
Consolidated financial statements of
The Corporation of
the City of Pickering

December 31, 2022

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Independent Auditor's Report

To the Members of Council of
The Corporation of the City of Pickering

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Pickering (the "City"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2022, and the results of its operations, change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the City'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 City or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS 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 GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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 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 City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
October 24, 2023

The Corporation of the City of Pickering
Consolidated statement of financial position
As at December 31, 2022

		2022	2021
	Notes	\$	\$
Financial assets			
Cash and cash equivalents		90,129,235	93,364,602
Investments	3	156,687,900	140,255,810
Taxes receivable		23,372,809	22,688,178
Accounts receivable		11,231,858	7,365,804
Note receivable	17	2,381,011	2,681,988
Investment in Elexicon Corporation	4(b)	73,301,808	70,022,403
Promissory notes receivable	5	25,069,000	25,069,000
		382,173,621	361,447,785
Liabilities			
Accounts payable and accrued liabilities		33,721,100	37,473,687
Other current liabilities		227,096	217,958
Deferred revenue	6	110,023,846	105,095,559
Long-term liabilities	9	42,704,260	40,742,259
Post-employment benefit liability	8(a)	9,291,345	8,702,252
WSIB benefit liabilities	8(b)	3,060,773	2,876,413
		199,028,420	195,108,128
Net financial assets			
		183,145,201	166,339,657
Non-financial assets			
Tangible capital assets	10	319,085,606	298,638,881
Prepaid expenses and deposits	10(v)	7,281,479	1,745,544
Inventory		538,091	544,515
		326,905,176	300,928,940
Accumulated surplus			
	11	510,050,377	467,268,597

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

The Corporation of the City of Pickering
Consolidated statement of operations
Year ended December 31, 2022

	Budget	2022 Actual	2021 Actual
	\$	\$	\$
Notes			
	(Note 18)		
Revenue			
Residential and farm taxation	62,244,612	61,631,416	59,310,500
Commercial and industrial taxation	11,277,425	13,729,420	11,559,233
Taxation from other governments	8,133,040	8,497,858	8,266,805
User charges	12,857,128	15,743,433	10,418,337
Government grants and fees	10,393,940	9,114,226	7,382,655
Other contributions and donations	2,338,055	4,477,527	5,436,152
Development charges and developer contributions earned	14,723,270	11,350,537	2,915,766
Contributed tangible capital assets	10(i) —	348,530	3,047,542
Investment income	525,000	2,722,276	630,296
Penalties and interests on taxes	2,690,000	3,311,796	3,504,311
Fines	1,002,000	1,527,436	661,988
Interest on promissory notes	5(c) 1,035,350	1,035,350	1,035,800
Casino revenue	8,250,000	14,678,604	5,575,176
Equity share of Elexicon Corporation earnings	4(b) —	5,906,099	4,876,212
Other	286,981	199,549	537,539
Gain on disposal of tangible capital assets	—	191,284	—
	135,756,801	154,465,341	125,158,312
Expenses			
General government	19 26,100,225	26,313,997	23,612,658
Protection to persons and property	31,160,361	30,198,497	27,945,517
Transportation services	18,198,627	16,876,440	14,996,975
Environmental services	2,495,924	2,368,443	2,743,525
Social and family services	1,012,905	758,443	645,439
Recreational and cultural services	33,779,857	31,198,429	26,142,900
Planning and development	6,176,559	3,969,312	3,640,971
Loss on disposal of tangible capital assets	—	—	202,363
	118,924,458	111,683,561	99,930,348
Annual surplus	16,832,343	42,781,780	25,227,964
Accumulated surplus, beginning of year	467,268,597	467,268,597	442,040,633
Accumulated surplus, end of year	484,100,940	510,050,377	467,268,597

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

The Corporation of the City of Pickering
Consolidated statement of change in net financial assets
Year ended December 31, 2022

	Budget \$	2022 Actual \$	2021 Actual \$
	(Note 18)		
Annual surplus	16,832,343	42,781,780	25,227,964
Acquisition of tangible capital assets	(46,120,454)	(44,684,796)	(32,186,500)
Amortization of tangible capital assets	11,682,942	12,092,563	11,710,898
(Gain) loss on disposal of tangible capital assets	—	(191,284)	202,363
Proceeds on disposal of tangible capital assets	—	2,484,815	109,082
	(17,605,169)	12,483,078	5,063,807
Transfer of assets under construction to tangible capital assets	—	6,506,536	6,460,299
Assets under construction expensed	—	3,345,441	3,661,341
	—	9,851,977	10,121,640
Acquisition of inventory of supplies	—	(1,379,533)	(935,105)
Use of inventory of supplies	—	1,385,957	868,719
Acquisition of prepaid expenses and deposits	—	(7,151,099)	(84,198)
Use of prepaid expenses and deposits	—	1,615,164	357,734
	—	(5,529,511)	207,150
Change in net financial assets	(17,605,169)	16,805,544	15,392,597
Net financial assets, beginning of year	166,339,657	166,339,657	150,947,060
Net financial assets, end of year	148,734,488	183,145,201	166,339,657

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

The Corporation of the City of Pickering
Consolidated statement of cash flows
Year ended December 31, 2022

