
Consolidated financial statements of
The Corporation of
the City of Pickering

December 31, 2021

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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, 2021, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the 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, 2021, and the results of its operations, changes 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
May 8, 2023

The Corporation of the City of Pickering
Consolidated statement of financial position
As at December 31, 2021

	Notes	2021 \$	2020 \$
Financial assets			
Cash and cash equivalents		93,364,602	81,028,753
Investments	3	140,255,810	115,753,076
Taxes receivable		22,688,178	26,165,724
Accounts receivable		7,365,804	3,134,923
Note receivable	17	2,681,988	2,973,217
Investment in Elexicon Corporation	4(c)	70,022,403	68,318,936
Promissory notes receivable	5	25,069,000	25,069,000
		361,447,785	322,443,629
Liabilities			
Accounts payable and accrued liabilities		37,473,687	37,814,573
Other current liabilities		217,958	156,871
Deferred revenue	6	105,095,559	94,209,378
Long-term liabilities	9	40,742,259	29,118,644
Post-employment benefit liability	8(a)	8,702,252	7,505,863
WSIB benefit liabilities	8(b)	2,876,413	2,691,240
		195,108,128	171,496,569
Net financial assets		166,339,657	150,947,060
Non-financial assets			
Tangible capital assets	10	298,638,881	288,596,364
Prepaid expenses	10(v)	1,745,544	2,019,080
Inventory		544,515	478,129
		300,928,940	291,093,573
Accumulated surplus	11	467,268,597	442,040,633

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

The Corporation of the City of Pickering
Consolidated statement of operations
Year ended December 31, 2021

Notes	Budget \$	2021 Actual \$	2020 Actual \$
	(Note 18)		
Revenue			
Residential and farm taxation	58,492,935	59,310,500	56,949,868
Commercial and industrial taxation	11,677,969	11,559,233	11,667,761
Taxation from other governments	8,165,459	8,266,805	8,144,562
User charges	10,002,063	10,418,337	10,202,955
Government grants and fees	12,502,218	7,382,655	4,303,265
Other contributions and donations	10,760,085	5,436,152	923,088
Development charges and developer contributions earned	29,204,180	2,915,766	7,160,454
Contributed tangible capital assets	10(i) —	3,047,542	4,522,900
Investment income	525,000	630,296	1,164,835
Penalties and interests on taxes	2,415,000	3,504,311	2,694,486
Fines	722,000	661,988	771,141
Interest on promissory notes	5(c) 1,035,350	1,035,800	1,035,350
Sale of land	—	—	101,294
Casino revenue	4,000,000	5,575,176	—
Equity share of Elexicon Corporation earnings	4(b) —	4,876,212	3,206,200
Other	266,058	537,539	389,420
	149,768,317	125,158,312	113,237,579
Expenses			
	19		
General government	23,413,285	23,612,658	21,056,822
Protection to persons and property	29,673,578	27,945,517	27,230,041
Transportation services	15,098,725	14,996,975	14,342,228
Environmental services	3,082,114	2,743,525	2,895,227
Social and family services	1,163,291	645,439	746,248
Recreational and cultural services	29,802,037	26,142,900	26,222,267
Planning and development	5,547,859	3,640,971	3,406,437
Loss on disposal of tangible capital assets	—	202,363	51,316
	107,780,889	99,930,348	95,950,586
Annual surplus	41,987,428	25,227,964	17,286,993
Accumulated surplus, beginning of year	442,040,633	442,040,633	424,753,640
Accumulated surplus, end of year	484,028,061	467,268,597	442,040,633

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

The Corporation of the City of Pickering
Consolidated statement of change in net financial assets
Year ended December 31, 2021

