533	89,519,486
Expenses			
General government	6,853,813	6,295,411	6,156,681
Protection to persons and property	16,954,272	16,393,090	16,655,381
Transportation services	14,263,856	14,186,286	13,219,933
Environmental services	13,496,978	15,566,253	12,833,135
Health services	1,841,720	1,703,416	2,196,510
Social and family services	4,606,848	4,303,855	4,535,067
Recreation and cultural services	15,237,917	15,141,596	13,485,170
Planning and development	<u>3,982,202</u>	<u>3,352,915</u>	<u>3,452,484</u>
	77,237,606	76,942,822	72,534,361
Net revenue	<u>9,347,095</u>	<u>20,135,711</u>	<u>16,985,125</u>
Other revenues (expenses)			
Equity income from Orillia Power Corporation (Note 5)	1,100,000	51,000	5,297,000
Gain on disposal of tangible capital assets	-	661,623	1,352,680
Donated and contributed tangible capital assets	-	66,785	48,000
Change in employee future benefits payable	-	(291,400)	(282,000)
Debenture interest	(240,007)	(240,007)	(292,891)
Legal costs – disposal of assets (Note 5)	-	(149,247)	(291,118)
Tax assessments at risk	-	(8,580)	(538,870)
	<u>859,993</u>	<u>90,174</u>	<u>5,292,801</u>
Annual surplus	\$ <u>10,207,088</u>	<u>20,225,885</u>	<u>22,277,926</u>
Accumulated surplus, beginning of year		<u>418,456,141</u>	<u>396,178,215</u>
Accumulated surplus, end of year		\$ <u>438,682,026</u>	\$ <u>418,456,141</u>

See accompanying notes to the consolidated financial statements.

City of Orillia

Consolidated Statements of Changes in Net Financial Assets

Year Ended December 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 2)		
Annual Surplus	\$ <u>10,207,088</u>	\$ <u>20,225,885</u>	\$ <u>22,277,926</u>
Acquisition of tangible capital assets	(13,046,000)	(41,703,875)	(38,681,005)
Donated and contributed tangible capital assets	-	(66,785)	(48,000)
Amortization of tangible capital assets	15,171,008	15,171,008	14,566,518
Proceeds from sale of tangible capital assets	-	1,088,194	3,761,914
Gain on disposal of tangible capital assets	-	(661,623)	(1,352,680)
	<u>2,125,008</u>	<u>(26,173,081)</u>	<u>(21,753,253)</u>
Change in other assets	-	<u>146,775</u>	<u>(24,363)</u>
Change in net financial assets	<u>12,332,096</u>	<u>(5,800,421)</u>	<u>500,310</u>
Net financial assets, beginning of the year	<u>42,784,718</u>	<u>42,784,718</u>	<u>42,284,408</u>
Net financial assets, end of the year	\$ <u>55,116,814</u>	\$ <u>36,984,297</u>	\$ <u>42,784,718</u>

See accompanying notes to the consolidated financial statements.

City of Orillia

Consolidated Statement of Cash Flows

Year Ended December 31

2018

2017

Increase (decrease) in cash and cash equivalents

Operating activities

Annual surplus	\$ 20,225,885	\$ 22,277,926
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Items not involving cash

Amortization of tangible capital assets	15,171,008	14,566,518
Gain on sale of tangible capital assets	(661,623)	(1,352,680)
Equity income from Orillia Power Corporation	(51,000)	(5,297,000)
Contributed tangible capital assets	(66,785)	(48,000)

Change in non-cash operating balances

Inventories for resale	8,580	(1,100)
Taxes receivable	261,565	(351,400)
Receivables	1,322,861	(1,787,146)
Other assets	146,775	(24,363)
Payables and accruals	2,468,945	5,474,192
Deferred revenue – obligatory reserves (Note 6)	1,339,649	804,441
Deferred revenue – other	(767,637)	55,196
Increase in landfill closure and post closure costs	2,224,407	193,247
Increase/(decrease) in employee future benefits payable	<u>291,400</u>	<u>282,000</u>
Cash provided by operating activities	<u>41,914,030</u>	<u>34,791,831</u>

Financing activities

Repayments of long term debt	<u>(2,003,184)</u>	<u>(2,003,184)</u>
Cash provided by financing activities	<u>(2,003,184)</u>	<u>(2,003,184)</u>

Investing activities

Dividends received from Orillia Power Corporation	1,350,000	1,100,000
Acquisition of investments	<u>(4,399,734)</u>	<u>-</u>
Cash provided by investing activities	<u>(3,049,734)</u>	<u>1,100,000</u>

Capital activities

Proceeds from sale of tangible capital assets	1,088,194	3,761,914
Acquisition of tangible capital assets	<u>(41,703,875)</u>	<u>(38,681,005)</u>
Cash used in capital activities	<u>(42,792,069)</u>	<u>(40,442,919)</u>

Net decrease in cash and cash equivalents	(3,754,569)	(1,030,444)
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Cash and cash equivalents, beginning of year	<u>13,722,451</u>	<u>14,752,895</u>
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Cash and cash equivalents, end of year	\$ <u>9,967,882</u>	\$ <u>13,722,451</u>
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See accompanying notes to the consolidated financial statements.