	2022 \$	2021 \$
Operating transactions		
Annual surplus	42,781,780	25,227,964
Non-cash items		
Amortization of tangible capital assets	12,092,563	11,710,898
(Gain) loss on disposal of tangible capital assets	(191,284)	202,363
Equity share of Elexicon Corporation earnings	(5,906,099)	(4,876,212)
Contributed tangible capital assets recorded in revenue	(348,530)	(3,047,542)
Change in non-cash operating items		
Taxes receivable	(684,631)	3,477,546
Accounts receivable	(3,866,054)	(4,230,881)
Accounts payable and accrued liabilities	(3,752,587)	(340,886)
Other current liabilities	9,138	61,087
Deferred revenue	4,928,287	10,886,181
Post-employment benefit liability	589,093	1,196,389
WSIB benefit liabilities	184,360	185,173
Inventory	6,424	(66,386)
Prepaid expenses and deposits	(5,535,935)	273,536
	40,306,525	40,659,230
Capital transactions		
Acquisition of tangible capital assets (net of transfers and contributions)	(34,484,289)	(19,017,318)
Proceeds on disposal of tangible capital assets	2,484,815	109,082
	(31,999,474)	(18,908,236)
Investing transactions		
Increase in investments	(16,432,090)	(24,502,734)
Dividends received from Elexicon Corporation	2,626,694	3,172,745
	(13,805,396)	(21,329,989)
Financing transactions		
Proceeds from debentures issued	5,573,000	15,568,000
Principal repayment of debentures	(3,610,999)	(3,944,385)
Decrease in note receivable	300,977	291,229
	2,262,978	11,914,844
(Decrease) increase in cash and cash equivalents	(3,235,367)	12,335,849
Cash and cash equivalents, beginning of year	93,364,602	81,028,753
Cash and cash equivalents, end of year	90,129,235	93,364,602
Cash and cash equivalents consists of		
Cash	59,634,018	68,432,602
Cash equivalents	30,495,217	24,932,000
	90,129,235	93,364,602

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

1. Significant accounting policies

The consolidated financial statements (the "financial statements") of The Corporation of the City of Pickering (the "City") are the representations of management prepared in accordance with accounting standards established by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants of Canada (CPA Canada). Significant accounting policies adopted by the City are as follows:

(a) Reporting entity

(i) Consolidated financial statements

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of the activities of all committees of Council and the City of Pickering Public Library Board which is controlled by the City.

All material inter-fund transactions and balances are eliminated on consolidation.

(ii) Investment in government business enterprise

The City's investment in Elexicon Corporation (formerly Veridian Corporation until March 31, 2019) is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards for investments in government business enterprises. Under the modified equity basis, Elexicon Corporation's accounting policies are not adjusted to conform to those of the City and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual earnings or loss of Elexicon Corporation in its Consolidated Statement of Operations with a corresponding increase or decrease in its investment asset account. Dividends that the City may receive from Elexicon Corporation and other capital transactions are reflected as adjustments in the investment asset account.

(iii) Operations of School Boards and the Regional Municipality of Durham

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the Regional Municipality of Durham (the "Region") are not reflected in these consolidated financial statements.

(iv) Trust Funds

Trust Funds and their related operations administered by the City are not consolidated but are reported separately on the Trust Funds financial statements.

(b) Basis of accounting

(i) Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned, measurable, and collectibility is assured; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a obligation to pay.

(ii) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash. Cash equivalents have a short-term maturity of three months or less from the date of acquisition.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(iii) Investments

Long-term investments are recorded at cost and any loss in value which is considered other than temporary is recorded as incurred. Any premium or discount at the purchase of an investment is amortized over the life of the investment.

(iv) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly related to the acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on the straight-line basis over the estimated useful life of the tangible capital asset commencing once the asset is available for use as follows:

Buildings	5 to 50 years
Machinery and equipment	Various
Vehicles	7 to 15 years
Infrastructure – Roads	10 to 75 years
Infrastructure - Storm sewers	50 to 100 years
Infrastructure - Sidewalks	15 to 75 years
Infrastructure - Parks	10 to 100 years
Information technology hardware	4 to 10 years
Library collection materials	4 to 7 years
Furniture and fixtures	various

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the tangible capital asset is available for productive use. Land is not amortized.

Tangible capital assets received as contributions are recorded at their fair value at the date contributed, with the corresponding amount recorded as revenue.

(v) Accounting for Property Tax Capping Provisions resulting from the Ontario Fair Assessment System

The net impact on property taxes as a result of the application of the capping provisions does not affect the Consolidated Statement of Operations as the full amounts of the property taxes were levied. However, the capping adjustments are reported on the Consolidated Statement of Financial Position as a receivable/payable from/to the Region.

(vi) Deferred revenue

Deferred revenue represents contributions, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed. In addition, any contributions received with external restrictions are deferred until the related expenditures are made.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(vii) Post-employment benefits

The present value of the cost of providing employees with future benefit programs is recognized as employees earn these entitlements through service. Actuarial gains and losses are amortized over the average remaining service period ("ARSP"). The City's actuary determined the ARSP to be between 11 to 13 years, depending on the employee group.

For WSIB benefit obligations that arise from specific events that occur from time to time, the cost is recognized immediately in the period the events occur. Actuarial gains and losses are amortized over the ARSP of 15 years.

(viii) Inventory

Inventory is valued at the lower of cost and replacement cost. Cost is determined on a weighted-average basis.

(ix) Government transfers

Government transfers are recognized as revenue by the City in the period in which the transfers are authorized and any eligibility criteria are met, unless they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer or discharge the liability. For such transfers, revenue is recognized when the stipulation has been met.

(x) Tax revenue

Tax revenue is recognized on all taxable properties within the City that are included in the tax roll provided by the Municipal Property Assessment Corporation, using property tax values included in the tax roll or property tax values that can be reasonably estimated by the City as it relates to supplementary or omitted assessments, at tax rates authorized by Council for the City's own purposes in the period for which the tax is levied.