	Budget \$	2021 Actual \$	2020 Actual \$
	<u>(Note 18)</u>		
Annual surplus	41,987,428	25,227,964	17,286,993
Acquisition of tangible capital assets	(72,286,800)	(32,186,500)	(29,021,454)
Amortization of tangible capital assets	11,721,800	11,710,898	11,958,685
Loss on disposal of tangible capital assets	—	202,363	51,316
Proceeds on disposal of tangible capital assets	—	109,082	223,481
	(18,577,572)	5,063,807	499,021
Transfer of assets under construction to tangible capital assets	—	6,460,299	1,237,667
Assets under construction expensed	—	3,661,341	53,605
	—	10,121,640	1,291,272
Acquisition of inventory of supplies	—	(935,105)	(732,948)
Use of inventory of supplies	—	868,719	739,357
Acquisition of prepaid expenses	—	(84,198)	(312,406)
Use of prepaid expenses	—	357,734	326,624
	—	207,150	20,627
Change in net financial assets	(18,577,572)	15,392,597	1,810,920
Net financial assets, beginning of year	150,947,060	150,947,060	149,136,140
Net financial assets, end of year	132,369,488	166,339,657	150,947,060

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

The Corporation of the City of Pickering
Consolidated statement of cash flows
Year ended December 31, 2021

	2021	2020
	\$	\$
Operating transactions		
Annual surplus	25,227,964	17,286,993
Non-cash items		
Amortization of tangible capital assets	11,710,898	11,958,685
Loss on disposal of tangible capital assets	202,363	51,316
Equity share of Elexicon Corporation	(4,876,212)	(3,206,200)
Contributed tangible capital assets recorded in revenue	(3,047,542)	(4,522,900)
Change in non-cash operating items		
Taxes receivable	3,477,546	(5,451,131)
Accounts receivable	(4,230,881)	1,477,359
Accounts payable and accrued liabilities	(340,886)	11,776,098
Other current liabilities	61,087	(13,636)
Deferred revenue	10,886,181	9,937,372
Post-employment benefit liability	1,196,389	634,182
WSIB benefit liabilities	185,173	722,577
Inventory	(66,386)	6,409
Prepaid expenses	273,536	14,218
	40,659,230	40,671,342
Capital transactions		
Acquisition of tangible capital assets (net of transfers and contributions)	(19,017,318)	(23,207,282)
Proceeds on disposal of tangible capital assets	109,082	223,481
	(18,908,236)	(22,983,801)
Investing transactions		
Increase in investments	(24,502,734)	(47,790,863)
Dividends received from Elexicon Corporation	3,172,745	3,152,067
	(21,329,989)	(44,638,796)
Financing transactions		
Proceeds from debentures issued	15,568,000	1,856,000
Principal repayment of debentures	(3,944,385)	(3,557,342)
Decrease in note receivable	291,229	282,699
	11,914,844	(1,418,643)
Increase (decrease) in cash and cash equivalents	12,335,849	(28,369,898)
Cash and cash equivalents, beginning of year	81,028,753	109,398,651
Cash and cash equivalents, end of year	93,364,602	81,028,753
Cash and cash equivalents consists of		
Cash	68,432,602	33,395,753
Cash equivalents	24,932,000	47,633,000
	93,364,602	81,028,753

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

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 Statement of Financial Activities and Fund Balance and Statement of Financial Position.

(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 and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal 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:

	2021		2020
	Region	School board	Region
	\$	\$	\$
Taxation	128,126,225	47,751,880	123,410,198
Payments in lieu of taxes	6,090,166	346,689	5,912,908
	134,216,391	48,098,569	129,323,106
			50,621,485
			358,363
			50,979,848

The Corporation of the City of Pickering
Notes to the consolidated financial statements
December 31, 2021

3. Investments

	Cost	2021 Market value	Cost	2020 Market value
	\$	\$	\$	\$
Investments	140,255,810	140,364,738	115,753,076	116,513,133

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.

The Corporation of the City of Pickering
Notes to the consolidated financial statements
December 31, 2021

4. Investment in government business enterprise (continued)

(a) The following table provides condensed supplementary consolidated financial information for Elexicon Corporation and its subsidiaries as at and for the period ended December 31, 2021. The amounts are disclosed in thousands of dollars:

	2021 (000's) \$	2020 (000's) \$
Assets		
Current	104,266	98,525
Capital and intangibles	584,949	535,401
Other	341	161
Total assets	<u>689,556</u>	634,087
Regulatory balances	<u>39,164</u>	26,912
Total assets and regulatory balances	<u>728,720</u>	660,999
Liabilities		
Current	85,153	88,743
Long-term debt	258,526	214,502
Other	132,520	110,913
Total liabilities	<u>476,199</u>	414,158
Shareholders' equity		
Share capital	97,692	97,692
Contributed capital	25	25
2019 Contributed Surplus	79,301	79,301
Accumulated other comprehensive loss	(1,257)	(1,815)
Retained earnings	75,354	69,802
Total equity	<u>251,115</u>	245,005
Regulatory balances	<u>1,406</u>	1,836
Total liabilities, equity and regulatory balances	<u>728,720</u>	660,999
	2021 (000's) \$	2020 (000's) \$
Comprehensive income		
Commodity revenue	417,285	473,986
Commodity expenses	(426,225)	(480,262)
Distribution revenue	84,070	79,380
Operating expenses	(69,322)	(64,189)
Other expense	(1,560)	(8,955)
Accumulated other comprehensive loss	558	(999)
Net movements in regulatory balances, net of tax	12,684	12,539
Total comprehensive income for the year	<u>17,490</u>	11,500

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 2021:

	2021	2020
	\$	\$
Balance, beginning of year	96,430,956	96,376,823
Equity share of net earnings from Elexicon Corporation	4,876,212	3,206,200
Dividend received	(3,172,745)	(3,152,067)
Balance, end of year	98,134,423	96,430,956

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

	2021	2020
	\$	\$
Promissory notes receivable (Note 5)	25,069,000	25,069,000
Investments in Elexicon Corporation (formerly Veridian)		
Initial investment in shares of the Corporation	30,496,196	30,496,196
Amalgamation adjustments	12,849,416	12,849,416
Accumulated earnings	65,058,065	60,181,853
Accumulated dividends received	(39,196,982)	(36,024,237)
Adjustment to value of investment	815,708	815,708
	70,022,403	68,318,936

(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 \$198,798,000 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 the Corporation has paid nil in 2021 (\$2,135,000 in 2020) to Hydro One and recognized the same as an intangible asset. Hydro One 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. Additionally, the Corporation has provided letters of credit for \$807,000 to the IESO for prudential support.

(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:

	\$
2022	217,000
2023	177,000
2024	124,000
2025	95,000
2026	71,000
Thereafter	44,000
	<u>728,000</u>

The Corporation of the City of Pickering
Notes to the consolidated financial statements
December 31, 2021

5. Promissory notes receivable

	2021	2020
	\$	\$
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 December 31, 2022.

(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 \$1,035,800 (\$1,035,350 in 2020).

6. Deferred revenue

	2021	2020
	\$	\$
Obligatory reserve funds		
Development charges	77,078,827	69,376,247
Parkland	8,631,353	8,321,222
Federal gas tax	10,996,128	8,063,995
Third party/Developer's contributions reserve fund	3,358,782	3,218,778
	100,065,090	88,980,242
Other unearned revenues	5,030,469	5,229,136
	105,095,559	94,209,378

The Corporation of the City of Pickering
Notes to the consolidated financial statements
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6. Deferred revenue (continued)

Continuity of deferred revenue is as follows:

	2021 \$	2020 \$
Balance, beginning of year	94,209,378	84,272,006
Restricted funds received	15,916,281	16,968,168
General funds received	3,239,001	3,414,767
Interest earned (restricted funds)	1,045,285	1,385,545
	20,200,567	21,768,480
Earned restricted revenue transferred to operations	5,876,718	9,762,200
Earned revenue transferred to operations	3,437,668	2,068,908
	9,314,386	11,831,108
Balance, end of year	105,095,559	94,209,378

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:

	2021 \$	2020 \$
Roads	486,000	768,398
Community facilities, libraries and parks	80,804	515,265
Protection services	—	173,385
	566,804	1,457,048

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, 2021.

8. Post-employment benefits liability (continued)

(a) Post-employment benefits liability (continued)

Plan amendment

In the current 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.