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

1. Summary of significant accounting policies

The consolidated financial statements of the City of Orillia (the Municipality) are prepared by management in accordance with public sector accounting standards 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 Municipality are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenses and surplus and financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality. In addition to general government tax-supported operations, the larger enterprises include the following:

City of Orillia Police Services Board
Orillia Public Library Board
Downtown Orillia Management Board

Inter-departmental and organizational transactions and balances are eliminated.

Orillia Power Corporation is a wholly-owned subsidiary corporation of the Municipality and is accounted for on a modified equity basis, consistent with the Canadian generally accepted accounting treatment for government enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Municipality, and inter-organizational transactions and balances are not eliminated.

b) Accrual accounting

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

c) School board transactions

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

1. Summary of significant accounting policies (continued)

d) Deferred revenue for obligatory reserves

Receipts which are restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenue on the consolidated financial statements. When qualifying expenses are incurred, restricted revenues are brought into revenue at equal amounts. Revenue received in advance of expenses, which will be incurred in a later period, are deferred until they are earned by being matched against these expenses.

e) Non-financial assets

(i) 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 costs, less residual value of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

	<u>Useful life - years</u>
General	
Buildings	10 - 50
Vehicles	3 - 20
Equipment and furniture	4 - 50
Other	4 - 10
Infrastructure	
Facilities	40 - 50
Roads and bridges	15 - 100
Underground and other networks	2 - 100
Vehicles and equipment infrastructure	5 - 15

Assets under construction are not amortized until the asset is available for productive use. Half year amortization is charged in the year of acquisition.

(ii) Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue, when the fair value can be reasonably estimated. Tangible capital assets conveyed from developers are recorded at the estimated engineering value at time of registration. The value contributed during the year was \$66,785 (2017 – \$48,000).

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

1. Summary of significant accounting policies (continued)

e) Non-financial assets (continued)

(iii) Interest capitalization

Interest of \$nil (2017 - \$nil) was capitalized for the external debt issued to finance the construction of tangible capital assets.

(iv) Nominal value

The Municipality owns several assets which are listed at nominal value in the tangible capital assets. These include fully amortized assets such as library books acquired prior to 2001, some older buildings, and donated land under certain pedestrian trails.

(v) Works of art

The Municipality owns various works of art and historic artifacts displayed at various locations including the Orillia Public Library, Leacock Museum and the Orillia Opera House. The historic cost of these items is not included in tangible capital assets.

(vi) Disposal of tangible capital assets/writedown of assets under construction

Gain and (loss) on disposal of assets are recorded as the difference between proceeds received and the net book value. Writedown of assets under construction have been written off as a result of the project being cancelled or finished with no future benefit to the Municipality.

f) Revenue recognition

The Municipality recognizes taxation revenue on an annual basis using total assessment values for the year and annually established tax rates. Property assessment values are provided by the Municipal Property Assessment Corporation and tax rates are established and approved by Council. Taxation revenues are recorded at the time the taxes are authorized and the taxable event occurs. Assessments and related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the appeals are submitted. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are earned.

Government transfers are recognized as revenue in the year in which events giving rise to the transfer occur, providing that the transfer is authorized, any eligibility criteria have been met and the amount can be reasonably estimated, except to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulated liabilities are settled.

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

1. Summary of significant accounting policies (continued)

f) Revenue recognition (continued)

Grants are recognized as revenue when approved, to the extent the related expenses have been incurred and collection can be reasonably assured.

User charges and other revenue are recognized as revenue when the services are provided and there is reasonable assurance of collection. Interest is recognized when earned.

g) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. The principal estimates used in the preparation of these consolidated financial statements are landfill closure and post-closure liabilities, post-employment benefits liability, the estimated useful lives of tangible capital assets and other accrued liabilities and/or obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

h) Subdivision infrastructure

Subdivision streets, lighting, sidewalks, drainage and other infrastructure are required to be provided by subdivision developers. Upon completion they are turned over to the Municipality. The Municipality is not involved in the construction and does not budget for either the contribution from the developer or the capital expense.

Developer contributions and fees for services are recognized over the period of service or when required expenses occur if applicable.

j) Area improvement charges

The Municipality records expenses funded by bylaws to impose charges on property owners as they are incurred. Revenue is recognized over the term of the bylaw, as they are collected.

k) Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operations and capital purposes. Further disclosure of the amounts are part of accumulated surplus in Note 12 of the consolidated financial statements.

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

1. Summary of significant accounting policies (continued)

l) Pension plan

The Municipality is an employer member of the Ontario Municipal Employees' Retirement System ("OMERS"), which is a multi-employer defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Municipality has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The Municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.

m) Employee future benefits payable

The Municipality accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits. The Municipality has adopted the following valuation methods and assumptions:

Actuarial cost method:

Accrued benefit obligations are computed using the projected benefit method prorated on service, as defined in PSAB 3250 and PSAB 3255. The objective under this method is to expense each member's benefit under the plan taking into consideration projections of benefit costs to and during retirement. Under this method an equal portion of total estimated future benefit is attributed to each year of service.