(xi) Casino revenue

The City is a beneficiary of a contribution agreement with Ontario Lottery and Gaming Corporation (OLG) for hosting a casino within the municipality. Pickering is entitled to receive a share of the gaming revenue on a quarterly basis for hosting the Pickering Casino Resort which opened on July 26, 2021. Casino revenue is recognized as earned in line with the contribution agreement.

(xii) Intangible assets

Intangible assets are not recognized as assets in the financial statements.

1. Significant accounting policies (continued)

(b) *Basis of accounting (continued)*

(xiii) Contaminated sites

Contaminated sites are the result of contamination being introduced into air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the City is directly responsible or accepts responsibility for the liability;
- (d) future economic benefits will be given up; and
- (e) a reasonable estimate of the liability can be made.

A liability is recorded only for sites that are not in productive use or if there was an unexpected event that resulted in contamination. Changes in estimates are recorded in the City's statement of operations. The City does not have any liability for contaminated sites recorded in the consolidated financial statements.

(xiv) Land held for resale

Land permanently removed from service that meets the criteria for inventory held for resale are recorded as "land held for resale" on the Consolidated Statement of Financial Position and is recorded at the lower of cost and net realizable value. Those that do not meet these criteria continue to be recorded as part of tangible capital assets on the Consolidated Statement of Financial Position.

(xv) 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 in the financial statements and accompanying notes. Accounts involving significant estimates include allowance for doubtful accounts, certain accrued liabilities, post-employment benefits liability, WSIB liabilities and estimates relating to the useful lives of tangible capital assets. Actual results could differ from these estimates.

2. Operations of school boards and the Regional Municipality of Durham

Further to Note 1(a)(iii), requisitions are made by the Regional Municipality of Durham and School Boards requiring the City to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized as follows:

	Region	2022 School board	Region	2021 School board
	\$	\$	\$	\$
Taxation	137,349,789	51,905,608	128,126,225	47,751,880
Payments in lieu of taxes	6,565,748	725,439	6,090,166	346,689
	143,915,537	52,631,047	134,216,391	48,098,569

3. Investments

	Cost	2022 Market value	Cost	2021 Market value
	\$	\$	\$	\$
Investments	156,687,900	156,541,957	140,255,810	140,364,738

Investments are comprised of deposit notes, bonds, and guaranteed investment certificates.

4. Investment in government business enterprise

(a) *Elexicon Corporation was formed on April 1, 2019, in which the City holds a 27.88% interest in Elexicon Corporation.*

Elexicon Corporation, as a government business enterprise, is accounted for on the modified equity basis in these financial statements. Elexicon Corporation serves as the electrical distribution utility for a number of communities and conducts non-regulated utility service ventures through its subsidiaries.

4. Investment in government business enterprise (continued)

(a) *Elexicon Corporation was formed on April 1, 2019, in which the City holds a 27.88% interest in Elexicon Corporation.(continued)*

The following table provides condensed supplementary consolidated financial information for Elexicon Corporation and its subsidiaries as at and for the year ended December 31, 2022. The amounts are disclosed in thousands of dollars:

	2022 (000's) \$	2021 (000's) \$
Assets		
Current	106,273	104,266
Capital and intangibles	661,146	584,949
Other	1,505	341
Total assets	768,924	689,556
Regulatory balances	58,573	39,164
Total assets and regulatory balances	827,497	728,720
Liabilities		
Current	316,892	85,153
Long-term debt	89,209	258,526
Other	148,489	132,520
Total liabilities	554,590	476,199
Shareholders' equity		
Share capital	97,692	97,692
Contributed capital	25	25
2019 Contributed Surplus	79,301	79,301
Accumulated other comprehensive loss	3,130	(1,257)
Retained earnings	82,730	75,354
Total equity	262,878	251,115
Regulatory balances	10,029	1,406
Total liabilities, equity and regulatory balances	827,497	728,720
	2022 (000's) \$	2021 (000's) \$
Comprehensive income		
Commodity revenue	430,139	417,285
Commodity expenses	(434,592)	(426,225)
Distribution revenue	84,574	84,070
Operating expenses	(75,016)	(69,322)
Other income (expense)	909	(1,560)
Accumulated other comprehensive loss	4,387	558
Net movements in regulatory balances, net of tax	10,783	12,684
Total comprehensive income for the year	21,184	17,490

4. Investment in government business enterprise (continued)

(b) Equity in Elexicon Corporation

The City's equity in Elexicon Corporation is as follows at the end of 2022:

	2022	2021
	\$	\$
Balance, beginning of year	98,134,423	96,430,956
Equity share of net earnings from Elexicon Corporation	5,906,099	4,876,212
Dividend received	(2,626,694)	(3,172,745)
Balance, end of year	101,413,828	98,134,423

(c) City of Pickering's investment is represented by:

	2022	2021
	\$	\$
Promissory notes receivable (Note 5)	25,069,000	25,069,000
Investments in Elexicon Corporation		
Initial investment in shares of the Corporation	30,496,196	30,496,196
Amalgamation adjustments	12,849,416	12,849,416
Accumulated earnings	70,964,164	65,058,065
Accumulated dividends received	(41,823,676)	(39,196,982)
Adjustment to value of investment	815,708	815,708
	73,301,808	70,022,403

(d) Contingencies and guarantees of Elexicon Corporation (the "Corporation") as disclosed in their consolidated financial statements are as follows:

(i) Insurance claims

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE") which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE provides general liability insurance to member electric utilities. MEARIE also provides vehicle and property insurance to the Corporation.

