

Consolidated financial statements of

**The Corporation of the
City of Barrie**

December 31, 2016

The Corporation of the City of Barrie

December 31, 2016

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Independent Auditor's Report

To the Mayor, Members of Council,
Inhabitants and Ratepayers of
The Corporation of the City of Barrie

We have audited the accompanying consolidated financial statements of The Corporation of the City of Barrie, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Barrie as at December 31, 2016 and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 24, 2017

The Corporation of the City of Barrie

Consolidated statement of operations and accumulated surplus year ended December 31, 2016

	Budget (Note 18)	2016	2015
	\$	\$	\$
Revenue			
Property Taxation (Note 12)	210,620,097	209,448,267	200,704,425
User fees and service charges	78,472,041	80,135,034	74,057,217
Government transfers and grants	5,265,829	17,792,547	11,496,915
Provincial Offences Act (POA) (Note 16)	7,952,334	8,820,840	7,995,633
Licenses and permits	4,728,794	5,043,171	3,861,141
Investment income	1,815,736	2,135,897	2,089,967
Other	8,087,252	12,111,287	12,759,069
Contributed tangible capital assets (Note 9)	-	13,929,668	38,366,241
Equity earnings of government business enterprise (Note 4)	-	4,674,035	4,949,273
Municipal contributions	1,276,772	1,125,997	1,099,716
Utilization of obligatory reserve funds (Note 5)	41,006,764	40,439,886	46,625,727
	359,225,619	395,656,629	404,005,324
Expenses (Note 13)			
General government	38,031,422	37,709,601	35,837,336
Protection services	99,560,149	99,953,682	96,001,756
Transportation services	57,782,964	82,139,524	56,782,185
Environmental services	80,668,466	79,095,908	77,120,001
Health services	11,013,035	9,340,875	9,474,913
Social and family services	8,524,094	8,201,416	8,604,571
Social housing	5,298,204	6,219,971	6,824,784
Recreation and cultural services	39,702,680	38,837,899	38,396,414
Planning and development	4,317,427	4,441,071	4,089,282
	344,898,441	365,939,947	333,131,242
Annual surplus	14,327,178	29,716,682	70,874,082
Accumulated surplus, beginning of year	1,568,890,736	1,568,890,736	1,498,016,654
Accumulated surplus, end of year	1,583,217,914	1,598,607,418	1,568,890,736

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

The Corporation of the City of Barrie

Consolidated statement of change in net debt year ended December 31, 2016

	Budget (Note 18)	2016	2015
	\$	\$	\$
Annual surplus	14,327,178	29,716,682	70,874,082
Acquisition of tangible capital assets	(51,112,077)	(49,344,996)	(70,577,914)
Contributed tangible capital assets	-	(13,929,668)	(38,366,241)
Amortization of tangible capital assets	53,876,822	53,876,822	51,504,655
Loss (gain) on disposal of tangible capital assets	-	2,055,351	(181,694)
Change in tangible capital assets under construction	-	6,174,707	(30,446,870)
Proceeds on disposition of tangible capital assets	-	-	1,098,750
	17,091,923	28,548,898	(16,095,232)
Decrease (increase) in inventories of supplies	-	250,674	(264,429)
(Increase) decrease in prepaid expenses	-	(37,938)	183,869
	-	212,736	(80,560)
Change in net debt	17,091,923	28,761,634	(16,175,792)
Net debt, beginning of year	(216,673,313)	(216,673,313)	(200,497,521)
Net debt, end of year	(199,581,390)	(187,911,679)	(216,673,313)

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

The Corporation of the City of Barrie

Consolidated statement of financial position

as at December 31, 2016

	2016	2015
	\$	\$
Financial assets		
Cash (Notes 2 and 5)	121,727,847	60,939,511
Taxes receivable	13,657,212	15,700,535
Accounts receivable	39,074,122	36,384,994
Inventories of land for resale	3,707,590	5,630,032
Long-term receivables (Note 3)	1,110,924	8,195,921
Promissory note receivable (Note 4 b)	20,000,000	20,000,000
Investment in government business enterprise (Note 4 a)	103,059,538	91,865,003
	302,337,233	238,715,996
Liabilities		
Accounts payable and accrued liabilities	75,278,605	70,205,437
Deferred revenue - general	12,206,474	11,779,298
Deferred revenue - obligatory reserve funds (Note 5)	34,989,983	39,989,637
Post-employment benefits liability (Note 6)	51,621,925	45,686,046
Landfill closure and post closure liabilities (Note 7)	6,293,624	6,268,617
Net long-term liabilities (Note 8)	309,858,301	281,460,274
	490,248,912	455,389,309
Net debt	187,911,679	216,673,313
Non-Financial assets		
Tangible capital assets (Note 9)	1,678,453,092	1,671,110,601
Tangible capital assets under construction (Note 9)	106,147,163	112,321,870
Inventory of supplies	1,558,245	1,808,919
Prepaid expenses	360,597	322,659
	1,786,519,097	1,785,564,049
Accumulated surplus (Note 10)	1,598,607,418	1,568,890,736