Funding policy:

The non-pension post-retirement benefits are funded on a pay-as-you-go basis. The Municipality funds on a cash basis as benefits are paid. No assets have been formally segregated and restricted to provide the non-pension post-retirement benefits.

Accounting policies:

Actuarial gains and losses are amortized on a linear basis over the expected average remaining service life ("EARSL") of members expected to receive benefits under the plan, with amortization commencing in the period following the determination of the gain or loss.

Workplace Safety and Insurance Board (WSIB):

The costs of WSIB obligations are actuarially determined and are expensed in the period they occur. Any actuarial gains and losses that are related to WSIB benefits are recognized immediately in the period they arise.

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

2. Budget reconciliation

The budget approved by Council differs from the budget in the Consolidated Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to account for the material changes due to PSAB reporting requirements.

	<u>Revenues</u>	<u>Expenses</u>
Total Council's approved budgets	\$ 86,584,701	\$ 75,112,598
Less: Acquisition of tangible capital assets budgeted	-	(13,046,000)
Add: Amortization expense	-	15,171,008
Adjusted budget per consolidated statement of operations	<u>\$ 86,584,701</u>	<u>\$ 77,237,606</u>

3. Cash and cash equivalents

2018

2017

Cash is comprised of:

Unrestricted cash, held at the bank and on hand	\$ 4,800,210	\$ 9,894,428
Restricted cash, held at the bank	<u>5,167,672</u>	<u>3,828,023</u>
	<u>\$ 9,967,882</u>	<u>\$ 13,722,451</u>

The Municipality's bank accounts are held at one chartered bank. The bank accounts earn interest at a variable rate calculated on the daily balances. The Municipality has a revolving demand credit facility with the Toronto-Dominion Bank for a maximum amount of \$15,000,000 available, including a letter of credit in the amount of \$34,000, at the bank's prime rate less 0.75% per annum (2017 – 0.75%). No amounts were drawn from the credit facility as at December 31, 2018 (2017 - \$nil).

There is provincial and municipal legislation that restricts how restricted funds may be used reported in Note 6.

4. Investments

Investments are guaranteed investments certificates, recorded at cost plus accrued interest. Investments are due at various times in 2019 and earn interest at 2.42%.

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

5. Investment in Orillia Power Corporation

Orillia Power Corporation, established by Municipal Council under Municipal By-Law 2000-155, is wholly owned by the City of Orillia and provides electric utility services.

The following table provides condensed supplementary financial information of Orillia Power Corporation.

	<u>2018</u>	<u>2017</u>
Financial position		
Current assets	\$ 13,361,000	\$ 16,794,000
Capital assets	61,344,000	59,709,000
Investment Property	1,050,000	-
Other assets	53,000	2,565,000
Regulatory deferral account debit balances	<u>1,470,000</u>	<u>1,455,000</u>
	<u>77,278,000</u>	<u>80,523,000</u>
Current liabilities	14,847,000	15,881,000
Long-term liabilities	9,489,000	10,752,000
Other	4,128,000	4,394,000
Regulatory deferral account credit balances	<u>3,031,000</u>	<u>2,414,000</u>
	<u>31,495,000</u>	<u>33,441,000</u>
Net assets	\$ <u>45,783,000</u>	\$ <u>47,082,000</u>
Results of operations		
Revenue	\$ 53,221,000	\$ 54,937,000
Operating expenses	(48,085,000)	(47,803,000)
Financing expenses	(1,531,000)	(1,351,000)
Payments in lieu of taxes	(726,000)	(1,441,000)
Net movement in regulatory deferral account balances	(374,000)	(356,000)
Gain on previously held equity interest as part of business acquisition	(874,000)	874,000
Non-controlling interest	(437,000)	437,000
Loss on IESO cancellation of large renewable contract	<u>(1,143,000)</u>	-
Total comprehensive income	51,000	5,297,000
Dividend	<u>(1,350,000)</u>	<u>(1,100,000)</u>
Change in equity	\$ <u>(1,299,000)</u>	\$ <u>4,197,000</u>

The above information is as reported by Orillia Power Corporation.

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

5. Investment in Orillia Power Corporation (continued)

The following summarizes the Municipality's related party transactions with Orillia Power Corporation during the year. All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties:

	<u>2018</u>	<u>2017</u>
Electricity purchased	\$ 2,609,397	\$ 2,729,408
Other services purchased	93,907	196,089
Property taxes and other taxes	72,681	73,194
Interest received	924,750	924,750
Dividend received	1,350,000	1,100,000
Other services sold	38,577	66,918

The investment consists of:

	<u>2018</u>	<u>2017</u>
Promissory note	\$ 14,796,000	\$ 14,796,000
Equity	<u>30,987,000</u>	<u>32,286,000</u>
	<u>\$ 45,783,000</u>	<u>\$ 47,082,000</u>
Balance outstanding at December 31		
Due to Orillia Power Corporation	<u>\$ 1,231,484</u>	<u>\$ 1,300,741</u>

The promissory notes payable to the City of Orillia, bear interest for the current year at 6.25% per annum (2017 – 6.25%) and interest is paid annually. The promissory notes are due December 31, 2030 and payments are interest only. Under the terms of the notes, the Municipality can demand repayment of up to 20% of the original principal in a calendar year with the payment to be made March 31 provided the Municipality gives six months' notice. The fair value of the notes at current market borrowing rates approximates \$16.90 million (2017 – \$16.97 million). The notes are secured by a general security agreement on all the assets of Orillia Power Corporation.

