

**CORPORATION OF THE
TOWN OF SOUTH BRUCE PENINSULA**

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2020

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

DECEMBER 31, 2020

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**CORPORATION OF THE
TOWN OF SOUTH BRUCE PENINSULA**

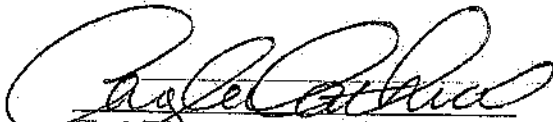
MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL REPORT

The accompanying consolidated financial statements of the Town of South Bruce Peninsula ("the Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as 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 Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded (in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada), 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. Council meets with management and the external auditor to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Baker Tilly SGB LLP, independent external auditor appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.


Clerk/Director of Legislative Services
June 15, 2021


Director of Financial Services
June 15, 2021

BAKER TILLY SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the **Town of South Bruce Peninsula:**

Opinion

We have audited the consolidated financial statements of the Town of South Bruce Peninsula ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the 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 Municipality as at December 31, 2020, and its consolidated results of operations and 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 Municipality 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 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 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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

BAKER TILLY SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT CONTINUED

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 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 Municipality'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 Municipality'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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Baker Tilly SGB

Licensed Public Accountants
Chartered Professional Accountants
Walkerton, Ontario
June 15, 2021

**CORPORATION OF THE
TOWN OF SOUTH BRUCE PENINSULA**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31**

	2020	2019
	\$	\$
Financial assets		
Cash (Note 2)	19,039,210	20,260,361
Portfolio investments (Note 3)	5,186,299	3,756,961
Taxes receivable	1,155,467	1,302,149
Accounts receivable	1,484,200	934,715
Inventory - held for resale	8,002	14,055
Long-term receivables (Note 4)	-	179,971
	26,873,178	26,448,212
Liabilities		
Accounts payable and accruals	4,154,126	1,659,080
Landfill closure and post-closure liability (Note 6)	517,374	338,131
Deferred revenue (Note 7)	2,095,218	2,089,661
Employee future benefits (Note 9)	594,157	602,609
Long-term liabilities (Note 8)	285,286	557,580
	7,646,161	5,247,061
Net financial assets	19,227,017	21,201,151
Non-financial assets		
Tangible capital assets (Schedule 1, Schedule 2 and Note 10)	61,531,157	55,076,821
Prepaid expenses	507,504	304,359
Inventory - held for consumption	118,482	122,763
	62,157,143	55,503,943
Accumulated surplus (Note 11)	81,384,160	76,705,094

Approved _____ Mayor
 _____ Date

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2020	Actual 2020	Actual 2019
	\$ (Note 12)	\$	\$
Revenues			
Property taxation	9,969,958	10,740,931	10,387,200
User charges and fees	4,170,576	4,300,208	4,905,841
Government transfers (Note 14)	3,287,296	3,827,005	3,861,970
Other income (Note 15)	1,595,765	1,769,792	1,421,045
	19,023,595	20,637,936	20,576,056
Expenses			
General government	3,025,913	2,954,214	2,671,724
Protection services	3,920,443	4,097,881	3,995,574
Transportation services	4,202,733	4,551,346	4,929,114
Environmental services	3,313,376	4,399,376	3,555,110
Health services	104,855	84,552	79,437
Recreational and cultural services	1,374,902	1,620,709	1,857,150
Planning and development	386,964	360,234	242,416
	16,329,186	18,068,312	17,330,525
Net revenues	2,694,409	2,569,624	3,245,531
Other			
Grants and transfers related to capital			
Government transfers (Note 14)	-	2,015,074	279,285
Capital cost recoveries	199,576	146,236	33,480
Gain/(Loss) on disposal of tangible capital assets	-	(51,868)	7,232
	199,576	2,109,442	319,997
Annual surplus (Note 12)	2,893,985	4,679,066	3,565,528
Accumulated surplus, beginning of year		76,705,094	73,139,566
Accumulated surplus, end of year (Note 11)		81,384,160	76,705,094

The accompanying notes are an integral part of
these financial statements.