Insurance premiums charged to each member utility consist of a levy per \$1,000 of service revenue subject to a credit or surcharge based on each electric utility's claims experience. The maximum coverage is \$40,000,000 per occurrence for liability insurance, \$21,000,000 for vehicle insurance and \$206,572,000 for property insurance and \$12,000,000 for privacy, cyber, and network security insurance.

4. Investment in government business enterprise (continued)

(d) *Contingencies and guarantees of Elexicon Corporation (the "Corporation") as disclosed in their consolidated financial statements are as follows: (continued)*

(ii) Contractual obligation - Hydro One Networks Inc. ("HONI")

The Corporation's subsidiary, Elexicon Energy Inc. ("EEI") (formerly Veridian Connections Inc.), is party to a connection and cost recovery agreement with HONI related to the construction by HONI of a transformer station designated to meet EEI's anticipated electricity load growth. Construction of the project was completed during 2007 and EEI connected to the transformer station during 2008.

To the extent that the cost of the project is not recoverable from future transformation connection revenues, EEI is obligated to pay a capital contribution equal to the difference between these revenues and the construction costs allocated to EEI. The construction costs allocated to EEI for the project are \$19,950,000.

Hydro One has performed a true-up based on actual load at the end of the tenth anniversary of the in-service date and is expected to perform another true-up based on actual load at the end of the fifteenth anniversary of the in-service date.

(iii) Prudential support

Purchasers of electricity in Ontario, through the Independent Electricity System Operator ("IESO"), are required to provide security to mitigate the risk of default based on their expected activity in the market. The IESO could draw on this security if the Corporation fails to make the payment required on a default notice issued by the IESO. The Corporation has provided a \$64,000,000 guarantee to the IESO on behalf of EEI.

(iv) General claims

From time to time, the Corporation is involved in various lawsuits, claims and regulatory proceedings in the normal course of business. In the opinion of management, the outcome of such matters will not have a material adverse effect on the Corporation's consolidated financial position and results of operations or cash flows.

(e) *Lease commitments*

Future minimum lease payment obligations under operating leases are as follows:

	\$
2023	177,000
2024	124,000
2025	95,000
2026	71,000
2027	45,000
	<u>512,000</u>

5. Promissory notes receivable

	2022	2021
	\$	\$
Elexicon Corporation	7,095,000	7,095,000
Elexicon Energy Inc.	17,974,000	17,974,000
	25,069,000	25,069,000

(a) Maturity

The promissory notes were issued by the legacy Veridian Corporation and Veridian Connections Inc. and were assumed by Elexicon Corporation and Elexicon Energy Inc. upon amalgamation on April 1, 2019. The promissory notes under Elexicon Corporation and Elexicon Energy Inc. are due on demand. The City has agreed not to demand repayment of the notes prior to January 1, 2024.

(b) Interest rate

Commencing April 1, 2019 for a ten-year period, interest on the notes will be determined based on the deemed long-term interest rate prescribed by the Ontario Energy Board in its most recent cost of capital parameter update ("OEB rate"). As of April 1, 2019, the OEB rate was determined at 4.13%.

On the tenth year anniversary of the note, the interest rate will be adjusted to the OEB rate in effect at that time. Thereafter, the interest rate will be adjusted to the OEB rate in effect at the earlier of:

- (i) The five year anniversary of the most recent interest rate adjustment of these notes, and
- (ii) The date on which Elexicon Energy Inc. files a cost of service application with the Ontario Energy Board.

The City may demand full or partial repayment with sixty days' notice of the principal and accrued interest.

(c) Interest revenue

Interest revenue earned from these notes receivable totaled \$1,035,350 (\$1,035,800 in 2021).

6. Deferred revenue

	2022	2021
	\$	\$
Obligatory reserve funds		
Development charges	84,232,840	77,078,827
Parkland	5,850,226	8,631,353
Federal gas tax	10,530,599	10,996,128
Third party/Developer's contributions reserve fund	3,416,197	3,358,782
	104,029,862	100,065,090
Other unearned revenues	5,993,984	5,030,469
	110,023,846	105,095,559

6. Deferred revenue (continued)

Continuity of deferred revenue is as follows:

	2022	2021
	\$	\$
Balance, beginning of year	105,095,559	94,209,378
Restricted funds received	17,139,625	15,916,281
General funds received	3,911,549	3,239,001
Interest earned (restricted funds)	1,793,352	1,045,285
	22,844,526	20,200,567
Earned restricted revenue transferred to operations	14,968,205	5,876,718
Earned revenue transferred to operations	2,948,034	3,437,668
	17,916,239	9,314,386
Balance, end of year	110,023,846	105,095,559

7. Interfund loans

As a means of funding various capital acquisitions, funds are borrowed by the Capital Fund from Development Charges deferred revenue (obligatory reserve funds). These funds are secured by promissory notes with interest rates ranging from 0.50% to 2.50% and various payment terms ranging from 2 years to 10 years. The financing arrangements and ultimate repayment are approved by Council through the current budget process. Although these notes have payment terms as noted above, they are repayable on demand. The following is a summary of the related interfund loans:

	2022	2021
	\$	\$
Roads	1,007,116	486,000
Community facilities, libraries and parks	—	80,804
	1,007,116	566,804

8. Post-employment benefits liability

(a) Post-employment benefits liability

The City makes available to qualifying employees who retire before the age of 65, the opportunity to continue their coverage for benefits such as post-retirement extended healthcare benefits. Coverage ceases at the age of 65. The City also provides full time and permanent part-time employees a sick time entitlement and any unused entitlement is accumulated year to year. This accumulated entitlement is not vested and is forfeited at the time of retirement or termination. The most recent actuarial valuation of the post-employment benefits was performed at December 31, 2020, with projections for December 31, 2022.