	<u>2018</u>	<u>2017</u>
Orillia Power Corporation – TD Long-term Debt, repayable over the next 132 months, bearing interest at TD's prime rate	<u>\$ 10,437,000</u>	<u>\$ 11,385,000</u>

Principal repayments over the next five years and thereafter:

2019	\$ 948,000
2020	948,000
2021	948,000
2022	948,000
2023	948,000
Thereafter	<u>5,697,000</u>
	<u>\$ 10,437,000</u>

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

5. Investment in Orillia Power Corporation (continued)

The Municipality and Orillia Power Corporation have signed a share purchase agreement with Hydro One Inc. to sell Orillia Power Distribution Corporation ("OPDC"). The agreement was signed on August 15, 2016 subject to review and approval by the Ontario Energy Board ("OEB"). On April 12, 2018 the City of Orillia received notification that the OEB denied the application for the sale of OPDC. As part of the contractual agreement of the sale to seek OEB approval, the City and Hydro One filed a motion to review and revise the OEB's decision. The OEB did not adjudicate the evidence regarding rates beyond ten years and therefore did not meet the threshold legal test to reopen a decision. As a result, OPDC and Hydro One have refiled the application to the OEB for the sale of OPDC to Hydro One. No decision has been made as of the issuance date of these consolidated financial statements.

During the year ended December 31, 2018, legal fees of \$149,247 (2017 – \$291,118) related to the future sale of OPDC have been incurred on behalf of Orillia Power Corporation and are included in legal costs – disposal of assets on the consolidated statements of operations and accumulated surplus. The amount due to OPC for these legal costs is included in payables and accruals on the consolidated statement of financial position.

6. Deferred revenue – obligatory reserves

	<u>2017</u>	Opening adjustment unfunded development charges	Restricted revenue and investment income	Transfer to capital/ revenue	Adjustment unfunded development charges	<u>2018</u>
Lot levies and subdivider Contributions	\$ 709,945	\$(14,526,422)	\$ 4,200,524	\$ (2,566,455)	\$12,995,100	\$ 812,692
Ontario Community Infrastructure Fund	42,926	-	1,172,219	(1,163,348)	-	51,797
Provincial and federal gas tax	<u>3,075,152</u>	-	<u>2,558,536</u>	<u>(1,330,505)</u>	-	<u>4,303,183</u>
	<u>\$ 3,828,023</u>	<u>\$(14,526,422)</u>	<u>\$ 7,931,279</u>	<u>\$ (5,060,308)</u>	<u>\$12,995,100</u>	<u>\$ 5,167,672</u>

There is provincial and municipal legislation that restricts how these funds may be used. Cash restricted to fund these reserves is reported in Note 3.

As a means of funding capital projects, developer contributions were allocated as the funding source for the projects as approved by Council. There were not enough funds in developer contributions to fund these projects, so general City funds were used to temporarily finance the projects. For the purposes of these financial statements, both the financing and the repayment are reflected as interfund transfers and therefore eliminated during consolidation (Note 21).

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

7. Long term debt 2018 2017

Ontario Infrastructure and Lands Corporation, repayable in semi-annual principal payments of \$1,001,592 plus interest at 2.64%, the debentures are approved by municipal by-law, maturing October 2022	\$ <u>8,012,736</u>	\$ <u>10,015,920</u>
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The interest expense relating to the above long-term debt was \$240,007 (2017 - \$292,891).

Five year principal repayments

2019	\$ 2,003,184
2020	2,003,184
2021	2,003,184
2022	<u>2,003,184</u>
	<u>\$ 8,012,736</u>

8. Landfill closure and post-closure costs

Solid waste landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, management of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance.

The liability for the landfill site is recorded at \$7,493,254 (2017 - \$5,268,847) and represents the present value of closure and post-closure costs for 52.6% (2017 - 51.7%) of the current site's total cells, using an estimated long term borrowing rate of 4% (2017 - 4%) and inflation rate of 2.5% (2017 - 2.5%). The liability is recorded based on the capacity of the landfill used to date.

The total estimated future expenses representing the sum of the discounted future cash flows for closure and post-closure care are \$14,233,000 leaving an amount to be recognized of \$6,740,000. The estimated remaining capacity of the sites unused cells are approximately 615,600 (2017 - 628,300) cubic metres, estimated to be filled in 48 years. Post-closure care is estimated to continue for a period of 25 years.

The reserve balances include a reserve to partially offset the future closure costs. The balance of this reserve at the end of 2018 was \$1,041,429.