**CORPORATION OF THE
TOWN OF SOUTH BRUCE PENINSULA**

**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31**

	Budget 2020	Actual 2020	Actual 2019
	\$ (Note 12)	\$	\$
Annual surplus	2,893,985	4,679,066	3,565,528
Acquisition of tangible capital assets	(5,306,300)	(8,911,978)	(3,183,499)
Amortization of tangible capital assets	-	2,363,240	2,254,832
Loss on disposal of tangible capital assets	-	51,868	(7,232)
Proceeds on disposal of tangible capital assets	-	42,045	73,749
Change in inventory - held for consumption	-	4,281	(10,269)
Change in prepaid expenses	-	(202,656)	(54,752)
Change in net financial assets	(2,412,315)	(1,974,134)	2,638,357
Net financial assets, beginning of year		21,201,151	18,562,794
Net financial assets, end of year		19,227,017	21,201,151

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

	2020	2019
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus	4,679,066	3,565,528
Non-cash items:		
Amortization of tangible capital assets	2,363,240	2,254,832
Loss on disposal of tangible capital assets	51,868	(7,232)
Change in employee future benefits	(8,452)	(10,381)
Change in landfill closure and post-closure liability	179,243	(495,709)
	7,264,965	5,307,038
Changes in:		
Taxes receivable	146,682	(25,290)
Accounts receivable	(549,485)	595,814
Inventory - held for resale	6,053	4,527
Accounts payable and accruals	509,899	547,428
Accounts payable and accruals - capital	1,985,147	
Prepaid expenses	(202,656)	(54,752)
Inventory - held for consumption	4,281	(10,269)
	9,164,886	6,364,496
Capital activities		
Acquisition of tangible capital assets	(8,911,978)	(3,183,499)
Proceeds on disposal of tangible capital assets	42,045	73,749
	(8,869,933)	(3,109,750)
Investing activities		
Decrease in long-term receivables	179,971	183,769
Change in portfolio investments	(1,429,338)	(2,040,384)
	(1,249,367)	(1,856,615)
Financing activities		
Repayment of long-term liabilities	(272,294)	(264,713)
Change in deferred revenue	5,557	607,774
	(266,737)	343,061
Net change in cash position	(1,221,151)	1,741,192
Cash position, beginning of year	20,260,361	18,519,169
Cash position, end of year	19,039,210	20,260,361

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

Nature of operations

The Town of South Bruce Peninsula ("the Municipality") combines the former rural townships of Albemarle and Amabel, the village of Hepworth and Town of Wiarton and is a lower-tier municipality located in the County of Bruce, Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes, such as the Municipal Act, Municipal Affairs Act and related legislation.

1. Summary of significant accounting policies

The consolidated financial statements of the Municipality are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Basis of consolidation

These consolidated financial statements reflect assets, liabilities, revenues and expenses, and changes in investment in tangible capital assets of the Municipality. They include the activities of all committees of Council and the following organizations which are accountable to, and owned or controlled by the Municipality:

Wiarton Business Improvement Area

Excluded are Funds Held in Trust which are administered by the Municipality and reported on separately.

A government partnership exists where the Municipality has shared control over a board or entity. The Municipality's pro-rata share of assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The Municipality's proportionate interest of the following government partnership is reflected in the consolidated financial statements:

Bruce Area Solid Waste Recycling (Note 16)	20.74%
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All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

1. Summary of significant accounting policies (continued)

(b) Basis of 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) Cash and cash equivalents

Cash and cash equivalents include cash on deposit, short-term deposits with a maturity of less than three months at acquisition and temporary bank overdrafts which form an integral part of the Municipality's cash management.

(d) Portfolio investments

Portfolio investments are comprised of guaranteed investments certificates, bonds, bond funds and equity funds and are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

(e) Inventory

Inventory of goods held for resale is recorded at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Inventory held for consumption is recorded at the lower of cost recorded on a first-in, first out basis and replacement cost.

(f) Deferred revenue

Revenue restricted by legislation, regulation, or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for the specified purpose.

(g) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. Some 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 annual surplus, provides the consolidated change in net financial assets for the year.

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 of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	- 10 to 25 years
Buildings	- 25 to 25 years
Vehicles	- 25 to 25 years
Equipment	- 5 to 25 years
Infrastructure:	
Roads - paved	- 10 to 20 years
Roads - gravel	- 15 to 20 years
Bridges and other structures	- 40 to 70 years
Water and other utility systems	- 40 to 75 years

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

1. Summary of significant accounting policies (continued)

(h) Revenue recognition

User charges and fees and other revenues are recognized when related goods or services are provided and collectibility is reasonably assured.

Investment income is recognized in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balance and is recognized in the period in which eligible expenditures are made.

Donations, sale of goods, gain/loss on disposal of tangible capital assets, other fines and penalties, licences, permits, rents, capital cost recoveries and capital contributions are recognized on an accrual basis.