8. Post-employment benefits liability (continued)

(a) Post-employment benefits liability (continued)

Plan amendment

In the prior year, a benefit plan amendment was made to extend coverage for a restricted group of retirees effective January 1, 2021. The impact of the plan addition has been recognized immediately as a plan amendment cost and shown in the table below during 2021. No plan amendments were made in 2022.

Information about the City's benefits liability is as follows:

	2022	2021
	\$	\$
Accrued benefits liability, beginning of year	8,702,252	7,505,863
Current service costs	704,848	670,900
Plan amendment	—	593,898
Interest on accrued benefits	355,353	354,203
Amortization of actuarial losses	556,521	557,421
Benefits paid during the year	(1,027,629)	(980,033)
Accrued benefits liability, end of year	9,291,345	8,702,252
Accrued benefit obligation	12,039,039	12,006,466
Unamortized actuarial losses	(2,747,694)	(3,304,214)
Accrued benefits liability, end of year	9,291,345	8,702,252

The main actuarial assumptions employed in the actuarial valuations for the post-employment benefits are as follows:

(i) Discount rate

The present value as at December 31, 2022 of the future benefits was determined using a discount rate of 3.00% (3.00% in 2021).

(ii) Dental costs

The dental cost trend rate was 3.75% (3.75% in 2021) increase per annum.

(iii) Health costs

Health costs were assumed to increase at 5.42% (5.43% in 2021) and decrease by 0.33% (0.33% in 2021) increments per year to an ultimate rate of 3.75% per year in 2027 and thereafter.

8. Post-employment benefits liability (continued)

(b) Workplace Safety and Insurance Board (WSIB) benefit liabilities

Effective January 1, 2001, the City became a Schedule II employer under the Workplace Safety & Insurance Act and follows a policy of self-insurance for the risk associated with paying benefits for workplace injuries for all its employees. The WSIB administers the claims related to workplace injuries and is reimbursed by the City. The most recent actuarial valuation of the WSIB benefits was performed at December 31, 2020, with projections for December 31, 2022.

Information about the City's WSIB benefit liability is as follows:

	2022	2021
	\$	\$
Accrued WSIB liability, beginning of year	2,876,413	2,691,240
Current service cost	198,224	192,771
Interest on accrued benefits	96,719	92,191
Amortization of actuarial losses	31,561	31,561
Benefits paid during the year	(142,144)	(131,350)
	3,060,773	2,876,413
Accrued benefit obligation	3,348,738	3,195,939
Unamortized actuarial losses	(287,965)	(319,526)
Accrued benefits liability, end of year	3,060,773	2,876,413

The main actuarial assumptions employed in the actuarial valuations are as follows:

(i) Discount rate

The present value as at December 31, 2022 of the future benefits was determined using a discount rate of 3.0% (3.0% in 2021).

(ii) Inflation rate

The rate of inflation was assumed to be 2.50% (2.50% in 2021) per annum.

(iii) WSIB Administration Rate

Liabilities for WSIB benefits have been increased to 27% to reflect the administration rate charged by WSIB.

A WSIB Reserve Fund was established in 2001. The Reserve Fund balance as at December 31, 2022 (Note 11) was \$4,000,000 (\$4,000,001 as at December 31, 2021). In 2021, the City established an Excess Indemnity Reserve Fund in lieu of purchasing an insurance policy for this type of coverage. The balance in that Reserve Fund as at December 31, 2022 is \$1,336,742 (\$722,763 in 2021). In addition, the City purchased an insurance policy to protect the City against significant claims. The occupational accident insurance pays loss claims up to \$500,000 per work related accident.

9. Long-term liabilities

(a) The balance of long-term liabilities is made up of the following:

	2022	2021
	\$	\$
The City is responsible for the payment of principal and interest charges on long-term liabilities issued by the Regional Municipality of Durham on the City's behalf. At the end of the year the outstanding principal amount of this liability is	42,704,260	40,742,259

(b) The above long-term liabilities have maturity dates of October 16, 2023, July 2, 2029, October 17, 2026 and 2031, October 13, 2027, 2032 and 2037, September 14, 2023, 2028, 2033 and 2038, November 29, 2024, 2029 and 2039, October 2, 2030 and November 26, 2036 and 2041, July 5, 2033 and 2043 with various interest rates ranging from 0.45% to 4.75%. Principal repayments are summarized as follows:

	<u>\$</u>
2023	3,707,597
2024	3,237,801
2025	3,233,889
2026	3,308,500
2027	2,966,323
Thereafter	<u>26,250,150</u>
	<u>42,704,260</u>

- (c) Long-term liabilities include principal sums of \$443,000 (\$443,000 in 2021) which may be refinanced by the issuance of debentures over a further period not to exceed 5 years.
- (d) The above long-term liabilities have been approved by Council by-law. 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.
- (e) Interest expense recorded in the year relating to these long-term liabilities is \$1,157,439 (\$797,289 in 2021).

10. Tangible capital assets

Information relating to tangible capital assets is as follows:

(i) Contributed tangible capital assets

The City records tangible capital assets contributed by an external party at fair value on the date contributed. Typical examples are roads, storm sewers and sidewalks installed by a developer as part of a subdivision or development agreement. Contributions of tangible capital assets in 2022 amounted to \$348,530 (\$3,047,542 in 2021).

(ii) Tangible capital assets recognized at nominal value

Land under roads are assigned a nominal value of one Canadian dollar because this land only supports or is intended to support road infrastructure and the majority of land acquired to support road allowances was acquired at no cost.