City of Orillia

Notes to the Consolidated Financial Statements

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9. Employee future benefits payable

	Retiree Benefits	Sick Leave	WSIB	Total
Accrued benefit obligation and liability, beginning of year	\$ 3,238,300	\$ 928,500	\$ 2,341,400	\$ 6,508,200
Expenses for the year	323,800	163,300	185,100	672,200
Benefits paid	<u>(191,700)</u>	<u>(117,800)</u>	<u>(71,300)</u>	<u>(380,800)</u>
Accrued benefit obligation and liability, end of year	\$ <u>3,370,400</u>	\$ <u>974,000</u>	\$ <u>2,455,200</u>	\$ <u>6,799,600</u>

The Municipality provides health care and dental benefits to certain employee groups after retirement until members reach 65 years of age. The benefit costs and liabilities related to this plan are based on an actuarial valuation prepared by an independent firm. The date of the most recent actuarial valuation was as of December 31, 2015.

The Municipality is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for financing its workplace safety and insurance costs. The costs and liabilities related to WSIB are based on an actuarial valuation prepared by an independent firm. The date of the most recent actuarial valuation was as of December 31, 2015.

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

(a) Interest (discount) rate

The obligation as at December 31, 2018 of the present value of future liabilities and the expenses, was determined using an annual discount rate of 3.4% per annum (Retirement Benefit Plan) (2017 – 3.4%) and 3.3% per annum (Sick Leave and WSIB Plan) (2017 – 3.3%).

(b) Salary levels

Future general salary and wage levels were assumed to increase 3.0% per year (2017 – 3.0%).

(c) Health care costs

Health care costs were assumed to increase by 7.54% in 2018 and decrease by 3.94% per year to 4.00% in 2036 (2017 - assumed to increase by 7.74%).

(d) Dental costs

Dental costs were assumed to increase at a rate of 4.0% per annum (2017 - 4.0%).

10. Other assets

Other assets are comprised of:

	<u>2018</u>	<u>2017</u>
Prepays	\$ 81,133	\$ 82,575
Supplies inventory	<u>242,604</u>	<u>387,937</u>
	\$ <u>323,737</u>	\$ <u>470,512</u>

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

11. Tangible capital assets

Cost	<u>2017</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>2018</u>
Land	\$ 64,586,352	\$ -	\$ (97,399)	\$ 64,488,953
Buildings	76,237,316	1,874,066	(156,739)	77,954,643
Vehicles	8,424,304	1,213,348	(145,429)	9,492,223
Equipment and furniture	25,528,731	3,394,604	(711,871)	28,211,464
Other	21,927,105	764,072	(164,406)	22,526,771
Facilities	29,642,624	30,701	-	29,673,325
Roads and bridges	152,876,085	4,309,652	(6,995,785)	150,189,952
Underground and other networks	139,322,528	3,328,311	(1,887,284)	140,763,555
Infrastructure - vehicles and equipment	<u>40,717,211</u>	<u>3,722,297</u>	<u>(973,149)</u>	<u>43,466,359</u>
	559,262,256	18,637,051	(11,132,062)	566,767,245
Assets under construction	<u>33,942,480</u>	<u>30,628,564</u>	<u>(7,561,740)</u>	<u>57,009,304</u>
	<u>\$ 593,204,736</u>	<u>\$ 49,265,615</u>	<u>\$ (18,693,802)</u>	<u>\$ 623,776,549</u>

Accumulated amortization	<u>2017</u>	<u>Amortization</u>	<u>Disposals</u>	<u>2018</u>
Land	\$ -	\$ -	\$ -	\$ -
Buildings	17,345,384	2,156,373	(87,782)	19,413,975
Vehicles	3,975,557	563,816	(145,429)	4,393,944
Equipment and furniture	10,398,443	1,718,489	(761,821)	11,355,111
Other	9,600,326	1,017,439	(162,317)	10,455,448
Facilities	10,659,914	715,714	-	11,375,628
Roads and bridges	87,214,313	4,609,238	(6,863,240)	84,960,311
Underground and other networks	60,462,455	2,565,590	(1,887,284)	61,140,761
Infrastructure - vehicles and equipment	<u>18,347,433</u>	<u>1,824,349</u>	<u>(864,403)</u>	<u>19,307,379</u>
	<u>\$ 218,003,825</u>	<u>\$ 15,171,008</u>	<u>\$ (10,772,276)</u>	<u>\$ 222,402,557</u>

Net book value	<u>2017</u>	<u>2018</u>
Land	\$ 64,586,352	\$ 64,488,953
Buildings	58,891,932	58,540,668
Vehicles	4,448,747	5,098,279
Equipment and furniture	15,130,288	16,856,353
Other	12,326,779	12,071,323
Facilities	18,982,710	18,297,697
Roads and bridges	65,661,772	65,229,641
Underground and other networks	78,860,073	79,622,794
Infrastructure - vehicles and equipment	<u>22,369,778</u>	<u>24,158,980</u>
	341,258,431	344,364,688
Assets under construction	<u>33,942,480</u>	<u>57,009,304</u>
	<u>\$ 375,200,911</u>	<u>\$ 401,373,992</u>