(i) Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Municipal council, incorporating amounts to be raised for local services. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessments and the related property taxes are subject to appeal. Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of allowance for anticipated uncollectable amounts.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(j) County and School Boards

The Municipality collects taxation revenue on behalf of the School Boards and the County of Bruce. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the School Boards and the County of Bruce are not reflected in these consolidated financial statements.

(k) Government transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Conditional government transfer revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional transfer revenue is recognized when monies are receivable. Government transfers for acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

1. Summary of significant accounting policies (continued)

(l) Use of estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the period. The Municipality's implementation of the Public Sector Handbook PS 3150 has required management to make estimates of historical cost, useful lives and amortization of tangible capital assets. In addition, estimates have been made of closure and post-closure costs related to landfill sites and WSIB employee future benefit liabilities. Actual results could differ from those estimates.

(m) Segment disclosures

The Municipality has adopted the Public Sector Accounting Board standard requiring financial information to be provided on a segmented basis (PS 2700). Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment.

(n) Pension plan

The Municipality offers a pension plan for its full-time employees through the Ontario Municipal Employee Retirement System ("OMERS"). OMERS is a multi-employer, contributory, public sector pension fund established for employees of municipalities, local boards and school boards in Ontario. Participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Municipality accounts for its participation in OMERS as a defined contribution plan and recognizes the expense related to this plan as contributions are made, even though OMERS is itself a defined benefit plan.

(o) Employee future benefits

The Municipality accrues employee benefits which will require funding in future periods. These are benefits under the Workplace Safety and Insurance Board Act. The costs of these benefits are actuarially determined using management's best estimate of costs and long-term inflation and discount rates.

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

2. Cash

Cash consists of the following:

	2020	2019
	\$	\$
Unrestricted	16,943,992	18,170,700
Restricted (Note 7)	2,095,218	2,089,661
	19,039,210	20,260,361

The Municipality earns interest at between prime minus 1.75% and 1.20% on all bank account balances. The Municipality maintains all of its bank accounts at two chartered banks.

3. Portfolio investments

The Municipality has investments in The One Investment Program, \$1,802,535 (2019 - \$1,741,482). During the year, these portfolio investments earned income of \$61,053 (2019 - \$24,905).

In addition, the municipality held GICs with Meridian totalling \$3,383,764 (2019 - \$2,015,479). During the year, these portfolio investments earned income of \$70,636 (2019 - \$96,000).

	2020	2019
	\$	\$
Carrying value	5,186,299	3,756,961
Market value	5,555,649	4,062,124

4. Long-term receivables

Long-term receivables consist of loans to benefiting land owners who chose to finance their share of the cost of projects over the following periods:

	2020	2019
	\$	\$
Water system upgrade loans receivable, 3.81% interest rate, semi-annual repayments, due 2020. Related to outstanding debt - refer to Note 8.	-	168,544
Water and sewer upgrade installation loan receivable, 5.5% interest rate, due 2020	-	11,427
	-	179,971

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

5. Temporary borrowings

The Municipality has a revolving demand facility available of \$3,000,000 to finance general operating requirements. The facility was not drawn upon at December 31, 2020 (2019 - \$NIL).

6. Landfill closure and post-closure liability

Solid waste landfill closure and post-closure care requirements are defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates and ongoing environmental monitoring, site inspection and maintenance. These costs will be incurred as each landfill site stops accepting waste, with the post-closure care expected to continue for an additional 20 years beyond that. The total future undiscounted closure and post-closure care costs are estimated to be \$706,200 (2019 - \$483,000). The liabilities are expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill. The balance in this reserve at the end of 2020 is \$368,213 (2019 - \$620,085).

The details for above are separated for each site below:

Amabel landfill site

As at December 31, 2020, the Municipality has recognized in the financial statements a liability of \$327,327 (2019 - \$222,229). This liability represents 79% of the present value of the estimated costs and is based on a total capacity of 578,000 cubic meters and a discount rate of 2.52%. The balance of the liability of \$86,643 will be accrued as the remaining capacity of 120,974 cubic meters is utilized, which is expected to be over the next 12 years.

Albemarle landfill site

As at December 31, 2020, the Municipality has recognized in the financial statements a liability of \$190,047 (2019 - \$115,903). This liability represents 62% of the present value of the estimated costs and is based on a total capacity of 60,000 cubic meters and a discount rate of 2.52%. The balance of the liability of \$118,137 will be accrued as the remaining capacity of 23,000 cubic meters is utilized, which is expected to be over the next 15 years.