(iii) Works of art and historical treasures

The City has a museum which holds various historical treasures and historical buildings pertaining to the heritage and history of the City of Pickering. 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. Any acquisition or betterment of these assets is recognized as an expense in the consolidated financial statements.

(iv) Other

The net book value of tangible capital assets not being amortized because they are under construction is \$30,996,098 (\$24,218,983 in 2021).

During the year, there were nil write-downs of assets (nil in 2021) and nil interest was capitalized during the year (nil in 2021). Certain costs were written off in the current year relating to assets under construction due to changes in circumstances around their expected future use that arose in the current year.

(v) Land held for resale

As at December 31, 2022, deposits of \$7,087,701 (\$1,645,965 in 2021) paid towards three (four in 2021) parcels of land are included within prepaid expenses and deposits. Subsequent to year end, the purchase and subsequent sale of one of the parcels of land for which deposits were made was completed. There is no financial impact on the financial position of the City given the land was purchased and immediately sold.

The Corporation of the City of Pickering
Notes to the consolidated financial statements
December 31, 2022

10. Tangible capital assets (continued)

	Land	Buildings	Machinery and equipment	Vehicles	Infrastructure	Information technology hardware	Library collection materials	Furniture and fixtures	Assets under construction	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost										
Balance, beginning of year	64,405,788	116,728,646	11,604,783	16,351,870	315,640,617	2,196,772	1,961,209	1,348,003	24,218,983	554,456,671
Add										
Additions during the year	12,479,055	7,611,999	1,502,759	2,875,631	2,812,552	365,091	298,447	110,171	16,629,091	44,684,796
Less										
Disposals/transfers during the year	87,003	4,319,222	141,459	35,618	548,938	59,943	382,967	37,129	9,851,977	15,464,256
Balance, end of year	76,797,840	120,021,423	12,966,083	19,191,883	317,904,231	2,501,920	1,876,689	1,421,045	30,996,097	583,677,211
Accumulated amortization										
Balance, beginning of year	—	56,525,745	6,642,574	9,382,578	180,047,188	1,591,838	1,030,005	597,862	—	255,817,790
Add										
Amortization	—	4,289,154	934,730	1,324,761	4,896,079	241,927	316,061	89,851	—	12,092,563
Less										
Accumulated amortization on disposals	—	2,139,797	134,108	35,618	545,030	59,943	382,967	21,285	—	3,318,748
Balance, end of year	—	58,675,102	7,443,196	10,671,721	184,398,237	1,773,822	963,099	666,428	—	264,591,605
Net book value of tangible capital assets	76,797,840	61,346,321	5,522,887	8,520,162	133,505,994	728,098	913,590	754,617	30,996,097	319,085,606

The Corporation of the City of Pickering
Notes to the consolidated financial statements
December 31, 2022

10. Tangible capital assets (continued)

	Land \$	Buildings \$	Machinery and equipment \$	Vehicles \$	Infrastructure \$	Information technology hardware \$	Library collection materials \$	Furniture and fixtures \$	Assets under construction \$	2021 \$
Cost										
Balance, beginning of year	62,775,373	115,679,847	11,848,721	16,550,956	302,667,388	2,102,277	2,011,544	1,286,472	20,141,455	535,064,033
Add										
Additions during the year	1,705,683	1,271,602	328,463	31,490	14,070,358	198,992	313,184	67,560	14,199,168	32,186,500
Less										
Disposals/transfers during the year	75,268	222,803	572,401	230,576	1,097,129	104,497	363,519	6,029	10,121,640	12,793,862
Balance, end of year	64,405,788	116,728,646	11,604,783	16,351,870	315,640,617	2,196,772	1,961,209	1,348,003	24,218,983	554,456,671
Accumulated amortization										
Balance, beginning of year	—	52,576,260	6,226,857	8,327,089	176,312,269	1,448,112	1,061,081	516,001	—	246,467,669
Add										
Amortization	—	4,157,181	924,022	1,269,619	4,695,615	248,223	332,443	83,795	—	11,710,898
Less										
Accumulated amortization on disposals	—	207,696	508,305	214,130	960,696	104,497	363,519	1,934	—	2,360,777
Balance, end of year	—	56,525,745	6,642,574	9,382,578	180,047,188	1,591,838	1,030,005	597,862	—	255,817,790
Net book value of tangible capital assets	64,405,788	60,202,901	4,962,209	6,969,292	135,593,429	604,934	931,204	750,141	24,218,983	298,638,881

The Corporation of the City of Pickering
Notes to the consolidated financial statements
December 31, 2022

11. Accumulated surplus

The City's accumulated surplus is comprised of the following:

	2022	2021
	\$	\$
Capital Fund	27,153,889	25,802,619
Operating Fund	125,267	125,259
Equity in Elexicon Corporation	101,413,828	98,134,423
Tangible capital assets	319,085,606	298,638,881
Post-employment benefits liability	(9,112,345)	(8,523,252)
Interfund loans	(1,007,116)	(566,804)
Net long-term liabilities	(42,704,260)	(40,742,259)
Note receivable soccer facility	2,381,011	2,681,988
WSIB benefit liabilities	(3,060,773)	(2,876,413)
Reserves set aside for special purposes by Council		
Working capital	400,000	400,000
Self insurance	292,373	220,031
Replacement of capital equipment	1,245,895	1,453,707
Contingencies	1,793,670	1,903,746
Rate stabilization	24,413,254	22,105,570
City's share for development charge	9,437,071	12,143,494
Continuing studies	595,327	461,206
Vehicle replacement	2,189,155	2,187,321
Land purchase	14,403	14,403
Seaton development review	1,437,822	1,437,822
Financial systems	586,808	523,308
Senior centre	3,500,000	2,800,000
Accessibility initiatives	66,840	66,840
Winter control	700,000	700,000
Sustainability initiatives	410,576	404,576
Duffin Heights	1,744,131	1,744,131
Facilities	2,739,786	1,478,976
Accelerated infrastructure program	519,500	519,500
Fence	600,000	510,000
Minor buildings replacement	1,900,000	1,500,000
Tennis Courts	923,565	828,565
Major Equipment	1,497,695	1,030,214
Museum Collection	12,799	12,799
Recreation Complex	225,000	225,000
Library Building	380,000	280,000
Elected Officials Insurance	280,000	210,000
Casino	19,398,231	5,264,652
Public Art	508,539	350,494
Balloon Payment	273,572	—
Reserve funds set aside for special purpose by Council		
Recreation programs and facilities	401,709	395,436
Acquisition of tangible capital assets	316,892	311,943
WSIB	4,000,000	4,000,001
Animal shelter	1,645,589	1,301,099
Operations Centre	11,054,359	13,700,349
Roads & bridges	7,826,734	5,962,031
Stormwater management	4,874,289	4,277,035
Ontario Community Infrastructure Fund	3,073,973	1,088,068
Seaton infrastructure	266,744	262,578
Seaton Financial Impact Agreement	2,892,228	1,796,497
Excess Indemnity	1,336,741	722,763
	510,050,377	467,268,597

12. Pension agreement

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

OMERS provide pension services to over 496,000 active and retired members and about 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension (the "Plan") by comparing the actuarial value of the 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 as at December 31, 2022. The results of this valuation disclosed total actuarial liabilities as at that date of \$130,306 million in respect of benefits accrued for service with actuarial assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employers. As a result, the City does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the City to OMERS on account of current service for 2022 were \$4,849,393 (\$4,265,448 in 2021).

13. Trust Funds

Trust Funds administered by the City amounting to \$386,233 (\$383,374 in 2021) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

14. Related party transactions

Elexicon Corporation

The City of Pickering is a shareholder in Elexicon Corporation (Note 4). The City receives electricity and services from Elexicon Corporation and its subsidiary.

	2022	2021
	\$	\$
Transactions		
Revenue		
Interest on promissory notes (Note 5)	1,035,350	1,035,800
Property taxes levied	35,549	35,049
Expenses		
Electrical energy and services	1,773,610	1,517,686
Balances		
Accounts payable and accrued liabilities	338,872	275,118
Promissory notes receivable (Note 5)	25,069,000	25,069,000

15. Guarantees

In the normal course of business, the City enters into agreements which contain guarantees. The City's primary guarantees are as follows:

- (i) The City has provided indemnities under lease agreements for the use of various facilities or land. Under the terms of these agreements the City agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- (ii) The City indemnifies all employees and elected officials including Library employees and board members for various items including, but not limited to, all costs to settle suits or actions due to association with the City, subject to certain restrictions. The City has purchased liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as an employee or elected official of the City. The maximum amount of any potential future payment cannot be reasonably estimated.
- (iii) The City has entered into agreements that may include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the City to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the City from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the City has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the balance sheet with respect to these agreements.

16. Contingent liabilities

Litigation

The City has been named as a defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at the date of reporting and accordingly, no provision has been made in these consolidated financial statements for any liabilities which may result.

17. Contractual arrangement

The City entered into a provisional license agreement with the Pickering Soccer Club (PSC) for the PSC to occupy and operate the Pickering Indoor Soccer Facility (the "Facility"). The term of the agreement is 15 years from November 5, 2014 to November 4, 2029. Under the terms of the agreement, the PSC will repay 52.25% of the City's total cost of purchasing the land, constructing the Facility and the related improvements. In 2015, the City recorded a receivable from PSC in the amount of \$4,550,000 based on preliminary project cost figures, with a 15 year repayment term at a variable interest rate ranging from 1.2% to 3.8%. This amount will be adjusted for the total project construction costs, once the agreement is finalized.

17. Contractual arrangement (continued)

PSC has commenced its soccer program operations and is operating the Facility at its own expense including all repairs and maintenance. Once a final form of agreement is executed the total amount of the PSC's obligation will be re-calculated, as agreed, to reflect any adjustments to the total project construction costs.

18. Budget figures

The 2022 Budget adopted by Council on March 28, 2022 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian Public Sector Accounting Standards require a full accrual basis of accounting. The budget figures treated all tangible capital asset acquisitions as expenditures and did not include amortization expense on tangible capital assets or post-employment benefits expenses on a full accrual basis. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets represent the budget adopted by Council on March 28, 2022 with adjustments as follows:

	2022 Council approved budget \$	Non TCA expenditures from capital \$	Post- employment benefits/ amortization \$	2022 Budget presented in statements \$
Revenue				
Taxation	81,655,077	—	—	81,655,077
Capital	20,928,660	—	—	20,928,660
Other	33,173,064	—	—	33,173,064
	<u>135,756,801</u>	<u>—</u>	<u>—</u>	<u>135,756,801</u>
Expenditures				
General government	24,530,709	120,000	1,449,516	26,100,225
Protection to persons and property	29,850,298	95,000	1,215,063	31,160,361
Transportation services	13,408,922	—	4,789,705	18,198,627
Environmental services	1,649,252	—	846,672	2,495,924
Social and family services	1,012,905	—	—	1,012,905
Recreational and cultural services	29,326,571	299,000	4,154,286	33,779,857
Planning and development	6,175,406	—	1,153	6,176,559
	<u>105,954,063</u>	<u>514,000</u>	<u>12,456,395</u>	<u>118,924,458</u>
Annual surplus (deficit)	29,802,738	(514,000)	(12,456,395)	16,832,343
Capital expenditures	(46,634,454)	1,387,000	—	(45,247,454)
Transfers from reserve and reserve funds	8,818,031			
Dividend from Elexicon Corporation	2,626,157			
Principal repayment of debt	(2,312,472)			
Principal repayment of PSC note	—			
Debt proceeds	7,575,000			
Prior year operating fund surplus	<u>(125,000)</u>			

19. Segmented information

The City of Pickering is a diversified municipal government that provides a wide range of services to its residents. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General government

This item relates to revenues and expenses of the City itself and cannot be directly attributed to a specific segment.

