

Consolidated financial statements of

**The Corporation of the  
Municipality of Chatham-Kent**

December 31, 2022

# **The Corporation of the Municipality of Chatham-Kent**

December 31, 2022

## Table of contents

Independent Auditor's Report .....	1-2
Consolidated statement of financial position.....	3
Consolidated statement of operations and accumulated surplus.....	4
Consolidated statement of change in net financial assets .....	5
Consolidated statement of cash flows.....	6
Notes to the consolidated financial statements .....	7-23
Consolidated schedule of tangible capital assets .....	24
Consolidated schedule of segment disclosure.....	25

To the Members of Council, and the Citizens of The Corporation of the Municipality of Chatham-Kent:

**Opinion**

We have audited the consolidated financial statements of The Corporation of the Municipality of Chatham-Kent (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the 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.

**Other Matter**

The consolidated financial statement for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on November 8, 2022.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**MNP LLP**

Chartered Professional Accountants

London, Ontario

November 6, 2023

Licensed Public Accountants

# The Corporation of the Municipality of Chatham-Kent

Consolidated statement of financial position  
as at December 31, 2022

	2022	2021
	\$	\$
<b>Financial assets</b>		
Cash	153,436,899	210,452,171
Taxes receivable	8,883,986	8,883,714
Accounts receivable	41,343,404	44,449,683
Investments (Note 3)	139,178,993	64,783,177
Investment in Entegrus Inc. (Note 4)	64,884,476	60,577,560
Note receivable from Entegrus Inc. (Notes 4,5)	23,523,326	23,523,326
Land held for resale	1,968,294	3,101,544
Other assets	3,996,967	1,987,807
Local improvements receivable (Note 11)	32,730,857	27,693,298
	<b>469,947,202</b>	<b>445,452,280</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	56,329,609	48,183,172
Accrued interest (Note 10)	260,727	323,781
Accrued employee benefits (Note 6)	52,944,207	51,429,222
Deferred revenue (Note 8)	48,487,466	50,817,679
Long-term liabilities (Note 9)	38,457,420	47,909,944
	<b>196,479,429</b>	<b>198,663,798</b>
Net financial assets	<b>273,467,773</b>	<b>246,788,482</b>
Non-financial assets		
Tangible capital assets (Note 12)	970,933,136	933,165,094
Inventory	75,646	83,928
Prepaid expenses	2,437,305	462,303
	<b>973,446,087</b>	<b>933,711,325</b>
<b>Accumulated surplus (Note 13)</b>	<b>1,246,913,860</b>	<b>1,180,499,807</b>

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

# The Corporation of the Municipality of Chatham-Kent

Consolidated statement of operations and accumulated surplus  
for the year ended December 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
	\$	\$	\$
<b>Revenues</b>			
Taxation and user charges			
Property taxation (Note 14)	<b>181,453,788</b>	<b>180,269,046</b>	172,825,136
User charges	<b>83,098,942</b>	<b>86,756,996</b>	80,628,806
	<b>264,552,730</b>	<b>267,026,042</b>	253,453,942
Government transfers			
Government of Canada	<b>9,475,818</b>	<b>13,776,298</b>	17,162,639
Province of Ontario	<b>134,975,902</b>	<b>145,952,215</b>	134,783,385
	<b>144,451,720</b>	<b>159,728,513</b>	151,946,024
Other			
Investment income	<b>2,936,000</b>	<b>11,650,302</b>	4,256,482
Penalties and interest on taxes	<b>1,218,413</b>	<b>1,522,371</b>	1,040,354
Contributions from landowners and developers	-	<b>7,527,652</b>	14,920,380
Sale of land and equipment	<b>247,769</b>	<b>1,815,821</b>	1,374,206
Provincial offences administration (Note 16)	<b>1,752,500</b>	<b>1,652,976</b>	1,571,592
Other	<b>5,064,723</b>	<b>1,306,323</b>	1,019,519
Gain (loss) on sale of tangible capital assets	-	<b>93,314</b>	(100,138)
	<b>11,219,405</b>	<b>25,568,759</b>	24,082,395
<b>Total revenue</b>	<b>420,223,855</b>	<b>452,323,314</b>	429,482,361
<b>Expenses</b>			
General government	<b>12,972,665</b>	<b>16,925,922</b>	9,248,418
Protection of persons and property	<b>68,086,167</b>	<b>73,384,146</b>	75,781,010
Transportation services	<b>55,577,818</b>	<b>66,233,539</b>	58,473,671
Environmental services	<b>53,430,699</b>	<b>58,681,957</b>	54,245,775
Health services	<b>28,177,214</b>	<b>26,873,520</b>	27,195,724
Social and family services	<b>116,946,107</b>	<b>95,582,391</b>	88,279,739
Social housing	<b>13,537,669</b>	<b>20,979,077</b>	13,677,907
Recreation and cultural services	<b>25,286,970</b>	<b>24,620,394</b>	23,088,779
Planning and development	<b>8,439,191</b>	<b>11,296,335</b>	7,164,057
<b>Total expenses</b>	<b>382,454,500</b>	<b>394,577,281</b>	357,155,080
Excess revenue over expenses before other items	<b>37,769,355</b>	<b>57,746,033</b>	72,327,281
Other items			
Income from Entegrus Inc.	<b>4,050,000</b>	<b>8,668,019</b>	4,757,026
Excess of revenues over expenses	<b>41,819,355</b>	<b>66,414,052</b>	77,084,307
<b>Accumulated surplus, beginning of year</b>	<b>1,180,499,807</b>	<b>1,180,499,807</b>	1,103,415,500
<b>Accumulated surplus, end of year</b>	<b>1,222,319,162</b>	<b>1,246,913,860</b>	1,180,499,807