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

7. Deferred revenue - obligatory reserve funds and other

Deferred revenue represents revenues received, but not yet earned (or spent). Obligatory Reserve Funds are established in cases where legislation requires that unspent funds relating to a specific purpose be set aside in a specific reserve fund. A requirement of the public sector accounting principles of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change in obligatory reserve funds during the year are as follows:

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
	\$	\$	\$	\$	\$
Subdividers' contribution	48,675	-	401	-	49,076
Parkland cash in lieu	93,229	27,150	883	-	121,262
Parking in lieu	25,718	10,722	257	-	36,697
Federal gas tax	851,581	255,310	6,368	418,938	694,321
Building reserve fund	355,635	13,542	2,991	2,073	370,095
Development charges	205,726	95,404	1,837	87,391	215,576
Provincial grants	438,896	1,704,075	5,765	1,596,136	552,600
Total obligatory	2,019,460	2,106,203	18,502	2,104,538	2,039,627

The net change in other general deferred revenue accounts are as follows:

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
	\$	\$	\$	\$	\$
Deferred revenue other	70,201	28,886	-	43,496	55,591
Total deferred revenue	2,089,661	2,135,089	18,502	2,148,034	2,095,218

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

8. Long-term liabilities

(a) Long-term liabilities consist of the following:

	2020	2019
	\$	\$
Loan payable, OSIFA, 2.93%, semi-annual payments of \$43,178 principal and interest, due 2024. Debt related to sewage upgrade.	285,286	361,602
Loan payable, OSIFA 2.81%, semi-annual payments of \$100,059 principal and interest, due 2020. Debt related to water system upgrade partly funded by taxpayer loans - refer to Note 4.	-	195,978
	285,286	557,580

(b) Payments for the next four years and thereafter are as follows:

	Principal \$	Interest \$
2021	78,569	7,788
2022	80,888	5,469
2023	83,275	3,081
2024	42,554	623

The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing. Total interest charges on long-term liabilities for the year reported on the consolidated statement of operations were \$19,389 (2019 - \$28,997).

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

9. Employee future benefits

(a) Ontario Municipal Employees Retirement Saving Plan

The employees of the Corporation of the Town of South Bruce Peninsula participate in the Ontario Municipal Employees Retirement Saving Plan ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Municipality cannot be identified. The Municipality has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting.

OMERS is a multi-employer plan, therefore 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. The most recent actuarial valuation of the Plan was conducted at December 31, 2020.

The amount contributed to OMERS for the current year was \$300,376 (2019 - \$311,084) for current service.

(b) Workplace Safety and Insurance Board ("WSIB") Act

Previously under the WSIB, the Municipality was self-insured (Schedule II) and was required to remit payments to the WSIB as required to fund disability payments for employees who were injured as a result of their employment with the Town. The liability recorded of \$594,157 (2019 - \$602,609) has been determined by an actuarial valuation completed as of December 31, 2015. This liability is partially funded by a reserve set aside for this purpose and reported as part of the insurance, sick leave and WSIB reserve in the Note 11.

The actuarial report for the WSIB liability was based on the following assumptions:

Interest discount rate	4.5%
WSIB administration and physician fees	38%
Expected level of employee cost increases	1.75% -2.5%
Expected average remaining service life	15 years

The liability is comprised of the following amounts:

	2020	2019
	\$	\$
Accrued benefit obligation	586,447	594,257
Unamortized actuarial gains	7,710	8,352
	594,157	602,609

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

9. Employee future benefits (continued)

The continuity of WSIB liability is as follows:

	2020	2019
	\$	\$
Liability at January 1	602,609	612,990
Interest	25,981	26,368
Amortization of actuarial gain	(642)	(642)
Less: benefit payments	(33,791)	(36,107)
	594,157	602,609

10. Tangible capital assets

Schedules 1 and 2 provide information on the tangible capital assets of the Municipality by major asset class, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(a) Work in progress

Work in progress with a value of \$2,820,231 (2019 - \$491,472) has not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed capital assets including donations have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$NIL (2019 - \$NIL).