Director of Finance and Treasurer

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

The Corporation of the City of Barrie

Consolidated statement of cash flows year ended December 31, 2016

	2016	2015
	\$	\$
Operating activities		
Annual surplus	29,716,682	70,874,082
Items not involving cash		
Equity earnings of government business enterprise	(4,674,035)	(4,949,273)
Amortization of tangible capital assets	53,876,822	51,504,655
Loss/(gain) on disposal of tangible capital assets	2,055,351	(181,694)
Contributed tangible capital assets	(13,929,668)	(38,366,241)
	67,045,152	78,881,529
Changes in non-cash working capital balances		
Taxes receivable	2,043,323	437,795
Accounts receivable	(2,689,128)	(6,399,612)
Inventories of land for resale	1,922,442	248,688
Long-term receivables	564,497	(1,233,002)
Accounts payable and accrued liabilities	5,073,168	6,874,532
Deferred revenue - general	427,176	4,140,682
Deferred revenue - obligatory reserve funds	(4,999,654)	(24,881,463)
Post-employment benefits liability	5,935,879	6,479,805
Landfill closure and post-closure liabilities	25,007	4,697
Prepaid expenses	(37,938)	183,869
Inventory of supplies	250,674	(264,429)
	75,560,598	64,473,091
Capital activities		
Acquisition of tangible capital assets (net of transfers and contributions)	(49,344,996)	(64,187,510)
Transfers (acquisition) of tangible capital assets under construction	6,174,707	(30,446,870)
Proceeds of disposition on tangible capital assets	-	1,098,750
	(43,170,289)	(93,535,630)
Financing activities		
Proceeds from issuance of long-term debt	41,908,006	-
Repayment of net long-term liabilities	(13,509,979)	(11,738,411)
	28,398,027	(11,738,411)
Net change in cash and cash equivalents	60,788,336	(40,800,950)
Cash and cash equivalents, beginning of year	60,939,511	101,740,461
Cash and cash equivalents, end of year	121,727,847	60,939,511
Supplementary cash flow information		
Non-cash transactions		
Barrie Transit Facility capital financing obligation	-	5,412,474
Barrie Transit Facility capital lease obligation	-	977,930
Conversion of notes receivable to common shares (Note 3)	(6,520,500)	-

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

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

1. Summary of significant accounting policies

Management's responsibility

The consolidated financial statements of the Corporation of the City of Barrie (the 'City') are the responsibility of management. They have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board ("PSAB" or "PS") of the Charter

Reporting entity

Consolidated entities

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These boards and entities include:

Barrie Police Services Board
Barrie Public Library Board
Downtown Barrie Business Improvement Area

All inter-entity transactions and balances have been eliminated.

Modified equity accounting

Barrie Hydro Holdings Inc., a government business enterprise, is accounted for by the modified equity method. Under this method the business enterprises' accounting principles are not adjusted to conform to those of the City and inter-entity transactions and balances are not eliminated. Financial information related to Barrie Hydro Holdings Inc. is summarized in Note 4.

Proportionately consolidated entities

These consolidated financial statements reflect the proportional assets, liabilities, revenues, and expenses of the following entity:

Lake Simcoe Regional Airport Inc. 60% (2015- 60%)

All proportional inter-entity transactions and balances have been eliminated.

Cash and cash equivalents

Cash consists of balances held at financial institutions and cash equivalents consist of highly liquid financial instruments with maturities of three months or less at acquisition.

Inventories

Inventories of land held for resale are valued at the lower of cost and net realizable value.

Inventories of supplies are priced at average cost on a first-in, first-out basis.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

1. Summary of significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including, but not limited to: transportation costs, installation costs, design and engineering fees, legal fees, and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of contribution, with a corresponding amount recorded as revenue when fair value can be reasonably estimated. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year following that in which the asset is available for productive use as follows:

Buildings	15 to 60 years
Machinery and equipment	5 to 30 years
Fleet	3 to 18 years
Other	3 to 20 years
Plant and facilities	5 to 60 years
Underground and other networks	15 to 100 years
Bridges	15 to 100 years
Roads and sidewalks	15 to 100 years

Tangible capital assets under construction

Tangible capital assets under construction are recorded at cost. When construction is completed, the tangible capital assets under construction will be transferred to tangible capital assets and amortized based on their classification.

Long-term receivables

Long-term receivables include the outstanding principal portions of expenses incurred to benefit land owners and other notes receivable from various organizations. These are reported on the consolidated statement of financial position. The City records allowances for impairment when it is determined that it will be unable to collect all amounts due according to the terms of the underlying agreement. Interest earned in relation to the receivables is recorded as revenue when earned.

Taxation and related revenues

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established by City Council, incorporating amounts to be raised for local municipal services and service partners. The City is also required to bill and collect education taxes on behalf of the Province of Ontario at rates determined by the Province. The municipal portion of property tax revenue is recognized when the tax is authorized through the passing of a property tax bylaw in the period for which the tax is levied.

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

Assessments and related property taxes are subject to appeal. The City evaluates the likelihood of having to repay taxes as a result of tax appeals or other changes and recognizes a liability if the amount can be reasonably estimated.

User fees and other Revenues

User fees and other revenues are recognized when earned.

Investment income

Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory funds such as development charges, gas tax, and parkland allowances is added to the associated funds and forms part of respective deferred revenue balances.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

1. Summary of significant accounting policies (continued)

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.

Pension plan

The City is an employer member of the Ontario Municipal Employee Retirement Fund ("OMERS"), which is a multi-employer, defined benefit pension plan (the "Plan"). The OMERS Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The City uses defined contribution plan accounting principles for this Plan. The City records as pension expense the amount paid to OMERS for the year plus any amounts owing to OMERS at the end of the year.