Protection to persons and property

Protection includes fire services, animal control, bylaw services, building inspection and enforcement of the building code to ensure the safety and protection of all citizens and their property.

Public works services

Public works includes construction and maintenance of the City's roadways, including snow removal, sidewalk repairs, street lighting and maintenance of the storm water system.

Social and family services

Social services for assistance or services for seniors.

Recreation and culture services

Recreation and cultural services include recreation programs, maintenance and rental of facilities and parks, operation of the City's museum and library services.

Planning and development

Planning and development provides a number of services including municipal planning and review of all property development plans.

Segmented information has been provided in the following pages.

The Corporation of the City of Pickering
Notes to the consolidated financial statements
December 31, 2022

19. Segmented information (continued)

	Protection to persons and property \$	Public works services \$	Recreational and cultural \$	Planning and development \$	Social and family services \$	General government \$	2022 Consolidated \$
Revenue							
Grants	17,585	4,607,514	1,880,385	91,079	168,128	2,349,535	9,114,226
User charges	6,865,904	493,704	4,795,066	2,331,554	45,009	1,212,196	15,743,433
Tax related revenues						87,170,490	87,170,490
Developer and other contributions	333,584	5,565,455	3,818,402	86,856	—	1,546,240	11,350,537
Contributed tangible capital assets	—	22,675	—	—	—	325,855	348,530
Casino revenue	—	—	—	—	—	14,678,604	14,678,604
Income from government business enterprise	—	—	—	—	—	5,906,099	5,906,099
Other revenues	1,986,668	2,525,869	1,015,842	52,192	2,700	4,378,867	9,962,138
	9,203,741	13,215,217	11,509,695	2,561,681	215,837	117,567,886	154,274,057
Expenses							
Salaries and wages	25,053,296	7,322,569	17,950,041	3,359,844	313,563	12,911,737	66,911,050
Materials and supplies	3,011,660	3,779,307	6,368,807	217,689	140,329	10,324,567	23,842,359
Contracted services	910,688	1,501,020	1,088,144	381,633	221,403	2,573,041	6,675,929
Amortization	890,786	6,138,941	4,254,770	—	—	808,066	12,092,563
Other	332,067	503,046	1,536,667	10,146	83,148	(303,414)	2,161,660
(Gain) loss on disposal of tangible capital assets	(13,393)	(290,950)	2,127,664	—	—	(2,014,605)	(191,284)
	30,185,104	18,953,933	33,326,093	3,969,312	758,443	24,299,392	111,492,277
Annual (deficit) surplus	(20,981,363)	(5,738,716)	(21,816,398)	(1,407,631)	(542,606)	93,268,494	42,781,780

The Corporation of the City of Pickering
Notes to the consolidated financial statements
December 31, 2022

19. Segmented information (continued)

	Protection to persons and property \$	Public works services \$	Recreational and cultural \$	Planning and development \$	Social and family services \$	General government \$	2021 Consolidated \$
Revenue							
Grants	27,200	2,948,944	1,145,998	—	256,404	3,004,109	7,382,655
User charges	5,772,302	328,498	1,735,944	1,534,630	17,715	1,029,248	10,418,337
Tax related revenues	—	—	—	—	—	82,640,849	82,640,849
Developer and other contributions	602,092	4,960,966	1,262,308	139,790	5,062	1,381,700	8,351,918
Contributed tangible capital assets	—	2,847,228	—	—	—	200,314	3,047,542
Casino Revenue	—	—	—	—	—	5,575,176	5,575,176
Income from government business enterprise	—	—	—	—	—	4,876,212	4,876,212
Other revenues	734,500	—	9,339	—	—	2,121,784	2,865,623
	<u>7,136,094</u>	<u>11,085,636</u>	<u>4,153,589</u>	<u>1,674,420</u>	<u>279,181</u>	<u>100,829,392</u>	<u>125,158,312</u>
Expenses							
Salaries and wages	23,693,198	6,141,149	15,485,038	3,195,434	253,736	12,108,992	60,877,547
Materials and supplies	2,513,062	4,045,676	4,876,624	223,922	139,235	9,062,089	20,860,608
Contracted services	656,321	1,262,829	562,468	221,615	185,507	1,967,647	4,856,387
Amortization	907,787	5,916,861	4,150,594	—	—	735,656	11,710,898
Other	175,149	373,985	1,068,176	—	66,961	(261,726)	1,422,545
Loss on disposal of tangible capital assets	—	41,424	12,726	—	—	148,213	202,363
	<u>27,945,517</u>	<u>17,781,924</u>	<u>26,155,626</u>	<u>3,640,971</u>	<u>645,439</u>	<u>23,760,871</u>	<u>99,930,348</u>
Annual (deficit) surplus	<u>(20,809,423)</u>	<u>(6,696,288)</u>	<u>(22,002,037)</u>	<u>(1,966,551)</u>	<u>(366,258)</u>	<u>77,068,521</u>	<u>25,227,964</u>