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

# The Corporation of the Municipality of Chatham-Kent

Consolidated statement of change in net financial assets  
for the year ended December 31, 2022

	2022	2021
	\$	\$
<b>Excess of revenues over expenses</b>	<b>66,414,052</b>	<b>77,084,307</b>
Acquisition of tangible capital assets	(62,508,510)	(37,119,263)
Increase in assets under construction	(15,364,785)	(26,932,960)
Contributed (donated) tangible capital assets	(5,315,651)	(11,755,280)
Amortization of tangible capital assets	44,858,593	42,588,145
(Gain) loss on sale of tangible capital assets	(93,314)	100,138
Proceeds of sale of tangible capital assets	655,625	434,329
Change in inventory	8,283	6,563
Change in prepaids	(1,975,002)	(201,568)
Change in net financial assets	26,679,291	44,204,411
Net financial assets, beginning of year	246,788,482	202,584,071
<b>Net financial assets, end of year</b>	<b>273,467,773</b>	<b>246,788,482</b>

**The Corporation of the Municipality of  
Chatham-Kent**  
 Consolidated statement of cash flows  
 for the year ended December 31, 2022

	2022	2021
	Actual \$	Actual \$
<b>Operating transactions</b>		
Excess of revenues over expenses	66,414,052	77,084,307
Items not involving cash		
Amortization	44,858,593	42,588,145
Contributed (donated) tangible capital assets	(5,315,651)	(11,755,280)
(Gain) loss on sale of tangible capital assets	(93,314)	100,138
Income from subsidiaries	(8,668,019)	(4,757,026)
Change in Taxes Receivable	(272)	(687,053)
Change in Accounts Receivable	3,106,279	(302,114)
Change in Land Held for Resale	1,133,250	100,468
Change in Other Assets	(2,009,160)	(1,267,927)
Change in Local Improvements Receivable	(5,037,559)	(3,059,459)
Change in Accounts Payable and Accrued Liabilities	8,146,437	4,287,910
Change in obligations to be funded from future revenues	1,451,931	3,141,948
Decrease in inventory	8,283	6,563
(Accrue) decrease in prepaid expenses	(1,975,002)	(201,568)
Deferred revenue	(2,330,213)	1,202,101
	<b>99,689,635</b>	<b>106,481,153</b>
<b>Financing transactions</b>		
Long-term debt repayment	(9,452,524)	(9,167,981)
	<b>(9,452,524)</b>	<b>(9,167,981)</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(77,873,295)	(64,052,223)
Proceeds of sale of tangible capital assets	655,625	434,329
	<b>(77,217,670)</b>	<b>(63,617,894)</b>
<b>Investing transactions</b>		
Dividends received from Entegrus Inc.	4,361,103	4,146,622
Note payable repayment	-	-
Investments	(74,395,816)	1,442,185
	<b>(70,034,713)</b>	<b>5,588,807</b>
Net increase in cash	(57,015,272)	39,284,085
Cash, beginning of year	210,452,171	171,168,086
<b>Cash, end of year</b>	<b>153,436,899</b>	<b>210,452,171</b>

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 1. Significant accounting policies

The consolidated financial statements of the Municipality have been prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality are as follows:

### *Basis of consolidation*

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity and include the activities of all committees of Council and the following local boards and municipal entities which are under the control of Council:

- Chatham-Kent Public Libraries;
- Chatham-Kent Museums;
- Public Utilities Commission for the Municipality of Chatham-Kent - Water / Wastewater Division;
- Chatham-Kent Police Services Board; and
- Chatham-Kent Board of Health.

All interfund assets and liabilities and revenues and expenses have been eliminated with the exception of loans or advances between reserve funds and any other fund of the Municipality and the resulting interest income and expenditures.

### *Subsidiaries*

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

### *Accounting for school board transactions*

The taxation and other revenues with respect to the operations of the school boards are reflected in the Consolidated statement of operations and accumulated surplus as a revenue and an expense, as such has no effect on the accumulated surplus.