Non-pension post-employment benefits

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

Actuarial cost method

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

Workplace Safety and Insurance (WSIB) obligation

The costs of WSIB obligations are actuarially determined and the cost is recognized immediately in the period the event giving rise to the obligation occurs.

Funding policy

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

Accounting policies

Actuarial gains and losses are amortized on a linear basis over the expected average remaining service life ("EARSL"), of members expected to receive benefits under the plan, with amortization commencing in the period following the determination of gain or loss. Obligations are attributed to the period beginning on the member's date of hire and ending on the expected date of termination, death, or retirement, depending on the benefit value. The City's fiscal year-end is December 31, and the measurement date of the City's obligation is as at December 31.

Deferred revenue

Obligatory reserve funds

Funds received for specific purposes which are externally restricted by legislation, regulation, or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purposes.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

1. Summary of significant accounting policies (continued)

Deferred revenue (continued)

General

User charges and fees which have been collected but for which the related services have yet to be performed are recorded as deferred revenue. These amounts will be recognized as revenues in the fiscal year the services are performed.

Landfill closure and post-closure liabilities

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.

Liability for contaminated sites

The City records a liability if it has a contaminated site that meets the requirements set out in the standard "Liability for Contaminated Sites". The standard generally applies to sites that are not in productive use. Sites that are in productive use are considered under the standard if there was an unexpected event that resulted in contamination.

Use of estimates

The preparation of consolidated financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these consolidated financial statements are landfill closure and post-closure liabilities, post-employment benefits liability, Provincial Offences Act receivables, allowances for doubtful accounts, the estimate useful lives of tangible capital assets and other accrued liabilities and/or obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Cash and cash equivalents

The City's cash accounts are held at Canadian chartered banks and the One Fund (an investment program designed for the Ontario municipal sector as a subsidiary of the Municipal Finance Officers' Associations of Ontario). Interest is at a variable rate calculated on the balance. At December 31, 2016, the One Fund balance was in a high interest saving account.

The City has a credit facility agreement with the Canadian chartered bank. Under this agreement, the City has an operating line of credit, to be used to finance the day-to-day operations, in the amount of \$25,000,000, (2015 - \$10,000,000), at an interest rate of the bank's stated prime rate less 0.875% per annum and/or the bankers acceptance stamping fee plus 0.325% per annum. The carrying balance of this operating line of credit at year end was \$Nil (2015 - \$Nil).

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

3. Long-term receivables

Long-term receivables consist of:

	2016	2015
	\$	\$
Notes receivable from Barrie Hydro Holdings Inc. (Note 4), which is non-interest bearing and repayable on demand.	-	6,520,500
Other notes receivable from various organizations. These have various maturity dates, from 2017 to 2031 and are non-interest bearing.	190,218	290,507
Long-term receivables from benefiting land owners, which have various maturity dates and interest rates ranging from 2017 to 2020 and 0.0% to 5.3% respectively.	920,706	1,384,914
	1,110,924	8,195,921

During 2016, the balance of the notes receivable from Barrie Hydro Holdings Inc. to the City of Barrie of \$6,520,500 was converted into common shares of Barrie Hydro Holdings Inc.

4. Investment in government business enterprise

The following summarizes the financial position and operations of the government business enterprise which has been reported in these consolidated financial statements using the modified equity method:

a. Barrie Hydro Holdings Inc.

As at December 31, 2016, the City holds 100% of the shares of Barrie Hydro Holdings Inc. ("Holdings"). Holdings holds 100% of the shares in Barrie Hydro Energy Services ("Services"), and 20.5% of the shares of PowerStream Holdings Inc. ("PowerStream"), which provides hydroelectricity to residents. (See also Note 17).

The following provides condensed combined financial information for Barrie Hydro Holdings Inc.

	2016	2015
	\$	\$
Financial position		
Current assets	64,152,630	51,921,788
Capital assets	246,626,070	230,660,055
Other assets	26,026,124	25,205,304
Total assets	336,804,824	307,787,147
Current liabilities	82,975,781	75,647,819
Long-term liabilities	150,769,505	140,274,325
Total liabilities	233,745,286	215,922,144
Total net assets	103,059,538	91,865,003
Results of operations		
Revenues	278,366,751	249,403,595
Expenses	(271,132,469)	(243,874,087)
Taxes	(2,560,247)	(580,235)
Net income for the year	4,674,035	4,949,273
Equity earnings in government business enterprise	4,674,035	4,949,273

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

4. Investment in government business enterprise (continued)

b. *Promissory Note Receivable*

An unsecured promissory note receivable from PowerStream Holdings Inc. as at December 31, 2016 amounted to \$20,000,000 (2015 - \$20,000,000) bearing interest at 5.58% (2015 - 5.58%) and payable on December 31 of each year. The promissory note receivable matures on May 31, 2024. Interest received in the year and included in other income is \$(1,116,000) (2015 - \$1,116,000).

c. *Related party transactions and balances*

Realty taxes received from PowerStream were \$300,566 (2015 - 268,807) for the year.

Energy and distribution services purchased from PowerStream were \$7,434,798 (2015 - \$7,362,329) for the year.