(c) Works of art and historical treasures

The Municipality holds various works of art and historical treasures including statues, monuments, plaques, paintings and photographs. These items are not recognized as tangible capital assets in the consolidated financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

11. Accumulated surplus

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

	2020	2019
	\$	\$
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	61,531,157	55,076,821
Unfinanced tangible capital assets	(2,354,017)	(2,378,762)
Tangible capital assets financed by long-term liabilities	(285,286)	(361,602)
Total invested in tangible capital assets	58,891,854	52,336,457
Surplus		
Unfunded WSIB Schedule II liability (Note 9)	(594,157)	(602,609)
Unfunded landfill closure and post-closure costs	(517,374)	(338,131)
General surplus	1,290,578	1,049,440
Total surplus	179,047	108,700
Reserves set aside for specific purposes by Council		
Working funds	-	801,830
Insurance, sick leave and WSIB	963,615	958,178
Current purposes	1,322,713	1,011,861
Capital purposes	418,234	499,448
Total reserves	2,704,562	3,271,317
Reserve funds set aside for specific purposes by Council		
Current purposes	557,612	856,965
Capital purposes	19,051,085	20,131,655
Total reserve funds	19,608,697	20,988,620
Total accumulated surplus	81,384,160	76,705,094

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

12. Budget amounts

The operating budget approved by Council for 2020 is reflected on the consolidated statement of operations and statement of changes in net financial assets. The budgets established for capital investment in tangible capital assets are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with the current year's actual expenditure amounts. The budget figures have not been audited.

The following is a reconciliation of the budget approved by Council:

	Budget 2020	Actual 2020	Actual 2019
	\$	\$	\$
Annual surplus	2,893,985	4,679,066	3,565,528
Net transfers from (to) reserves	(3,461,130)	1,946,678	(1,422,109)
Tangible capital asset additions	(5,306,300)	(8,911,978)	(3,183,499)
(Gain)/loss on disposal of tangible capital assets	-	51,868	(7,232)
Proceeds on disposal of tangible capital assets	-	42,045	73,749
Amortization of tangible capital assets	-	2,363,240	2,254,832
Debt principal repayments	(85,808)	(76,316)	(74,128)
Change in unfunded liabilities - landfill & WSIB	-	170,791	(506,090)
Subtotal	(5,959,253)	265,394	701,051
Prior year capital projects funded	-	(24,745)	(708,173)
Prior year surpluses	1,049,929	1,049,929	1,056,562
	(4,909,324)	1,290,578	1,049,440

13. School Boards and County of Bruce

During the year, the following taxation revenue was raised and remitted to the School Boards and County of Bruce:

	2020	2019
	\$	\$
School Boards	3,621,571	3,731,413
County of Bruce	7,720,469	7,332,928
	11,342,040	11,064,341

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

14. Government transfers

	Budget	2020	2019
	\$	\$	\$
Operating:	(Note 12)		
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	3,083,900	3,003,900	2,868,100
Ontario Municipal Partnership Fund (OMPF) - Modernization	-	-	631,428
Ontario Municipal Partnership Fund (OMPF) - Safe Start (Note 22)	-	444,700	-
Conditional - Sewer and water	-	-	32,832
- Other	113,596	270,732	203,454
	3,197,496	3,719,332	3,735,814
Other Municipalities			
Conditional - Other	89,800	107,673	126,156
Total operating transfers	3,287,296	3,827,005	3,861,970
Capital:			
Province of Ontario			
Conditional - Sewer and water	-	766,145	48,813
- Roads	-	829,991	-
- Other	-	-	10,027
	-	1,596,136	58,840
Government of Canada			
- Federal Gas Tax	-	418,938	213,000
- Roads	-	-	7,445
	-	418,938	220,445
Total capital transfers	-	2,015,074	279,285
Total government transfers	3,287,296	5,842,079	4,141,255

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

15. Other income

Other income consists of the following:

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Penalties and interest on taxation	(Note 12) 285,940	201,778	185,535
Other fines and penalties	57,600	131,719	68,964
Investment income	243,600	573,263	515,539
Licenses, permits and rents	931,453	750,466	555,815
Donations	40,000	40,898	31,896
Sale of publications, mementos, etc.	36,172	61,668	50,896
Other	1,000	10,000	12,400
	1,595,765	1,769,792	1,421,045

16. Government partnerships

The following summarizes the financial position and operations of the municipal joint board. The Town of South Bruce Peninsula's pro-rata share of these amounts have been reported in the financial statements using the proportionate consolidation method:

	Bruce Area Solid Waste Recycling	Municipality Share (20.74%)
	\$	\$
Financial assets	2,517,711	522,173
Liabilities	256,318	53,160
Net financial assets	2,261,393	469,013
Non-financial assets	1,398,521	290,053
Accumulated surplus	3,659,914	759,066
General surplus	147,713	30,636
Invested in tangible capital assets	1,395,643	289,456
Reserves and reserve funds	2,116,558	438,974
	3,659,914	759,066
Revenues	3,007,471	623,749
Expenses	3,193,011	662,230
Annual deficit	(185,540)	(38,481)