In addition, the expenses, assets, and liabilities with respect to the operations of the school boards are not reflected in these financial statements except to the extent that any under-levies or over-levies are reported on the Consolidated statement of financial position as "accounts receivable" or "accounts payable and accrued liabilities".

### *Basis of accounting*

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

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 1. Significant accounting policies (continued)

### *Tangible capital assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of an asset. The cost, less residual value, of the tangible capital asset is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Land improvements	20-50
Buildings	15-40
Equipment	4-30
Vehicles	5-20
Underground linear	30-75
Plants and facilities	20-40
Bridges	50-75
Transportation	15-50
Other assets	5-10

Amortization is charged beginning in the month following when the asset was available for productive use and to the month of disposal if the disposal date is after the 15<sup>th</sup> day of the month. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt and are also recorded as revenue.

Works of art, artifacts, cultural or historic assets are not recorded as assets in the consolidated financial statements.

### *Land held for resale*

Land held for resale is recorded at the lower of cost and net realizable value. Costs include amounts for land acquisition and improvements to prepare the land for sale or servicing.

### *Government transfers*

Government transfers are recognized in the consolidated financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

### *Tax revenue*

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

### *Investment income*

Investment income earned on surpluses, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of deferred revenue.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 1. Significant accounting policies (continued)

### *Management estimates*

The preparation of these financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuation allowances for receivables, accrued liabilities, obligations related to employee future benefits and the carrying value of tangible capital assets. Actual results could differ from those estimates.

### *Employee future benefit obligations*

The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and assumptions of mortality and termination rates, retirement age and expected inflation rates.

Actuarial gains and losses are amortized linearly over the Expected Average Remaining Service Lifetime (EARSL) of active employees.

## 2. Standards issued but not yet effective

The Municipality has not yet applied the following new standards, interpretations and amendments to standards that have been issued as at December 31, 2022 but are not yet effective. Unless otherwise stated, the Municipality does not plan to early adopt any of these new or amended standards and interpretations.

### PS 3280 Asset Retirement Obligations

PS 3280 establishes accounting standards on how to account for and report a liability for an asset retirement obligation related to tangible capital assets. The standard is effective for annual periods beginning on or after April 1, 2022. The Municipality is assessing the impact of these new standards.

## 3. Investments

Investments are recorded at amortized cost less any amounts written off to reflect a permanent decline in value. Investments consist of authorized investments pursuant to provisions of the Municipal Act and comprise government and corporate bonds, debentures, pooled investment funds and short-term instruments of various financial institutions. Investments with original maturity dates greater than 90 days are classified as investments in the Consolidated statement of financial position.

Investments held by the Municipality amounted to \$139,178,993 (2021 - \$64,783,177). The investments are comprised of Principally Guaranteed Pooled Investments with CIBC. The market value of these investments at December 31, 2022 amounted to \$135,965,258 (2021 - \$70,760,242).

## 4. Investment in Entegrus Inc.

Entegrus Inc. (EI) and its wholly-owned subsidiaries Entegrus Powerlines Inc. (EPI) and Entegrus Services Inc. (ESI), were incorporated September 22, 2000 under the *Business Corporations Act (Ontario)*.

Entegrus Inc. also has a wholly-owned subsidiary, Middlesex Power Distribution Corporation (MPDC), which it purchased 100% of the outstanding common shares on June 30, 2005.

The principal activity of Entegrus Inc. and its' subsidiaries is to distribute electricity to customers within the Municipality of Chatham-Kent, Middlesex County and the County of Elgin under the license issued by the Ontario Energy Board ("OEB"). Other activities of Entegrus Inc., and its subsidiaries, are to provide energy services, meter services, and street lighting services.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 4. Investment in Entegrus Inc. (continued)

Under a municipal by-law, dated September 5, 2000, the former Public Utilities Commission of the Municipality of Chatham-Kent – Electrical Division and the Municipality transferred the assets, liabilities and employees associated with the distribution of electricity at book value effective October 1, 2000. The book value of the net assets transferred to Entegrus Inc. at October 1, 2000 was \$47,379,124. In consideration for the transfer, Entegrus Inc. issued long-term notes payable to the Municipality in the aggregate principal amount of \$23,523,326 together with shares valued at \$23,855,798.

The incorporation and subsequent reorganization was required by provisions of Bill 35, *The Energy Competition Act, 1998* enacted by the Province of Ontario to introduce competition in the electricity market.

In 2008 Entegrus Inc. issued 222 common shares to Corix which represents a 10% ownership.

In 2017 Entegrus Inc. issued an additional 400 shares. 360 shares were purchased by the Municipality of Chatham-Kent at a cost of \$7,740,000. The remaining 40 shares were sold to Corix at a cost of \$860,000. This additional investment did not change the percentage of ownership for the Municipality of Chatham-Kent or Corix.