Net balance payable to PowerStream as at December 31, 2016 was \$479,954 (2015 - \$722,576).

As noted in Note 3, during 2016 the balance of the notes receivable from Barrie Hydro Holdings Inc. in the amount of \$6,520,500 were converted into common shares of Barrie Hydro Holdings Inc.

d. *Contingencies and guarantees of PowerStream and its subsidiaries as disclosed in their financial statements are as follows:*

i) Contingencies-legal claims

PowerStream and its subsidiaries have been named as a defendant in several actions. No provision has been recorded in the financial statements for these potential liabilities as PowerStream and its subsidiaries expect that these claims are adequately covered by its insurance.

ii) Commitments

As at December 31, 2016, PowerStream and its subsidiaries have entered into agreements for capital projects and is committed to making payments of \$17,264,000 in 2017.

iii) Guarantees

In the normal course of business, PowerStream and its subsidiaries enter into agreements that meet the definition of a guarantee as follows:

(a) PowerStream and its subsidiaries have provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements PowerStream and its subsidiaries agree to indemnify the counterpart 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.

(b) Indemnity has been provided to all directors and/or officer of PowerStream and its subsidiaries for various items including, but not limited to, all costs to settle suits or actions due to association with PowerStream and its subsidiaries, subject to certain restrictions. PowerStream and its subsidiaries have purchased directors' and officers' 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 a trustee, director or officer of PowerStream and its subsidiaries. The maximum amount of any potential future payment cannot be reasonably estimated.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

4. Investment in government business enterprise (continued)

d. (continued)

iii) *Guarantees (continued)*

- (c) In the normal course of business, PowerStream and its subsidiaries have entered into agreements that 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 PowerStream and its subsidiaries to compensate counterparts for losses incurred by the counterpart 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 counterpart 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 PowerStream and its subsidiaries 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 counterpart. Historically, PowerStream and its subsidiaries have 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.

5. Deferred revenue - obligatory reserve funds

The continuity and balances in the obligatory reserve funds of the City are summarized below:

	2016	2015
	\$	\$
Balance, beginning of year	39,989,637	64,871,100
Federal gas tax contributions	8,273,497	7,879,521
Development contributions	24,725,422	12,827,278
Provincial gas tax contributions	2,031,232	498,202
Investment income	410,081	539,263
Utilization of funds	(40,439,886)	(46,625,727)
Deferred revenue - obligatory reserve funds, end of year	34,989,983	39,989,637
Analysed as follows:		
Development charges	17,469,142	22,943,177
Federal gas tax	10,187,061	9,893,560
Provincial gas tax	935,447	2,002,962
Cash in lieu of parkland	6,382,474	5,134,237
Federal transit tax	15,859	15,701
Deferred revenue - obligatory reserve funds, end of year	34,989,983	39,989,637

There is legislation and/or actions and communications of the City which restricts how these funds may be used. Cash needed to fund these above noted obligatory reserve funds is \$34,989,983 (2015 - \$39,989,637). Actual cash and cash equivalents on hand was \$121,727,847 (2015 - \$60,939,511) at year end.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

6. Post employment benefits liability

	2016	2015
	\$	\$
Accumulated post retirement benefits - accrued obligation	48,564,668	42,872,616
Unamortized net actuarial loss	(12,019,059)	(10,544,905)
Post retirement benefits - accrued benefit liability	36,545,609	32,327,711
Accumulated sick leave benefits - accrued obligation	12,294,463	11,421,295
Unamortized net actuarial loss	(1,879,904)	(1,604,415)
Sick leave benefits - accrued benefit liability	10,414,559	9,816,880
Long-term disability - accrued benefit liability	757,479	-
WSIB obligation - accrued benefit liability	3,904,278	3,541,455
	51,621,925	45,686,046

Information about post retirement benefits is as follows:

	2016	2015
	\$	\$
Current year benefit cost	2,808,601	2,052,214
Increase due to plan amendment	-	1,307,306
Interest on accrued benefit obligation	1,273,273	1,283,535
Amortization of actuarial loss	887,788	562,943
Expense	4,969,662	5,205,998

Information about compensated absences is as follows:

	2016	2015
	\$	\$
Current year benefit cost	870,966	1,036,153
Interest on accrued benefit obligation	202,742	370,046
Amortization of actuarial loss	115,052	89,573
Expense	1,188,760	1,495,772

The amount of benefits paid during the year was \$751,607 (2015 - \$657,042) for post retirement benefits and \$876,696 (2015 - \$751,571) for compensated absence benefits.

Retirement benefits

Retirement life insurance and health care benefits

The City provides life insurance, dental, and health care benefits to certain employee groups after retirement until the members reach 65 years of age and to Barrie Police Services Board after retirement until the members reach 75 years of age. The benefits costs and liabilities related to this plan are based on an actuarial valuation prepared by an independent actuarial firm. The date of the last actuarial valuation was as of December 31, 2014.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

6. Post employment benefits liability (continued)

Post-employment Benefits, Compensated Absences and Termination Benefits

Workplace Safety and Insurance Board

The City is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for financing its workplace safety insurance costs. The accrued obligation represents the actuarial valuation of claims to be insured based on the history of claims with City employees. A Workers' Compensation Reserve is established to help reduce the future impact of these obligations. As at December 31, 2016, the balance in the workers' compensation reserve is \$2,606,032 (2015 - \$2,975,846).