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

	2021 \$	2020 \$
Accrued benefits liability, beginning of year	7,505,863	6,871,681
Current service costs	670,900	599,463
Plan amendment	593,898	—
Interest on accrued benefits	354,203	417,634
Amortization of actuarial losses	557,421	564,657
Benefits paid during the year	(980,033)	(947,572)
Accrued benefits liability, end of year	<u>8,702,252</u>	<u>7,505,863</u>
Accrued benefit obligation	12,006,466	11,367,498
Unamortized actuarial losses	(3,304,214)	(3,861,635)
Accrued benefits liability, end of year	<u>8,702,252</u>	<u>7,505,863</u>

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, 2021 of the future benefits was determined using a discount rate of 3.00% (3.00% in 2020).

(ii) Dental costs

The dental cost trend rate was 3.75% (3.75% in 2020) increase per annum.

(iii) Health costs

Health costs were assumed to increase at 5.43% (5.76% in 2020) and decrease by 0.33% (0.33% in 2020) 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, 2021.

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

	2021	2020
	\$	\$
Accrued WSIB liability, beginning of year	2,691,240	1,968,663
Survivor award	—	674,288
Current service cost	192,771	136,396
Interest on accrued benefits	92,191	91,793
Amortization of actuarial losses	31,561	30,254
Benefits paid during the year	(131,350)	(210,154)
	<u>2,876,413</u>	<u>2,691,240</u>
Accrued benefit obligation	3,195,939	3,042,327
Unamortized actuarial losses	(319,526)	(351,087)
Accrued benefits liability, end of year	<u>2,876,413</u>	<u>2,691,240</u>

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

(i) Discount rate

The present value as at December 31, 2021 of the future benefits was determined using a discount rate of 3.0% (3.0% in 2020).

(ii) Inflation rate

The rate of inflation was assumed to be 2.50% (2.50% in 2020) 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, 2021 (Note 11) was \$4,000,001 (\$4,090,017 as at December 31, 2020). 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, 2021 is \$722,763. 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.

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9. Long-term liabilities

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

	<u>2021</u>	<u>2020</u>
	\$	\$
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	<u>40,742,259</u>	<u>29,118,644</u>

(b) The above long-term liabilities have maturity dates of July 12, 2022, October 16, 2023, July 2, 2029, October 17, 2026 and 2031, October 13, 2022, 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 with various interest rates ranging from 0.45% to 3.80%. Principal repayments are summarized as follows:

	<u>\$</u>
2022	3,610,998
2023	3,460,597
2024	2,981,801
2025	2,969,889
2026	3,034,500
Thereafter	<u>24,684,474</u>
	<u>40,742,259</u>

(c) Long-term liabilities include principal sums of \$443,000 (\$952,000 in 2020) 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 \$797,289 (\$840,892 in 2020).

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 2021 amounted to \$3,047,542 (\$4,522,900 in 2020).

(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 \$24,218,983 (\$20,141,455 in 2020).

During the year, there were nil write-downs of assets (nil in 2020) and nil interest was capitalized during the year (nil in 2020).

(v) Land held for resale

As at December 31, 2021, deposits of \$1,645,965 (\$1,697,050 in 2020) towards five parcels of land are included within prepaid expenses.

The Corporation of the City of Pickering
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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

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10. Tangible capital assets (continued)

	Land	Buildings	Machinery and equipment	Vehicles	Infrastructure	Information technology hardware	Library collection materials	Furniture and fixtures	Assets under construction	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost										
Balance, beginning of year	56,131,344	116,110,819	11,474,029	15,322,005	294,284,392	2,315,390	2,173,665	1,219,298	12,912,198	511,943,140
Add										
Additions during the year	6,644,029	1,451,112	858,786	1,577,624	9,460,780	190,288	251,132	67,174	8,520,529	29,021,454
Less										
Disposals/transfers during the year		1,882,084	484,094	348,673	1,077,784	403,401	413,253	—	1,291,272	5,900,561
Balance, end of year	<u>62,775,373</u>	<u>115,679,847</u>	<u>11,848,721</u>	<u>16,550,956</u>	<u>302,667,388</u>	<u>2,102,277</u>	<u>2,011,544</u>	<u>1,286,472</u>	<u>20,141,455</u>	<u>535,064,033</u>
Accumulated amortization										
Balance, beginning of year	—	49,821,890	5,792,731	7,434,250	172,643,999	1,595,204	1,117,646	437,756	—	238,843,476
Add										
Amortization	—	4,520,314	911,820	1,238,895	4,596,414	256,309	356,688	78,245	—	11,958,685
Less										
Accumulated amortization on disposals	—	1,765,944	477,694	346,056	928,144	403,401	413,253	—	—	4,334,492
Balance, end of year	<u>—</u>	<u>52,576,260</u>	<u>6,226,857</u>	<u>8,327,089</u>	<u>176,312,269</u>	<u>1,448,112</u>	<u>1,061,081</u>	<u>516,001</u>	<u>—</u>	<u>246,467,669</u>
Net book value of tangible capital assets	<u>62,775,373</u>	<u>63,103,587</u>	<u>5,621,864</u>	<u>8,223,867</u>	<u>126,355,119</u>	<u>654,165</u>	<u>950,463</u>	<u>770,471</u>	<u>20,141,455</u>	<u>288,596,364</u>