Effective April 1, 2018 The Ontario Energy Board approved the merger between St. Thomas Energy Inc. (STEI) and Entegrus Powerlines Inc.

Entegrus Inc. is owned 71.49% by the Municipality of Chatham-Kent, 7.94% by Corix Utilities and 20.57% by St. Thomas Energy Inc.

The following table provides condensed supplementary consolidated financial information for Entegrus Inc. and its subsidiaries for the year ended December 31, 2022:

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 4. Investment in Entegrus Inc. (continued)

	2022	2021
	\$	\$
Financial position		
Assets		
Current	<b>43,205,692</b>	32,916,197
Capital	<b>170,228,662</b>	164,457,868
Other	<b>49,225,085</b>	36,999,574
<b>Total assets</b>	<b>262,659,439</b>	234,373,639
Liabilities		
Current	<b>37,228,186</b>	40,744,763
Notes payable to Municipality of Chatham-Kent	<b>23,523,326</b>	23,523,326
Other	<b>86,049,572</b>	68,777,288
<b>Total liabilities</b>	<b>146,801,084</b>	133,045,377
Equity		
Share capital	<b>52,161,260</b>	52,161,260
Share Premium	<b>16,571,469</b>	16,571,469
Hedging Reserve	<b>3,829,958</b>	(2,315,971)
Retained earnings	<b>37,757,986</b>	31,733,778
<b>Total equity</b>	<b>110,320,673</b>	98,150,536
Regulatory		
Regulatory credit balances	<b>5,537,682</b>	3,177,726
<b>Total regulatory</b>	<b>5,537,682</b>	3,177,726
<b>Total liabilities equity and regulatory</b>	<b>262,659,439</b>	234,373,639

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 4. Investment in Entegrus Inc. (continued)

	2022	2021
	\$	\$
Financial activities		
Revenue	188,926,896	179,504,359
Expenses	<u>180,017,595</u>	<u>174,472,903</u>
	8,909,301	5,031,456
Provision for taxes	1,537,562	707,362
Net movement in regulatory balances, net of tax	(5,180,207)	(2,902,905)
Remeasurement of employee benefits	(1,020,987)	(276,940)
Unrealized gain on investment	1,448,725	850,150
Dividends paid	<u>6,100,000</u>	<u>5,800,000</u>
Change in retained earnings	<u>6,024,208</u>	<u>853,789</u>
Municipality of Chatham-Kent's investment represented by:		
Investment in shares of Entegrus	31,595,798	31,595,798
Accumulated profit less dividends received	<u>33,288,678</u>	<u>28,981,762</u>
	<u>64,884,476</u>	<u>60,577,560</u>
Corix Utilities' investment represented by:		
Investment in shares of Entegrus	3,886,352	3,886,352
Accumulated profit less dividends received	<u>2,482,993</u>	<u>2,004,852</u>
	<u>6,369,345</u>	<u>5,891,204</u>
St. Thomas Energy Inc. investment represented by:		
Investment in shares of Entegrus	16,679,110	16,679,110
Accumulated profit less dividends received	<u>1,986,316</u>	<u>747,165</u>
	<u>18,665,426</u>	<u>17,426,275</u>

### (a) Equity in Entegrus Inc.

	2022	2021
	\$	\$
Balance, beginning of year	84,100,886	83,490,482
Changes during the year		
Adjustment for prior year		
Net earnings for the year	8,668,019	4,757,026
Dividends paid	<u>(4,361,103)</u>	<u>(4,146,622)</u>
Balance, end of year	<u>88,407,802</u>	<u>84,100,886</u>
	2022	2021
	\$	\$
Investment in Entegrus Inc.	64,884,476	60,577,560
Notes receivable from Entegrus Inc.	23,523,326	23,523,326
Balance, end of year	<u>88,407,802</u>	<u>84,100,886</u>

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 4. Investment in Entegrus Inc. (continued)

### (b) Related party transactions and balances

The following summarizes the Municipality's related party transactions and balances with Entegrus for the year ended December 31, 2022 and December 31, 2021:

	2022	2021
	\$	\$
Transactions		
Revenue		
Administrative services	616,890	604,794
Interest on promissory note	1,067,964	1,067,964
Expenses		
Energy purchases (at commercial rates)	4,682,417	5,390,968
Billing and collection services - water/wastewater	2,285,088	2,232,135
Streetlight maintenance	307,470	236,113
Balances		
Amounts due from Entegrus Inc.		
Promissory note receivable	23,523,326	23,523,326
Accounts receivable	12,580,208	14,290,162

## 5. Note receivable from Entegrus Inc.

Note receivable is due from Entegrus Inc. with no set repayment terms and interest payable monthly at 4.54%. The Municipality received an interest payment in the current year of \$1,067,964 (2021 - \$1,067,964).