Sick leave benefits

The City provides paid sick leave that can be carried forward up to a maximum defined by the employee group. The benefit costs and liabilities recorded for this benefit in 2016 are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as of December 31, 2014. A sick leave reserve in the amount of \$2,810,198 (2015 - \$2,810,198) has been established to help reduce the future impact of these obligations.

The accrued benefit obligations for the City's post employment benefits liability as at December 31, 2016 are based on an extrapolation of actuarial valuations for accounting purposes as at December 31, 2014. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are management's best estimates of expected rates of:

	2016	2015
	%	%
Expected wage and salary increases	2.5%	2.5%
Discount on accrued benefit obligations	2.6%	2.9%
Health care costs escalation	See (i)	See (i)
Dental costs escalation	See (ii)	See (ii)

(i) 8.5% for 2014-2015 and reducing by 0.25% in each subsequent year to an ultimate rate increase of 4%.

(ii) 4.5% for 2014-2015 and reducing by 0.25% in each subsequent year to an ultimate rate increase of 3.5%.

7. Landfill closure and post-closure liabilities

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the City's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability at year end was \$6,293,624 (2015 - \$6,268,617) and reflects a discount rate of 2.6% (2015 - 2.9%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. The landfill is expected to reach its capacity in 19 years and the estimated remaining capacity is 1,086,907 (2015 - 1,144,550) cubic meters which is 28% (2015 - 29%) of the site's total capacity. The estimated length of time needed for post-closure care is 50 years.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

8. Net long-term liabilities

The balance of net long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2016	2015
	\$	\$
Long-term debentures, bearing interest at rates ranging from 2.00% to 5.08%, incurred by the City	303,961,959	275,199,950
Capital lease liability, interest at imputed rate of 2.9%	790,118	948,461
Barrie transit facility public-private partnership long-term obligation, interest at imputed rate of 2.9%	5,106,224	5,311,863
	309,858,301	281,460,274

Principal repayments in each of the next five years and thereafter are as follows:

	\$
2017	15,672,166
2018	16,270,993
2019	16,894,183
2020	14,475,199
2021	14,917,097
Thereafter	231,628,663
	309,858,301

The interest expense relating to the above long-term liabilities is \$12,734,516 (2015 - \$12,229,906).

The debentures reported above, issued in the name of the City, have been approved by municipal 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.

The City has a financing agreement in place with Ontario Infrastructure and Lands Corporation ("OILC") whereby OILC provides the financing for the acquisition of tangible capital assets related to specific infrastructure projects.

9. Tangible capital assets

Information relating to tangible capital assets is as follows:

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 2016 amounted to \$13,929,668 (2015 - \$38,366,241).

Assets under construction

The amount of tangible capital assets under construction is \$106,147,163 (2015 - \$112,321,870). These items will be transferred to their relevant tangible capital asset categories when construction is completed. Amortization will commence in the year following that in which the asset is available for productive use.

Beneficial interest in Airport Lands

The Corporation of the Township of Oro-Medonte and the Corporation of the County of Simcoe each hold a 20% beneficial interest in the Airport Lands.

Assets under capital lease

Tangible capital assets under capital lease have a net book value of \$779,188 (2015 - \$948,461).

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

9. Tangible capital assets (continued)

										2016
	Land	Buildings	Machinery and equipment	Fleet	Other	Plant and facilities	Underground and other networks	Bridges	Roads and sidewalks	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost, Beginning of year	285,642,504	200,054,567	44,610,150	50,865,627	154,625,171	501,763,416	651,255,348	14,912,871	384,445,934	2,288,175,588
Additions	9,314,676	1,699,443	3,388,680	4,170,602	5,591,549	1,699,686	12,669,522	-	24,740,506	63,274,664
Disposals	-	(7,600)	(1,556,142)	(850,406)	(2,899,360)	(688,355)	(1,529,549)	-	(10,644,856)	(18,176,268)
Cost, end of year	294,957,180	201,746,410	46,442,688	54,185,823	157,317,360	502,774,747	662,395,321	14,912,871	398,541,584	2,333,273,984
Accumulated amortization, beginning of year	-	69,662,195	17,524,953	29,866,152	62,578,231	174,967,163	116,112,803	2,060,478	144,293,012	617,064,987
Amortization	-	6,398,085	2,936,621	3,954,560	7,320,047	15,518,452	8,357,641	214,569	9,176,848	53,876,823
Disposals	-	(7,600)	(1,246,528)	(823,264)	(2,899,359)	(345,996)	(437,552)	-	(10,360,619)	(16,120,918)
Accumulated amortization, end of year	-	76,052,680	19,215,046	32,997,448	66,998,919	190,139,619	124,032,892	2,275,047	143,109,241	654,820,892
Net carrying amount, end of year	294,957,180	125,693,730	27,227,642	21,188,375	90,318,441	312,635,128	538,362,429	12,637,824	255,432,343	1,678,453,092