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11. Accumulated surplus

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

	2021	2020
	\$	\$
Capital Fund	25,802,619	14,090,956
Operating Fund	125,259	125,257
Equity in Veridian Corporation	98,134,423	96,430,956
Tangible capital assets	298,638,881	288,596,364
Post-employment benefits liability	(8,523,252)	(7,326,863)
Interfund loans	(566,804)	(1,457,048)
Net long-term liabilities	(40,742,259)	(29,118,644)
Note receivable soccer facility	2,681,988	2,973,217
WSIB benefit liabilities	(2,876,413)	(2,691,240)
Reserves set aside for special purposes by Council		
Working capital	400,000	400,000
Self insurance	220,031	420,031
Replacement of capital equipment	1,453,707	1,530,567
Contingencies	1,903,746	1,842,591
Rate stabilization	22,105,570	22,036,255
City's share for development charge	12,143,494	9,647,683
Continuing studies	461,206	295,448
Vehicle replacement	2,187,321	2,214,904
Land purchase	14,403	14,403
Seaton development review	1,437,822	1,437,822
Financial systems	523,308	398,308
Senior centre	2,800,000	2,100,000
Accessibility initiatives	66,840	62,740
Winter control	700,000	700,000
Sustainability initiatives	404,576	398,576
Duffin Heights	1,744,131	1,972,765
Facilities	1,478,976	588,401
Accelerated infrastructure program	519,500	519,500
Fence	510,000	420,000
Minor buildings replacement	1,500,000	1,100,000
Tennis Courts	828,565	688,565
Major Equipment	1,030,214	1,335,265
Museum Collection	12,799	12,799
Recreation Complex	225,000	75,000
Library Building	280,000	180,000
Elected Officials Insurance	210,000	140,000
Casino	5,264,652	—
Public Art	350,494	71,120
Reserve funds set aside for special purpose by Council		
Recreation programs and facilities	395,436	391,332
Acquisition of tangible capital assets	311,943	308,706
WSIB	4,000,001	4,090,017
Animal shelter	1,301,099	914,795
Operations Centre	13,700,349	13,919,376
Roads & bridges	5,962,031	4,398,400
Stormwater management	4,277,035	3,425,064
Ontario Community Infrastructure Fund	1,088,068	743,892
Seaton infrastructure	262,578	259,854
Seaton Financial Impact Agreement	1,796,497	1,363,499
Excess Indemnity	722,763	—
	467,268,597	442,040,633

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, 2021. The results of this valuation disclosed total actuarial liabilities as at that date of \$119,342 million in respect of benefits accrued for service with actuarial assets at that date of \$116,211 million indicating an actuarial deficit of \$3,131 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 2021 were \$4,265,448 (\$4,243,661 in 2020).

13. Trust Funds

Trust Funds administered by the City amounting to \$383,374 (\$379,695 in 2020) 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.