## 6. Accrued employee benefits

The Municipality has accrued employee benefits as follows:

	2022	2021
	\$	\$
Employee future benefits	46,806,828	45,305,505
Workplace safety and insurance obligations	1,211,222	1,343,667
Vacation credits	4,926,157	4,780,050
	<b>52,944,207</b>	<b>51,429,222</b>

The accrued benefits above are described as follows:

### (a) Employee future benefits

The Municipality pays certain medical and life insurance benefits on behalf of its retired and current employees. The accrued benefit liability at December 31, 2022 of \$46,806,828 (2021 - \$43,305,505) was determined by actuarial valuation using a discount rate of 5.00% (2021 - 2.75%). A comprehensive actuarial valuation of the future liability for employee future benefits was conducted as at December 31, 2021. The next required valuation will be as of December 31, 2024.

Information about the Municipality's life and health plan is as follows:

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 6. Accrued employee benefits (continued)

	2022	2021
	\$	\$
Accrued benefit liability as at January 1, 2022	<b>44,152,243</b>	53,862,437
Current benefit costs	<b>2,030,436</b>	2,195,448
Interest	<b>1,219,299</b>	1,217,146
Actuarial (gain) loss	<b>(8,657,951)</b>	(11,393,209)
<u>Benefits paid</u>	<u>(1,658,731)</u>	(1,729,579)
Net	<b>(7,066,947)</b>	(9,710,194)
Benefit obligation at end of period	<b>37,085,296</b>	44,152,243
<u>Unamortized actuarial gain (loss)</u>	<u>9,721,532</u>	1,153,262
<b>Estimated accrued benefit liability as at December 31, 2022</b>	<b>46,806,828</b>	45,305,505

Included in expenses is (\$89,682) (2021 - \$1,364,178) for amortization of the actuarial gain/(loss). The main actuarial assumptions employed for the valuation are as follows:

*(i) General inflation*

Future inflation levels, as measured by changes in the Consumers Price Index ("CPI"), were assumed to be 2.5% in 2022 and thereafter.

*(ii) Interest (discount) rate*

The present value as at December 31, 2022 of the future benefits was determined using a discount rate of 5.00%. The expense for the year ended December 31, 2021, was determined using a discount rate of 2.75%.

*(iii) Health costs*

Drug costs were assumed to increase at 6.5% per year grading down to 4% over 5 years.

*(iv) Dental costs*

Dental costs were assumed to increase at 4% annually.

*(b) Workplace safety and insurance obligations*

Effective January 1, 2010, the Municipality became a Schedule I employer under the Workplace Safety and Insurance Act for most of its divisions. The Municipality remits payments to the Workplace Safety & Insurance Board (WSIB) as required to fund and administer disability payments.

For the period of January 1, 2001 to December 31, 2009, the Municipality was a Schedule II employer for most of its divisions. The estimated future liability relating to WSIB for this time period amounted to \$1,211,222 (2021 - \$1,343,667). A Workplace Safety and Insurance Reserve relating to Schedule II claims has also been established to protect against any unknown future liability, and has a balance of \$2,517,062 (2021 - \$2,421,616). The Municipality also maintained an insurance policy, which protects the Municipality against financial exposure to a catastrophic loss in excess of \$1,000,000 while Schedule II was in place.

*(c) Vacation credits*

Under the provisions of certain employee vacation plans, some vacation credits are earned as at December 31 but are generally unavailable for use until a later date. In addition, the provisions of certain plans allow the accumulation of vacation credits for use in future periods. The approximate value of these credits as at December 31, 2022 is \$4,926,157 (2021 - \$4,780,050) and is reported as an accrued liability on the Consolidated statement of financial position.

Funding for these benefits will be provided through taxation in the year of disbursement.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 7. Pension agreement

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer plan, on behalf of 1402 (2021 - 1376) 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. Contributions were made in the 2022 calendar year at rates ranging from 9.0% to 15.8% (2021 - 9.0% to 15.8%) depending on the member's designated retirement age and level of earnings. The amount contributed to OMERS for 2022 was \$10,423,866 (2021 - \$9,944,375) for current service and this is included on the Consolidated statement of operations and accumulated surplus. As at December 31, 2022 the OMERS plan is in a deficit of \$6.7 Billion (2021 - \$3.1 Billion), which will be addressed through temporary contribution rate increases, benefit reductions, and investment returns.

## 8. Deferred revenue - obligatory reserve funds

A requirement of the Public Sector Accounting Standards (PSAS) is that obligatory reserve funds be reported as deferred revenue. The Municipality of Chatham-Kent has an obligatory reserve fund for the Canada Community-Building Fund (CCBF) Grant (previously known as Federal Gas Tax Grant) and the Provincial Gas Tax Grant. Additionally, the Municipality has an obligatory reserve fund for Parkland purposes, for the Building Code Act, and for Municipal and PUC development charges collected. These aforementioned reserve funds are considered obligatory as Provincial and Federal legislation restricts how these funds may be used and, under certain circumstances, how these funds may be refunded.