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

17. Commitments

- (a) The Municipality has entered into several different agreements for residential and commercial garbage collection, with the latest going until December 31, 2022, with a possible extensions available. The cost to the Municipality will be:

2021	\$516,735
2022	\$106,722

- (b) The Municipality has entered into an agreement with the Ontario Clean Water Agency for the operation, management and maintenance of its water and sewage systems on April 3, 2018 until February 28, 2023. The cost to the Municipality will be:

2021	\$784,150 + Consumer Price Index Increase
2022	\$797,873 + Consumer Price Index Increase

- (c) The Municipality has entered into agreements for cleaning services at the Town Hall and the Ross Whicher Centre as well as various municipal washrooms which end December 31, 2021 and June 2020. The cost to the Municipality will be:

2021	\$25,680
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- (d) The Municipality has entered into a multi-year agreement for covering of a landfill site until December 31, 2023. The cost to the Municipality will be approximately \$14,200 each year.

- (e) The Municipality has entered into an contract for street sweeping services for 2021. The cost to the Municipality is estimated to be \$112,648.

- (f) Contractual capital commitments of approximately \$5,844,327 (2019 - \$2,287,920) are not reflected in the consolidated financial statements. This amount represents uncompleted contracts as at December 31, 2020.

- (g) The minimum annual payments for operating agreements for the next five years are as follows:

2021	\$258,929
2022	\$254,805
2023	\$89,460
2024	\$55,906
2025	\$39,070

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

18. Contingencies

- (a) Several lower tier municipalities on the Bruce Peninsula, including the Town of South Bruce Peninsula, have been named as defendants in a land claim action filed by the Chippewas of Saugeen and Nawash, for damages alleged to total \$92,000,000. Also, joined as defendants in the action are the Counties of Bruce and Grey, the Province of Ontario and the Dominion of Canada. No breakdown as to each Municipality's relative share of the \$92,000,000 has been provided. The likelihood of the success of this action is undeterminable at the present time.
- (b) The Town of South Bruce Peninsula along with private land owners, have been named as defendants in a land claim action filed by the Chippewas of Saugeen First Nation for damages alleged to total \$25,000,000. Also, joined as defendants in the action are the Province of Ontario and the Dominion of Canada. No breakdown as to each defendant's relative share of the \$25,000,000 has been provided. The likelihood of the success of this action is undeterminable at the present time.
- (c) Appeals of the current value assessment of properties in the Municipality may be in process. The impact on taxation revenue as a result of settlement of these appeals is not determinable at this time. The effect on taxation of the settlement of these appeals will be recorded in the fiscal year in which they can be determined.
- (d) Applications for property tax rebates for vacant commercial and industrial buildings may be in process. The impact on taxation revenue as a result of these rebates is not determinable at this time. The effect on taxation of these rebates will be recorded in the fiscal year in which they can be determined.
- (e) In the ordinary course of operations, various claims and lawsuits are brought against the Municipality. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any payment made by the Municipality pursuant to claims, lawsuits or expropriations will be charged to the year of settlement.

19. Trust funds

The trust funds administered by the Municipality amounting to \$315,200 (2019 - \$312,710) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations. The trust funds consists of the perpetual care and maintenance funds of the Cemeteries.

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

20. Segmented information

The Town of South Bruce Peninsula is a diversified municipal government organization that provides a wide range of services to its citizens such as police, fire, roadways, water, sewer, solid waste, and recreation and cultural services. Distinguishable functional segments have been separately disclosed in the segmented information. Schedules 3 and 4 provide information on the segmented information of the Municipality.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers are measured on the basis of exchange amount. Property taxation revenue is prorated to each segment based on budgeted expenses. The Ontario Municipal Partnership Fund grant is allocated to general government. The nature of the segments and the activities that they encompass are as follows:

General government

This segment relates to the operations of the Municipality itself and unallocated items that cannot be directly attributed to any other specific segment. General administration, council activities and maintenance of municipal buildings are included in the functions of general government.

Protection services

Protection is comprised of police services, fire protection, emergency plan, building inspections, and animal control.

Transportation services

Transportation is comprised of the Municipality's bridges, roadways, storm sewers, sidewalks, street lighting, and winter control.

Water and Waste Water

Water and waste water services include treatment and distribution of the Municipality's drinking water and ensures that it meets all provincial standards. It also includes the collection and treatment of waste water.

Environmental services

Environmental consists of providing waste and recycling collection, the operation of the landfill sites, and solid waste management.

Health services

Health services are comprised of cemeteries and support to the local hospital.