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

9. Tangible capital assets (continued)

	2015									
	Land	Buildings	Machinery and equipment	Fleet	Other	Plant and facilities	Underground and other networks	Bridges	Roads and sidewalks	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	266,905,258	172,319,092	39,415,555	48,637,911	147,596,387	500,337,532	624,207,050	14,912,871	370,052,681	2,184,384,337
Additions	19,350,760	27,881,548	5,986,228	3,529,459	9,328,725	1,425,884	27,048,298	-	14,393,253	108,944,155
Disposals	(613,514)	(146,073)	(791,633)	(1,301,743)	(2,299,941)	-	-	-	-	(5,152,904)
Cost, end of year	285,642,504	200,054,567	44,610,150	50,865,627	154,625,171	501,763,416	651,255,348	14,912,871	384,445,934	2,288,175,588
Accumulated amortization, beginning of year	-	64,524,974	16,092,751	27,105,124	57,674,810	159,432,730	108,018,052	1,852,087	135,095,652	569,796,180
Amortization	-	5,191,952	2,210,208	3,884,818	7,182,742	15,534,433	8,094,751	208,391	9,197,360	51,504,655
Disposals	-	(54,731)	(778,006)	(1,123,790)	(2,279,321)	-	-	-	-	(4,235,848)
Accumulated amortization, end of year	-	69,662,195	17,524,953	29,866,152	62,578,231	174,967,163	116,112,803	2,060,478	144,293,012	617,064,987
Net carrying amount, end of year	285,642,504	130,392,372	27,085,197	20,999,475	92,046,940	326,796,253	535,142,545	12,852,393	240,152,922	1,671,110,601

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

10. Accumulated surplus

The City segregates its accumulated surplus in the following categories:

	2016	2015
	\$	\$
Invested in tangible capital assets	1,784,600,255	1,783,432,471
Unallocated	(38,713,106)	(75,615,812)
Reserves	104,436,573	88,823,277
Equity in government business enterprise	123,059,538	111,865,003
Amounts to be recovered		
Vacation payable liability	(7,001,992)	(6,199,266)
Post-employment benefits and other liabilities	(51,621,925)	(45,686,046)
Landfill closure and post-closure liabilities	(6,293,624)	(6,268,617)
Net long-term liabilities	(309,858,301)	(281,460,274)
	<u>1,598,607,418</u>	<u>1,568,890,736</u>

11. Pension agreement

OMERS provides pension services to over 470,000 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, 2016. The results of this valuation disclosed total actuarial liabilities as at that date of \$87,554 million in respect of benefits accrued for service with actuarial assets at that date of \$81,834 million indicating an actuarial deficit of \$5,720 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 for 2016 were \$11,602,864 (2015 - \$11,228,319).

12. Property taxation information

	2016	2015
	\$	\$
Property taxes and payments-in-lieu	209,448,267	200,704,425
Collections on behalf of governments		
Province of Ontario - school tax	62,701,699	61,965,540
	<u>272,149,966</u>	<u>262,669,965</u>
Transfers		
Province of Ontario - school tax	(62,701,699)	(61,965,540)
Municipal property taxation	<u>209,448,267</u>	<u>200,704,425</u>

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

13. Expenses by object

	2016	2015
	\$	\$
Salaries, wages and employee benefits	154,346,450	147,351,186
Materials	44,527,936	44,846,564
Contracted services	70,396,841	47,601,679
Rents and financial expenses	2,379,121	2,993,931
Transfer payments	25,622,910	26,785,014
Interest on long-term debt	12,734,516	12,229,907
Amortization	53,876,822	51,504,655
Loss (gain) on disposal of tangible capital assets	2,055,351	(181,694)
	365,939,947	333,131,242

14. Commitments

(a) Royal Victoria Regional Health Centre

By Motion #05-A-431, the City committed to contribute a total of \$52,500,000 in funding to the Royal Victoria Regional Health Centre ("RVH") for the construction of a Cancer Care Centre. The construction of the Cancer Care Centre and Phase I commenced in 2008. The contributions were to be for a 5 year term commencing December 2009 and being paid no later than June 30 and December 31. In response to a request from Royal Victoria Regional Health Centre, the approved contribution agreement was extended until December 31, 2016, by motion #14-G-274. Installments are not required to be paid until all conditions have been fulfilled to the City's satisfaction and if the cost of the expansion is less than \$415 million then the amount of the contribution will be reduced. Total payments made as of December 31, 2016 were \$52,006,554 (2015 - \$50,771,414).

(b) Victoria Village Projects

By motion #05-G-446, the City provided a loan guarantee with the Toronto-Dominion Bank for Victoria Village Projects in the amount of \$16,875,000. The guarantee and amount were required to provide long-term financing for the capital construction costs and financial payment requirements of Victoria Village Projects, a long-term care and supportive housing complex located at 76 Ross Street (site of the old RVH).

(c) Public-private partnership ("P3") commitment

The City has entered into a multiple-year P3 contract to design, build, finance, operate, and maintain the Barrie Transit Facility. The facility reached substantial completion in 2015. The information presented below shows the amounts under this contract for the capital cost, financing of the asset, and operating costs. The actual payments to the private partner are contingent on specified performance criteria and will include an annual inflation factor based on CPI from the preceding September where applicable.

	Capital and Financing	Operating	Total Annual Payments
	\$	\$	\$
Annual service payment:	533,373	16,584,798	17,118,171

(d) As required by Fisheries and Oceans Canada, the City has a letter of credit issued by Toronto-Dominion Bank for \$2,106,400, which expires on April 22, 2017. The letter of credit was mandatory under the Fisheries Act for an application to replace and realign storm water infrastructure.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

14. Commitments (continued)

(e) Miscellaneous

The City also has numerous contracts, in the normal course of business, with a variety of suppliers for future capital projects that are budgeted in the next fiscal year.