The balances in the obligatory reserve funds and other deferred revenue for the Municipality are summarized in the following two charts for the year ended Dec 31-2022 and Dec 31-2021 respectfully:

2022	Balance at 31-Dec-21	Inflow	Revenue Earned	Balance at 31-Dec-22
	\$	\$	\$	\$
For development charges Municipal	-	324,314	-	324,314
For development charges PUC	-	2,416,463	2,250,349	166,114
For building code act	5,836,951	4,069,533	2,977,751	6,928,733
For parkland purposes	305,518	42,434	-	347,952
For Canada community-buidling fund	26,517,808	16,523,117	16,969,581	26,071,343
For Provincial gas tax	1,925,457	1,072,694	932,777	2,065,374
Deferred revenue - obligatory reserve funds	34,585,733	24,448,555	23,130,458	35,903,830
Other deferred revenue				
Deferred taxes	1,737,182	10,493,540	10,264,982	1,965,740
Deferred grants	2,696,014	5,347,063	5,657,282	2,385,795
Other	11,798,749	11,955,746	15,522,395	8,232,101
Total deferred revenue	50,817,679	52,244,904	54,575,117	48,487,466

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 8. Deferred revenue - obligatory reserve funds (continued)

2021	Balance at 31-Dec-20	Inflow	Revenue Earned	Balance at 31-Dec-21
	\$	\$	\$	\$
For building code act	4,251,220	1,585,731	-	5,836,951
For parkland purposes	194,074	111,444	-	305,518
For Federal gas tax	26,620,093	12,911,581	13,013,866	26,517,808
For Provincial gas tax	4,333,577	1,021,310	3,429,430	1,925,457
Deferred revenue - obligatory reserve funds	35,398,964	15,630,066	16,443,296	34,585,733
Other deferred revenue				
Deferred taxes	1,842,691	7,971,095	8,076,604	1,737,182
Deferred grants	2,602,877	4,872,171	4,779,034	2,696,014
Other	9,771,046	14,673,289	12,645,586	11,798,749
Total deferred revenue	49,615,578	43,146,621	41,944,520	50,817,679

## 9. Net long-term liabilities

- (a) The balance of net long-term liabilities reported on the Consolidated statement of financial position is made up of the following:

	2022	2021
	\$	\$
Total long-term liabilities incurred by the Municipality including those incurred on behalf of former municipalities and municipal enterprises and outstanding at the end of the year.	39,501,294	49,207,429
Of the long-term liabilities shown above, the Municipality is contingently liable for long-term liabilities with respect to tile drainage and shoreline property assistance loans. The responsibility for payment of principal and interest charges has been assumed by individual landowners.	(1,043,874)	(1,297,485)
Net long-term liabilities at the end of the year	38,457,420	47,909,944

- (b) Principal due on net long-term liabilities reported in a), is summarized as follows:

	2023 to 2027	2028 to 2032	2033 and thereafter
	\$	\$	\$
From general municipal revenue	4,516,060	2,506,244	562,152
From benefiting landowners	7,787,971	-	-
From benefiting water ratepayers	8,598,167	1,688,448	-
From benefiting wastewater ratepayers	9,684,330	3,114,049	-
	30,586,528	7,308,741	562,152

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 9. Net long-term liabilities (continued)

- (c) Included in the principal amount in a) is \$2,528,418 (2021 - \$3,259,636) related to the Non-Profit Social Housing division.
- (d) All net long-term liabilities on the Consolidated statement of financial position are payable in Canadian dollars.
- (e) The long-term liabilities listed in a) were issued in the name of the Municipality or former municipalities approved by Council and have received approval of the Ontario Municipal Board prior to January 1, 1993. Those issues approved by Council after December 31, 1992 have been approved by 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.
- (f) The municipal long-term liabilities listed in a) are repayable at rates ranging from 2.0% to 8.1%, and the tile drainage and shoreline property assistance loans are repayable at rates up to 6%.

## 10. Charges for net long-term liabilities

Total activity for the year for net long-term liabilities is as follows:

	2022	2021
	\$	\$
Beginning balance	47,909,944	57,077,925
Principal payments	(9,452,524)	(9,167,981)
Ending balance	38,457,420	47,909,944

Net interest payments related to long-term liabilities in the current year were \$1,868,586 (2021 - \$2,232,902) and are reported in the Consolidated statement of operations and accumulated surplus.

### *Accrual of interest on net long-term liabilities*

A provision for the interest on long-term debt that has been accrued but not paid in the current year is estimated to be \$260,727 (2021 - \$323,781) and is reported as an accrued liability on the Consolidated statement of financial position.