Recreational and cultural services

This service area provides services meant to improve the health and development of the Municipality's citizens. The Municipality operates and maintains parks, arenas, a swimming pool, community centres, a campground and marinas. The Municipality also provides recreational programs.

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

20. Segmented information (continued)

Planning and development

This segment is responsible for planning and zoning including the Official plan for residential and commercial, review of property development plans, and economic development services for the Municipality. Planning and development also includes the Business Improvement Association (BIA).

21. Comparative figures

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

22. COVID-19

On March 17, 2020, the Ontario government enacted a declaration of emergency to protect the public and ordered specific businesses to close and on March 23, 2020 ordered mandatory closure of all non-essential workplaces to fight the spread of Covid-19. Early May 2020, the Ontario government implemented a Covid-19 response framework including regional restrictions and sector specific guidelines to limit the transmission and allow businesses to reopen in phases. Most businesses were able to reopen by mid-spring of 2020 operating under public health guidelines. A second province wide shutdown of all non-essential workplaces was implemented effective December 26, 2020.

In response to the pandemic during 2020, the Municipality:

- Closed the main office at initial onset of pandemic, re-opened by appointment only when it was safe to do so;
- Closed facilities at initial onset of pandemic, re-opened when able to do so safely, and was able to complete safety protocol policies to ensure everyone's safety;
- Waived penalty and interest on all tax and utility billing for a 90 day period

The pandemic and temporary lockdowns continue. The extent of operations is dependent on government pandemic guidelines. The full impact of the Covid-19 outbreak continues to evolve at the date of this report. The Municipality continues to operate with modified operations. The Municipality will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its residents. An estimate of the financial effect on the Municipality is a loss of \$187,426 based on the budget approved by Council:

	2020 \$
Revenue losses	290,903
Increased expenditure	202,270
Cost reductions	(305,747)
Total estimated loss from Covid-19	187,426
Safe start funding revenue	444,700
Amount transferred to Reserve	257,274

**CORPORATION OF THE
TOWN OF SOUTH BRUCE PENINSULA**

**SCHEDULE 1
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Land	Land Improvements		Buildings	Equipment	Vehicles	Infrastructure	Work in Progress	Total
		\$	\$						
Cost									
Balance, beginning of year	1,113,713	3,184,086	14,990,251	8,085,013	4,979,020	64,018,968	491,472	96,862,523	
Additions	199,613	281,592	29,819	997,116	560,625	4,375,434	2,467,779	8,911,978	
Disposals	-	(8,511)	-	(253,528)	(142,319)	(126,041)	-	(530,399)	
Additions from work in progress	-	-	-	-	231	138,504	(139,020)	(285)	
Balance, end of year	1,313,326	3,457,167	15,020,070	8,828,601	5,397,557	68,406,865	2,820,231	105,243,817	
Accumulated amortization									
Balance, beginning of year	-	1,278,043	6,383,495	4,465,876	3,458,085	26,200,203	-	41,785,702	
Amortization	-	161,332	300,583	552,757	262,561	1,086,007	-	2,363,240	
Disposals	-	(8,511)	-	(218,443)	(142,319)	(67,009)	-	(436,282)	
Balance, end of year	-	1,430,864	6,684,078	4,800,190	3,578,327	27,219,201	-	43,712,660	
Net book value, end of year	1,313,326	2,026,303	8,335,992	4,028,411	1,819,230	41,187,664	2,820,231	61,531,157	

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE
TOWN OF SOUTH BRUCE PENINSULA**

**SCHEDULE 2
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Land	Land Improvements	Buildings	Equipment	Vehicles	Infrastructure	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, beginning of year	1,113,713	2,861,093	14,729,424	7,668,507	4,972,549	62,418,910	224,985	93,989,181
Additions	-	255,391	218,127	510,328	56,285	1,724,605	418,763	3,183,499
Disposals	-	-	-	(93,822)	(49,814)	(166,521)	-	(310,157)
Additions from work in progress	-	67,602	42,700	-	-	41,974	(152,276)	-
Balance, end of year	1,113,713	3,184,086	14,990,251	8,085,013	4,979,020	64,018,968	491,472	96,862,523
Accumulated amortization								
Balance, beginning of year	-	1,129,410	6,092,728	4,036,333	3,230,892	25,285,147	-	39,774,510
Amortization	-	148,633	290,767	520,112	259,305	1,036,015	-	2,254,832
Disposals	-	-	-	(90,569)	(32,112)	(120,959)	-	(243,640)
Balance, end of year	-	1,278,043	6,383,495	4,465,876	3,458,085	26,200,203	-	41,785,702
Net book value, end of year	1,113,713	1,906,043	8,606,756	3,619,137	1,520,935	37,818,765	491,472	55,076,821