	2021	2020
	\$	\$
Transactions		
Revenue		
Interest on promissory notes	1,035,800	1,035,350
Property taxes levied	35,049	34,702
Expenses		
Electrical energy and services	1,517,686	1,618,380
Balances		
Accounts payable and accrued liabilities	275,118	328,978
Promissory notes receivable	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 2021 Budget adopted by Council on March 22, 2021 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 22, 2021 with adjustments as follows:

	2021 Council approved budget \$	Non TCA expenditures from capital \$	Post- employment benefits/ amortization \$	2021 Budget presented in statements \$
Revenue				
Taxation	78,336,363	—	—	78,336,363
Capital	47,135,250	—	—	47,135,250
Other	24,296,704	—	—	24,296,704
	<u>149,768,317</u>	<u>—</u>	<u>—</u>	<u>149,768,317</u>
Expenditures				
General government	20,490,090	650,000	2,273,195	23,413,285
Protection to persons and property	28,545,363	—	1,128,215	29,673,578
Transportation services	10,834,957	—	4,263,768	15,098,725
Environmental services	1,662,495	—	1,419,619	3,082,114
Social and family services	1,163,291	—	—	1,163,291
Recreational and cultural services	25,530,745	255,000	4,016,292	29,802,037
Planning and development	5,545,586	—	2,273	5,547,859
	<u>93,772,527</u>	<u>905,000</u>	<u>13,103,362</u>	<u>107,780,889</u>
Annual surplus (deficit)	55,995,790	(905,000)	(13,103,362)	41,987,428
Capital expenditures	(73,191,800)	1,387,000	—	(71,804,800)
Transfers from reserve and reserve funds	4,285,059			
Dividend from Veridian Corporation	3,172,744			
Principal repayment of debt	(4,640,193)			
Principal repayment of PSC note	239,000			
Debt proceeds	14,014,400			
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.

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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
	7,136,094	11,085,636	4,153,589	1,674,420	279,181	100,829,392	125,158,312
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
	27,945,517	17,781,924	26,155,626	3,640,971	645,439	23,760,871	99,930,348
Annual (deficit) surplus	(20,809,423)	(6,696,288)	(22,002,037)	(1,966,551)	(366,258)	77,068,521	25,227,964

The Corporation of the City of Pickering
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19. Segmented information (continued)

	Protection to persons and property \$	Public works services \$	Recreational and cultural \$	Planning and development \$	Social and family services \$	General government \$	2020 Consolidated \$
Revenue							
Grants	60,113	2,921,453	1,031,829	—	106,842	183,028	4,303,265
User charges	5,075,820	108,864	2,258,972	2,007,863	41,862	709,574	10,202,955
Tax related revenues	—	—	—	—	—	79,456,677	79,456,677
Developer and other contributions	755,543	2,122,472	3,207,850	132,471	6,000	1,859,206	8,083,542
Contributed tangible capital assets	—	3,993,726	—	—	—	529,174	4,522,900
Income from government business enterprise	—	—	—	—	—	3,206,200	3,206,200
Other revenues	810,550	—	18,356	—	—	2,633,134	3,462,040
	<u>6,702,026</u>	<u>9,146,515</u>	<u>6,517,007</u>	<u>2,140,334</u>	<u>154,704</u>	<u>88,576,993</u>	<u>113,237,579</u>
Expenses							
Salaries and wages	23,091,692	5,884,913	15,298,073	2,913,716	290,651	11,924,042	59,403,087
Materials and supplies	2,491,930	3,783,806	5,215,226	192,592	118,546	6,764,494	18,566,594
Contracted services	582,160	1,376,837	695,766	288,802	254,012	1,241,387	4,438,964
Amortization	941,872	5,769,408	4,239,925	1,180	—	1,006,300	11,958,685
Other	122,387	422,491	773,277	10,147	83,039	120,599	1,531,940
Loss (gain) on disposal of tangible capital assets	(8,518)	123,094	16,495	—	—	(79,755)	51,316
	<u>27,221,523</u>	<u>17,360,549</u>	<u>26,238,762</u>	<u>3,406,437</u>	<u>746,248</u>	<u>20,977,067</u>	<u>95,950,586</u>
Annual (deficit) surplus	<u>(20,519,497)</u>	<u>(8,214,034)</u>	<u>(19,721,755)</u>	<u>(1,266,103)</u>	<u>(591,544)</u>	<u>67,599,926</u>	<u>17,286,993</u>