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

11. Tangible capital assets (continued)

Cost	<u>2016</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>2017</u>
Land	\$ 66,576,928	\$ 56,758	\$ (2,047,334)	\$ 64,586,352
Buildings	74,897,904	1,792,497	(453,085)	76,237,316
Vehicles	8,451,583	38,768	(66,047)	8,424,304
Equipment and furniture	23,841,130	2,100,032	(412,431)	25,528,731
Other	21,344,954	674,376	(92,225)	21,927,105
Facilities	28,866,695	809,041	(33,112)	29,642,624
Roads and bridges	153,481,162	5,371,140	(5,976,217)	152,876,085
Underground and other networks	140,500,470	709,342	(1,887,284)	139,322,528
Infrastructure - vehicles and equipment	<u>36,756,314</u>	<u>4,555,146</u>	<u>(594,249)</u>	<u>40,717,211</u>
	554,717,140	16,107,100	(11,561,984)	559,262,256
Assets under construction	<u>11,320,575</u>	<u>29,072,052</u>	<u>(6,450,147)</u>	<u>33,942,480</u>
	<u>\$ 566,037,715</u>	<u>\$ 45,179,152</u>	<u>\$ (18,012,131)</u>	<u>\$ 593,204,736</u>

Accumulated amortization	<u>2016</u>	<u>Amortization</u>	<u>Disposals</u>	<u>2017</u>
Land	\$ -	\$ -	\$ -	\$ -
Buildings	15,387,469	2,113,265	(155,350)	17,345,384
Vehicles	3,469,261	527,907	(21,611)	3,975,557
Equipment and furniture	9,240,190	1,602,834	(444,581)	10,398,443
Other	8,659,897	980,775	(40,346)	9,600,326
Facilities	9,964,509	695,405	-	10,659,914
Roads and bridges	88,790,158	4,400,372	(5,976,217)	87,214,313
Underground and other networks	59,813,133	2,536,606	(1,887,284)	60,462,455
Infrastructure - vehicles and equipment	<u>17,265,440</u>	<u>1,709,354</u>	<u>(627,361)</u>	<u>18,347,433</u>
	<u>\$ 212,590,057</u>	<u>\$ 14,566,518</u>	<u>\$ (9,152,750)</u>	<u>\$ 218,003,825</u>

Net book value	<u>2016</u>	<u>2017</u>
Land	\$ 66,576,928	\$ 64,586,352
Buildings	59,510,435	58,891,932
Vehicles	4,982,322	4,448,747
Equipment and furniture	14,600,940	15,130,288
Other	12,685,057	12,326,779
Facilities	18,902,186	18,982,710
Roads and bridges	64,691,004	65,661,772
Underground and other networks	80,687,337	78,860,073
Infrastructure - vehicles and equipment	<u>19,490,874</u>	<u>22,369,778</u>
	342,127,083	341,258,431
Assets under construction	<u>11,320,575</u>	<u>33,942,480</u>
	<u>\$ 353,447,658</u>	<u>\$ 375,200,911</u>

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

12. Accumulated surplus	<u>2018</u>	<u>2017</u>
Accumulated surplus is comprised of the following		
Reserves set aside by Council		
For contingencies	\$ 4,671,336	\$ 1,902,960
For future capital purposes	5,460,253	4,584,049
For current purposes	<u>4,131,979</u>	<u>2,268,678</u>
Total reserves	<u>14,263,568</u>	<u>8,755,687</u>
Reserve funds set aside by Council		
For insurance	701,147	920,636
For future capital purposes	(29,876,136)	(45,369,889)
For current purposes	<u>52,202</u>	<u>52,868</u>
Total reserve funds	<u>(29,122,787)</u>	<u>(44,396,385)</u>
Total reserves and reserve funds	<u>\$ (14,859,219)</u>	<u>\$ (35,640,698)</u>
Surpluses		
Invested in tangible capital assets	\$ 401,373,992	\$ 375,200,911
Committed capital funding	36,099,340	60,391,706
Unfinanced capital expenditure	(12,995,100)	(14,526,424)
Equity in Orillia Power Corporation (Note 5)	45,783,000	47,082,000
Downtown Orillia Management Board surplus	74,876	69,875
Less unfunded liabilities:		
Preparation costs to be recovered – disposal of assets	(1,161,259)	(1,012,012)
Assessments at risk	(1,340,750)	(1,332,170)
Employee benefit and post-employment liabilities (Note 9)	(6,799,600)	(6,508,200)
Landfill and post-closure liabilities (Note 8)	<u>(7,493,254)</u>	<u>(5,268,847)</u>
Total surpluses	<u>453,541,245</u>	<u>454,096,839</u>
Accumulated surplus	<u>\$ 438,682,026</u>	<u>\$ 418,456,141</u>

13. Taxation		<u>2018</u>	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Real property	\$ 64,724,548	\$ 65,393,715	\$ 59,995,106
Payments in lieu of taxes	<u>4,412,064</u>	<u>4,427,309</u>	<u>4,409,187</u>
	69,136,612	69,821,024	64,404,293
Less: taxes collected on behalf of school boards (Note 14)	<u>12,598,452</u>	<u>12,598,452</u>	<u>11,731,882</u>
Net taxes available for municipal purposes	<u>\$ 56,538,160</u>	<u>\$ 57,222,572</u>	<u>\$ 52,672,411</u>