15. Contingent liabilities

Legal actions and claims have been instituted against the City. However, after reviewing the merits of these actions and claims with counsel and insurers, it is management's opinion that there will be no significant uninsured liability arising from these claims. Accordingly, no provision has been made in the accounts for any amounts claimed. Any future liability will be recorded if an amount is likely and measurable.

16. Provincial offenses administration ("POA")

The Ministry of the Attorney General requires all municipal partners administering Provincial Offenses Administration to disclose in the year end audited consolidated financial statements a note on the gross and net provincial offenses revenues earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding ("MOU") for its 2016 fiscal year with comparative figures for the year 2015:

	2016	2015
	\$	\$
<u>Barrie POA Office</u>		
Revenues (net of refunds)	6,747,741	6,225,757
Expenses		
Provincial charges	441,514	344,395
City operating expenses	3,572,839	3,449,656
	4,014,353	3,794,051
Net revenue	2,733,388	2,431,706
Other		
Participating partners' share	1,616,026	1,792,626
City of Barrie share	1,117,362	639,080
<u>Orillia POA Office</u>		
Revenues (net of refunds)	2,073,099	1,769,876
Expenses		
Provincial charges	131,598	91,399
City operating expenses	1,071,598	1,003,089
	1,203,196	1,094,488
Net revenue	869,903	675,388
Other		
Participating partners' share	869,903	675,388
City of Barrie share	-	-

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

17. Subsequent event

On January 31, 2017, Enersource Holdings Inc., Horizon Holdings Inc., and PowerStream Holdings Inc. merged to become Alectra Inc. On February 28, 2017, Alectra Inc. completed the acquisition of Hydro One Brampton Inc. As a result of these transactions, Barrie Hydro Holdings Inc. (the City's government business enterprise) will hold 8.78% of the common shares of Alectra Inc.

18. Budget

The Budget by-law adopted by Council on January 25, 2016 and the consolidated entities' Board's budgets were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budgets were prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. In addition the budgets include all tangible capital expenditures rather than including amortization expense. Also, the 2016 Council-Approved Capital Budget includes revenues that will be recognized in the consolidated statement of operations and accumulated surplus when the related expenditures occur. Since capital projects are usually multi-year in nature, the timing of the recognition of these revenues is frequently different than the year in which they are budgeted. The budget figures presented in the statement of operations and accumulated surplus and in the statement of change in net debt were adjusted to reflect amortization expense as well as post-employment benefit expense (on a full accrual basis) which was not included in the approved budgets as follows:

	2016 Council- approved operating budget	2016 Council- approved capital budget	2016 Actual amortization adjustment	2016 Post employment benefit liability expense	2016 Budget as presented
	\$	\$	\$	\$	\$
Revenue					
Taxation	210,620,097	-	-	-	210,620,097
Fees and service charges	78,472,041	-	-	-	78,472,041
Government grants and transfers	5,215,829	50,000	-	-	5,265,829
POA	7,952,334	-	-	-	7,952,334
Licenses and permits	4,728,794	-	-	-	4,728,794
Investment income	1,815,736	-	-	-	1,815,736
Municipal contributions	1,176,772	100,000	-	-	1,276,772
Utilization of obligatory reserve funds	24,442,195	16,564,569	-	-	41,006,764
Other	7,277,043	810,209	-	-	8,087,252
	341,700,841	17,524,778	-	-	359,225,619
Expenses					
General government	34,428,450	-	3,317,035	285,937	38,031,422
Protection services	91,328,353	-	3,155,580	5,076,216	99,560,149
Transportation services	42,260,004	-	15,375,930	147,030	57,782,964
Environmental services	55,153,091	-	25,269,208	246,167	80,668,466
Health services	10,998,052	-	14,983	-	11,013,035
Social and family services	8,521,363	-	-	2,731	8,524,094
Social housing	5,298,204	-	-	-	5,298,204
Recreation and culture services	32,822,475	-	6,739,370	140,835	39,702,680
Planning and development	4,275,748	-	4,716	36,963	4,317,427
	285,085,740	-	53,876,822	5,935,879	344,898,441
Budgeted debt repayment	13,742,689	-	-	-	-
Budgeted interfund transfers	42,872,412	(27,814,035)	-	-	-
Budgeted capital expenditures	-	51,112,077	-	-	-
Budgeted debenture funding	-	(5,773,264)	-	-	-
	-	-	-	-	-

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

19. Segmented Information

The City is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, police, fire, and water. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities that they encompass are as follows:

General government

This item encompasses the revenues and expenses related to administrative departments and activities including Council, the Chief Administrative Officer Division, Finance, Human Resources, Legislative and Court Services, Legal Services, Information and Communications Technology and Corporate Facilities.

Protection services

This section represents Policing activities, Fire and Emergency Services, Building Code administration and enforcement, Municipal By-law enforcement including animal control and Provincial Offences administration including Court Services.

Transportation services

This segment services represent the activities for all roads maintenance and administration including winter control and responses, transit services, sidewalks, traffic signals and systems, parking and street lighting. Additionally, the consolidated results include the proportionate share of revenues and expenses related to a regional airport.