## 11. Local improvements receivable

Improvements to infrastructure are often requested by residents, such as extending waterlines, sewers, sidewalks, curb and gutters to new areas, or repairs and upgrades to municipal drains. The Municipality records the outstanding ratepayer funding of these local improvements as a receivable in the Consolidated Statement of Financial Position.

	2022	2021
	\$	\$
Local improvements receivable for capital projects on tax roll		
Wastewater	308,598	282,356
Water	654,190	469,462
Drainage	31,688,948	26,843,907
Other	79,121	97,573
	<b>32,730,857</b>	<b>27,693,298</b>

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 12. Tangible capital assets

The net book value of the tangible capital assets is comprised of the following:

	2022	2021
	\$	\$
Land and land improvements	<b>54,791,080</b>	52,869,972
Buildings	<b>105,872,408</b>	111,104,168
Equipment	<b>46,623,450</b>	44,588,437
Vehicles	<b>38,571,195</b>	36,632,334
Underground linear	<b>235,551,362</b>	223,608,297
Plants and facilities	<b>39,910,900</b>	34,954,613
Bridges	<b>158,487,691</b>	159,003,203
Transportation	<b>199,948,297</b>	195,292,356
Other assets	<b>2,630,102</b>	1,929,847
	<b>882,386,485</b>	859,983,227
Assets under construction	<b>88,546,651</b>	73,181,867
	<b>970,933,136</b>	933,165,094

During the year, additions to assets under construction were \$77,873,295 (2021 - \$64,052,223) and \$62,508,510 (2021 - \$37,119,263) was transferred to the other tangible capital asset classes.

For additional information, see the Consolidated schedule of tangible capital assets.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 13. Accumulated surplus

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2022	2021
	\$	\$
<b>Surplus</b>		
Invested in tangible capital assets	<b>926,857,156</b>	902,675,348
Entegrus, net equity	<b>88,407,802</b>	84,100,886
Prelevies for benefitting landowners	<b>60,448</b>	80,284
Other	<b>4,918,056</b>	2,435,752
Obligations to be funded from future years	<b>(536,789)</b>	(681,049)
Unfunded		
Employee future benefits, workplace safety and vacation	<b>(50,370,654)</b>	(48,894,803)
Accrued interest on long-term liabilities	<b>(260,727)</b>	(323,781)
Accrued Environmental Liability	<b>(200,000)</b>	(200,000)
	<b>968,875,292</b>	939,192,638
 <b>Surplus allocated to reserves</b>		
For acquisition of tangible capital assets	<b>130,986,870</b>	119,514,495
For public liability insurance	<b>4,082,873</b>	4,266,706
For various programs, facilities	<b>80,390,349</b>	75,674,695
For strategic and community development	<b>10,774,801</b>	10,708,102
For water	<b>16,755,835</b>	10,194,308
For wastewater	<b>30,852,869</b>	17,799,966
	<b>273,843,597</b>	238,158,272
 <b>Surplus allocated to reserve funds</b>		
For community investment	<b>3,935,655</b>	2,898,031
For parking purposes	<b>259,316</b>	250,866
	<b>4,194,971</b>	3,148,897
 <b>Total accumulated surplus</b>	<b>1,246,913,860</b>	1,180,499,807

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 14. Taxation revenue

### a) Taxation collected on behalf of school boards

The net taxation levies collected on behalf of the school boards are comprised of the following:

	2022	2021
	\$	\$
Taxation	24,547,291	24,124,998
Requisitions	(24,547,291)	(24,124,998)
Net levy for the year	-	-

Included in accounts receivable are levies owing from the school board totaling \$377,725 (2021 - \$513,373 in levies were owing from the school board).

### b) Taxation revenue by major tax class

2022	Taxes - own purpose	Payments in lieu	Supplementary taxes	Rebates & Write-offs	2022 Total
	\$	\$	\$	\$	\$
Residential	112,187,231	612,921	2,095,730	(1,518,609)	113,377,273
Multi-Residential	6,951,296	-	11,592	(83,985)	6,878,903
Commercial	30,374,130	2,527,347	427,830	(2,126,359)	31,202,948
Industrial	6,744,256	5,357	23,212	108,195	6,881,020
Pipelines	2,794,293	-	9,851	(23,331)	2,780,813
Landfill	283,574	-	-	-	283,574
Farmlands	17,231,180	3,903	360,072	252,305	17,847,460
Managed Forests	13,796	-	-	-	13,796
Other	362,129	703,498	(611)	(40,747)	1,024,269
Capping program	(14,090)	(13,571)	-	6,651	(21,010)
Total tax revenue	176,927,795	3,839,455	2,927,676	(3,425,880)	180,269,046