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

13. Taxation (continued)	<u>2018</u>		<u>2017</u>
	Budget	Actual	Actual
Residential and farm	\$ 36,024,082	\$ 36,592,611	\$ 34,140,713
Multi-residential	3,697,236	3,693,588	3,505,771
Commercial	15,483,962	15,627,098	13,804,008
Industrial	<u>1,332,880</u>	<u>1,309,275</u>	<u>1,221,919</u>
Net taxes available for municipal purposes	\$ <u>56,538,160</u>	\$ <u>57,222,572</u>	\$ <u>52,672,411</u>

14. Collection on behalf of school boards	<u>2018</u>	<u>2017</u>
Total taxes and development charges received or receivable on behalf of the school boards are as follows:		
Taxes	\$ 12,839,972	\$ 12,789,921
Less: writeoffs	<u>(241,520)</u>	<u>(1,058,039)</u>
	12,598,452	11,731,882
Development charges	<u>586,847</u>	<u>390,075</u>
	\$ <u>13,185,299</u>	\$ <u>12,121,957</u>

The Municipality is required to levy and collect taxes on behalf of the school boards. These taxes are recorded as revenue at the amounts levied. The taxes levied over (under) the amounts requisitioned, are recorded as accounts payable (receivable).

The Municipality is also required to bill and collect development charges on behalf of the school boards. Development charges collected in excess of those paid to the school boards are recorded as accounts payable.

15. Grants	<u>2018</u>		<u>2017</u>
	Budget	Actual	Actual
Operating			
Province of Ontario	\$ 668,908	\$ 668,956	\$ 664,460
Government of Canada	<u>45,234</u>	<u>62,215</u>	<u>56,920</u>
	<u>714,142</u>	<u>731,171</u>	<u>721,380</u>
Capital			
Province of Ontario	1,163,000	3,765,120	1,906,737
Government of Canada	<u>1,540,000</u>	<u>2,573,991</u>	<u>4,326,681</u>
	<u>2,703,000</u>	<u>6,339,111</u>	<u>6,233,418</u>
	\$ <u>3,417,142</u>	\$ <u>7,070,282</u>	\$ <u>6,954,798</u>

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

16. User charges	<u>2018</u>		<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating			
Fees and service charges	\$ 7,601,647	\$ 6,882,667	\$ 6,852,619
Direct water billings	6,029,483	6,338,446	5,637,108
Direct sewer billings	<u>7,075,007</u>	<u>7,471,794</u>	<u>6,636,030</u>
	\$ <u>20,706,137</u>	\$ <u>20,692,907</u>	\$ <u>19,125,757</u>

17. Other revenue	<u>2018</u>		<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Penalties and interest on taxes	\$ 770,000	\$ 768,053	\$ 757,975
Licenses and permits	820,429	1,104,538	844,999
Fines	268,150	271,847	245,633
Rents and leases	1,976,078	2,047,946	2,041,135
Interest income	194,817	1,492,978	1,361,575
Revenue from other municipalities	442,199	461,651	470,131
Other	<u>887,589</u>	<u>1,702,606</u>	<u>1,467,074</u>
	\$ <u>5,359,262</u>	\$ <u>7,849,619</u>	\$ <u>7,188,522</u>

18. Pension agreement

OMERS provides pension services to more than 496,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2018. The results of this valuation disclosed total actuarial liabilities of \$100,081 million in respect of benefits accrued for service with actuarial assets at that date of \$95,890 million indicating an actuarial deficit of \$4,191 million. Since OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the Municipality to OMERS for 2018 were \$2,060,732 (2017 - \$2,191,485).

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2019

19. Contingencies

The Municipality is involved from time to time in litigation, which arises in the normal course of business. In respect of any outstanding claims, the Municipality believes that insurance coverage is adequate and that no material exposure exists on the eventual settlement of such litigation.

20. Comparative figures

Certain comparative figures in these financial statements have been reclassified to conform with presentation adopted for the current year.

21. Interfund borrowings

As a means of funding capital projects, developer contributions were allocated as the funding source for the projects as approved by Council. There were not enough funds in developer contributions to fund these projects, so general City funds were used to temporarily finance the projects. There is no set date of when these funds will all be repaid, but interfund borrowings are reduced as collections are made and funds are allocated. Interest is charged based on the balance of the fund according to the Municipality's procedure for allocating interest. For the purposes of these financial statements, both the financing and the repayment are reflected as interfund transfers and therefore eliminated during consolidation. The following is the current status of the internal borrowings outstanding.

	<u>2018</u>	<u>2017</u>
	\$ <u>12,995,100</u>	\$ <u>14,526,424</u>

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

22. Segmented reporting

In accordance with Section 2700 of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants, the Municipality has prepared segmented financial information.

The Municipality is a municipal government entity that provides a wide range of services to its citizens. The schedule of segment disclosure provides the financial information by major reporting segments.

The revenue and expenses for each service area have been separately disclosed in the segmented information, and include the following activities:

General Government

The General Government reporting segment includes a wide variety of departments and functions within the Municipality. These include Council, City Manager's Office, Treasury, Clerk's Department, Human Resources, Payroll, Information Technology, Property Management, and other corporate management costs.