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

SCHEDULE 3 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020

	General Government	Protection Services	Transportation Services	Water and Waste Water	Environmental Services	Health Services	Recreational and Cultural Services	Planning and Development	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Property taxation	1,990,370	2,578,770	2,764,453	-	2,179,456	68,971	904,376	254,535	10,740,931
User charges and fees	63,529	21,728	412,855	3,087,480	582,371	15,189	90,314	24,742	4,300,208
Government transfers	3,448,600	149,468	32,986	-	135,351	-	42,700	17,900	3,827,005
Government transfers - capital	-	-	1,023,838	413,015	578,221	-	-	-	2,015,074
Capital cost recoveries	-	-	44,738	94,152	7,345	-	-	-	146,235
Gain/(Loss) on Disposal	-	96	7,614	(59,576)	-	-	-	-	(51,866)
Other income	785,396	390,760	151,894	4,172	65,300	9,948	333,102	29,219	1,769,791
	6,287,895	3,142,822	4,438,378	3,539,243	3,548,044	94,108	1,370,492	326,396	22,747,378
Expenses									
Salaries, wages and benefits	1,446,625	821,441	1,859,766	77,915	504,126	-	782,164	124,924	5,616,961
Interest on long-term liabilities	-	-	-	19,389	-	-	-	-	19,389
Materials and supplies	437,751	184,090	1,373,843	530,716	364,903	1,672	495,454	36,630	3,427,059
Contracted services	810,567	2,569,323	792,042	965,024	429,850	-	91,472	95,334	5,753,612
Rents, financial expenses and external transfers	291,131	202,434	43,201	76,060	200,814	2,500	35,087	-	851,227
Amortization expense	121,360	141,606	773,992	810,578	159,155	-	355,698	3,006	2,365,395
Interfunctional charges	(153,220)	176,987	(291,498)	165,258	95,588	80,380	(139,166)	100,340	34,669
	2,954,214	4,091,881	4,551,346	2,644,940	1,754,436	84,552	1,620,709	360,234	18,068,312
Annual surplus (deficit)	3,333,681	(955,059)	(112,968)	894,303	1,793,608	9,556	(250,217)	(33,838)	4,679,066

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

SCHEDULE 4 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2019

	General Government	Protection Services	Transportation Services	Water and Waste Water	Environmental Services	Health Services	Recreational and Cultural Services	Planning and Development	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Property taxation	1,393,071	2,322,505	3,257,886	-	1,955,957	65,774	1,002,535	189,472	10,387,200
User charges and fees	265,662	376,100	2,844	3,093,416	607,290	28,959	460,300	71,270	4,905,841
Government transfers	3,537,635	160,975	-	-	124,385	-	29,840	9,135	3,861,970
Government transfers - capital	-	-	213,000	11,167	-	-	55,118	-	279,285
Capital cost recoveries	-	-	-	21,880	-	-	11,600	-	33,480
Gain/(Loss) on disposal	(422)	-	594	(26,585)	(14,009)	-	47,654	-	7,232
Other income	714,318	312,921	20,980	-	61,514	7,241	78,176	25,895	1,421,045
	5,910,264	3,372,501	3,495,304	3,099,878	2,735,137	101,974	1,685,223	295,772	20,896,053
Expenses									
Salaries, wages and benefits	1,306,316	879,441	1,870,065	77,915	517,486	5,740	673,892	339,610	5,670,465
Interest on long-term liabilities	-	-	-	43,499	-	-	-	-	43,499
Materials and supplies	402,841	145,764	1,512,024	461,618	358,916	438	443,642	45,032	3,370,275
Contracted services	831,465	2,502,751	912,999	842,189	381,621	579	281,775	39,932	5,793,311
Rents and financial expenses	70,994	245,857	825	40,184	(384,460)	7,620	28,425	-	9,445
Amortization expense	113,764	135,757	731,462	793,212	139,098	-	338,318	3,042	2,254,653
Interfunctional charges	(53,656)	86,004	(98,261)	192,341	91,491	65,060	91,098	(185,200)	188,877
	2,671,724	3,995,574	4,929,114	2,450,958	1,104,152	79,437	1,857,150	242,416	17,330,525
Annual surplus (deficit)	3,238,540	(423,073)	(1,433,810)	648,920	1,630,985	22,537	(171,927)	53,356	3,565,528

The accompanying notes are an integral part of
these financial statements