Environmental services

Activities of this segment include the property tax funded aspects of the environmental services, which are garbage collection, disposal, and recycling as well as storm water management and control. User rate funded activities for Water and Wastewater are mandated by the Province to be self funding and are included in this segment.

Health and social services

The expenses grouped in this segment relate primarily to services provided by the County of Simcoe as the Consolidated Service Manager, which includes Ontario Works, Land Ambulance, Social Housing, Homes for the Aged, and Childcare. District Health Unit costs and contributions to the Royal Victoria Regional Health Centre, Cancer Care, and expansion project are also included.

Recreation and cultural services

All recreation facilities, program costs, parks maintenance, and related direct administration revenues and expense are included in this section. Library services are also included as well as costs related to cultural initiatives.

Planning and development

The Planning Department and Economic Development Department activities are represented in this segment, along with revenues and expenses related to the Business Improvement Area in the downtown core.

Other funds and corporations

This segment captures the equity earnings from the City's Government Business Enterprise (Note 4) and contributed tangible capital assets.

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

19. Segmented Information (continued)

	2016								
	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue									
Taxation	209,448,267	-	-	-	-	-	-	-	209,448,267
Fees and service charges	353,971	1,364,706	7,941,126	60,122,653	94,050	8,985,506	1,273,022	-	80,135,034
Government grants and transfers	488,754	3,374,840	12,050,958	1,305,892	54,188	338,683	179,232	-	17,792,547
POA	-	8,820,840	-	-	-	-	-	-	8,820,840
Utilization of obligatory reserve funds	43,063	260,441	16,945,388	20,200,163	1,019,978	1,970,853	-	-	40,439,886
Other	5,451,408	4,778,984	4,254,369	1,355,251	61,042	2,412,065	2,103,232	18,603,703	39,020,055
	215,785,464	18,599,811	41,191,841	82,983,959	1,229,258	13,707,107	3,555,486	18,603,703	395,656,629
Expenses									
Salaries and benefits	19,568,912	83,214,412	10,247,290	17,782,003	444,514	20,238,252	2,851,067	-	154,346,450
Goods and services	14,737,654	9,586,330	54,589,280	23,261,727	169,142	11,012,921	1,567,725	-	114,924,779
Interest	4,989	125,171	1,417,754	10,852,916	-	333,686	-	-	12,734,516
Transfers (external)	3,397	2,485,929	-	-	23,133,584	-	-	-	25,622,910
Amortization	3,317,035	3,155,580	15,375,930	25,269,208	14,983	6,739,370	4,716	-	53,876,822
Other	77,614	1,386,260	509,270	1,930,054	39	513,670	17,563	-	4,434,470
	37,709,601	99,953,682	82,139,524	79,095,908	23,762,262	38,837,899	4,441,071	-	365,939,947
Net surplus (deficit)	178,075,863	(81,353,871)	(40,947,683)	3,888,051	(22,533,004)	(25,130,792)	(885,585)	18,612,930	29,716,682

The Corporation of the City of Barrie

Notes to the consolidated financial statements

December 31, 2016

19. Segmented Information (continued)

									2015
	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue									
Taxation	200,704,425	-	-	-	-	-	-	-	200,704,425
Fees and service charges	334,604	1,370,598	7,168,435	56,063,946	86,861	8,414,723	618,050	-	74,057,217
Government grants and transfers	-	3,041,449	6,456,772	1,228,250	65,714	534,781	169,949	-	11,496,915
POA	-	7,995,633	-	-	-	-	-	-	7,995,633
Utilization of obligatory reserve funds	140,360	540,332	16,912,885	18,380,506	2,192,338	5,241,929	3,217,377	-	46,625,727
Other	5,815,536	3,975,665	3,836,533	3,329,484	24,968	2,420,822	406,885	43,315,514	63,125,407
	<u>206,994,925</u>	<u>16,923,677</u>	<u>34,374,625</u>	<u>79,002,186</u>	<u>2,369,881</u>	<u>16,612,255</u>	<u>4,412,261</u>	<u>43,315,514</u>	<u>404,005,324</u>
Expenses									
Salaries and benefits	18,183,895	79,115,308	10,331,915	16,383,160	432,000	20,258,961	2,645,947	-	147,351,186
Goods and services	14,901,006	9,751,374	31,274,337	24,606,434	155,121	10,356,506	1,403,465	-	92,448,243
Interest	-	146,579	1,022,459	10,628,434	-	432,435	-	-	12,229,907
Transfers (external)	-	2,461,941	-	-	24,302,164	-	20,909	-	26,785,014
Amortization	2,685,941	3,183,880	13,802,199	25,000,563	14,983	6,812,373	4,716	-	51,504,655
Other	66,494	1,342,674	351,275	501,410	-	536,139	14,245	-	2,812,237
	<u>35,837,336</u>	<u>96,001,756</u>	<u>56,782,185</u>	<u>77,120,001</u>	<u>24,904,268</u>	<u>38,396,414</u>	<u>4,089,282</u>	<u>-</u>	<u>333,131,242</u>
Net surplus (deficit)	<u>171,157,589</u>	<u>(79,078,079)</u>	<u>(22,407,560)</u>	<u>1,882,185</u>	<u>(22,534,387)</u>	<u>(21,784,159)</u>	<u>322,979</u>	<u>43,315,514</u>	<u>70,874,082</u>