Protection

Protection services include Police, Fire, Bylaw Enforcement and Building Department. Police services are provided by the Ontario Provincial Police under contract.

Transportation

Transportation services include Roads, Winter Control, Transit, Parking and Street Lighting.

Environmental

Environmental services include the Sanitary Sewer, Storm Sewer and Waterworks Systems, Solid Waste Management, and Pollution Control.

Health, Social and Family

The Municipality makes payments to operate a variety of social services on their behalf. Payments are made to Simcoe Muskoka District Health Unit for Public Health and to The County of Simcoe for Paramedic, General Assistances (OW/ODSP), Homes for the Aged, Child Care and Social Housing.

Recreation and Culture

Recreation and Culture services include Parks, Recreation Programs, Recreation Facilities, Cultural Services, Orillia Opera House, Leacock Museum, and the Orillia Public Library.

Planning and Development

This category includes Planning, Zoning and Development Services, the Economic Development Committee, the Downtown Orillia Management Board, and the operation of Commercial Rental Properties.

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

22. Segmented reporting (continued)

Other

Expenses and revenue not directly attributable to a specific category are reported under this category.

Allocation Methods

In the preparation of segmented financial information, it is necessary to use reasonable allocation methods. For each reported segment, revenue represents both amounts that are directly attributable to the segment and amounts that are allocated. Property taxation is allocated to each segment based on the approved budget.

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

22. Segmented reporting December 31, 2018 (continued)

	General Government	Protection	Transportation	Environmental	Health, Social and Family	Recreation and Culture	Planning and Development	Other, reserves and capital tax levy	Consolidated
Revenue									
Taxation	\$5,773,350	\$14,808,929	\$6,220,790	\$1,266,289	\$6,470,018	\$7,529,703	\$1,372,561	\$13,780,932	\$57,222,572
Grants	57,160	133,399	5,266,297	310,262	-	1,253,978	49,186	-	7,070,282
User charges	86,927	193,509	1,684,959	15,422,689	-	3,023,570	281,253	-	20,692,907
Other revenue	341,330	1,578,350	20,825	458,102	139,916	803,622	1,692,672	2,814,802	7,849,619
Developer contributions earned	-	-	-	-	-	-	-	4,243,153	4,243,153
Total revenue	6,258,767	16,714,187	13,192,871	17,457,342	6,609,934	12,610,873	3,395,672	20,838,887	97,078,533
Expenses									
Salaries and wages	4,324,649	7,733,055	3,033,483	3,799,280	342,927	6,530,547	1,654,015	-	27,417,956
Goods and services	1,505,104	8,166,226	5,295,693	7,364,197	173,552	4,810,687	1,183,899	-	28,499,358
Contracts and Other	1,240	-	-	-	5,490,792	200,146	162,322	-	5,854,500
Amortization	464,418	493,809	5,857,110	4,402,776	-	3,600,216	352,679	-	15,171,008
Total expenses	6,295,411	16,393,090	14,186,286	15,566,253	6,007,271	15,141,596	3,352,915	-	76,942,822
Net revenue (expenses)	\$(36,644)	\$321,097	\$(993,415)	\$1,891,089	\$602,663	\$(2,530,723)	\$42,757	\$20,838,887	\$20,135,711

City of Orillia

Notes to the Consolidated Financial Statements

December 31, 2018

22. Segmented reporting December 31, 2017 (continued)

	General Government	Protection	Transportation	Environmental	Health, Social and Family	Recreation and Culture	Planning and Development	Other, reserves and capital tax levy	Consolidated
Revenue									
Taxation	\$5,326,170	\$14,902,739	\$5,460,306	\$1,224,312	\$6,444,221	\$6,761,036	\$1,399,301	\$11,154,326	\$52,672,411
Grants	-	132,227	3,290,613	1,328,860	-	2,170,859	32,239	-	6,954,798
User charges	88,065	172,700	1,501,169	13,893,958	-	2,970,054	499,811	-	19,125,757
Other revenue	342,515	1,323,183	12,550	595,572	122,864	387,570	1,694,883	2,709,385	7,188,522
Developer contributions earned	-	-	-	-	-	-	-	3,577,998	3,577,998
Total revenue	5,756,750	16,530,849	10,264,638	17,042,702	6,567,085	12,289,519	3,626,234	17,441,709	89,519,486
Expenses									
Salaries and wages	4,030,400	7,259,872	3,021,110	3,732,825	307,422	6,196,416	1,636,905	-	26,184,950
Goods and services	1,684,930	8,878,937	4,569,290	4,870,303	139,814	3,678,378	1,354,112	-	25,175,764
Contracts and Other	8,077	-	-	-	6,284,341	203,916	110,795	-	6,607,129
Amortization	433,274	516,572	5,629,533	4,230,007	-	3,406,460	350,672	-	14,566,518
Total expenses	6,156,681	16,655,381	13,219,933	12,833,135	6,731,577	13,485,170	3,452,484	-	72,534,361
Net revenue (expenses)	\$(399,931)	\$(124,532)	\$(2,955,295)	\$4,209,567	\$(164,492)	\$(1,195,651)	\$173,750	\$17,441,709	\$16,985,125