2021	Taxes - own purpose	Payments in lieu	Supplementary taxes	Rebates & Write-offs	2021 Total
	\$	\$	\$	\$	\$
Residential	107,008,324	596,362	1,160,667	(1,042,440)	107,722,913
Multi-Residential	6,351,852	-	239,149	(21,127)	6,569,874
Commercial	29,714,046	2,454,736	543,740	(1,465,373)	31,247,149
Industrial	6,396,295	5,266	124,961	(121,021)	6,405,501
Pipelines	2,689,933	-	46,324	(17)	2,736,240
Landfill	257,988	-	-	-	257,988
Farmlands	16,844,236	3,816	46,076	185,375	17,079,503
Managed Forests	11,851	-	-	239	12,090
Other	975,090	754,488	-	(951,417)	778,161
Capping program	(19,294)	-	-	35,011	15,717
Total tax revenue	170,230,321	3,814,668	2,160,917	(3,380,770)	172,825,136

# The Corporation of the Municipality of Chatham-Kent

## Notes to the consolidated financial statements December 31, 2022

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### 15. Self-insurance

In recent years, there have been substantial increases in the premiums charged by the insurance industry for public liability insurance. As a result, the Municipality has undertaken some portion of the risk, which would normally have been covered by outside insurers.

The Municipality is self-insured for property damage claims up to \$100,000 and for liability claims up to \$250,000 for any individual claim. Outside coverage is in place for claims in excess of these limits.

The Municipality has made a provision for a reserve for self-insurance which as at December 31, 2022 amounted to \$5,805,899 (2021 - \$6,177,312) and is reported on the Consolidated statement of financial position under reserves. The provision for the year of \$1,209,079 (2021 - \$1,209,079) less claims settled \$1,173,377 (2021 - \$606,501) has been reported as an expenditure on the Consolidated statement of operations and accumulated surplus.

Other Operating Surpluses/Deficits, related to insurance, in the amount of \$407,115 (2021 - \$192,127) have been transferred to/from the reserve.

### 16. Provincial offences administration

The Municipality cannot reliably estimate the collections of Provincial Offenses Administration revenue, accordingly, revenue is recognized on the cash basis.

The Ministry of the Attorney General requires the following disclosure of all municipal partners administering Provincial Offences Administration. The gross revenues collected at the Provincial Offences Court in 2022 were \$1,652,976 (2021 - \$1,571,592) and net revenue was \$20,296 (2021 - \$78,707).

### 17. Segmented information

The Municipality provides a diverse range of services to its citizens. The Consolidated schedule of segment disclosure has grouped various services into segments to provide a further breakdown of the revenues and expenses attributable to each segment. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The services included in each segment are as follows:

#### *General government*

General government is comprised of governance, corporate management and program support.

#### *Protection of persons and property*

Protection is comprised of fire, police, conservation authority, protective inspection and control, emergency measures and provincial offenses.

#### *Transportation services*

Transportation is comprised of roads, winter control, transit, parking, street lighting and air transportation.

#### *Environmental services*

Environmental is comprised of storm sewer systems, waste collection, waste disposal, and recycling.

#### *Health services*

Health is comprised of public health, hospital support, ambulance and cemeteries.

#### *Social and family services*

Social and family is comprised of Ontario Works, assistance to aged persons and child care.

#### *Social housing*

Social housing provides for a variety of housing services.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2022

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## 17. Segmented information (continued)

### *Recreation and cultural services*

Recreation and culture is comprised of parks, recreation programs, recreation facilities, libraries and cultural services.

### *Planning and development services*

Planning and development is comprised of planning and zoning, commercial and industrial development, residential development, agricultural and reforestation, and tile drainage and shoreline assistance.

### *Water and wastewater services*

Water and wastewater provides safe drinking water and collects and treats wastewater.

### *Other items and corporations*

Other items and corporations is comprised of the revenue from subsidiaries and items not related specifically to the other categories.

## 18. Commitments

- (a) The Municipality has entered into several contracts for the provision of various services. The obligation over the remaining life of the contracts are:

	\$
2023	18,854,725
2024	23,922,106
2025	11,598,090
2026	9,703,314
2027	8,381,272
2028	6,718,195
2029	240,698
2030	240,698
	<hr/> <b>79,659,097</b>

- (b) The table below shows the Municipality's outstanding long-term commitments:

	\$
2024	5,500,000
2025	5,500,000
	<hr/> <b>11,000,000</b>

# **The Corporation of the Municipality of Chatham-Kent**

Notes to the consolidated financial statements  
December 31, 2022

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## **19. Budget figures**

The approved operating and capital budgets are reflected on the Consolidated statement of operations and accumulated surplus for municipal projects. Those capital projects benefiting and assessed to landowners and developers, for example water, wastewater, drainage, and industrial lands, are not budgeted for. The budgets established for capital fund operations are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with the current year amounts.

## **20. Contingent Liabilities**

From time to time, when it is likely a claim will result in a material exposure and the amount of that claim is quantifiable, provisions for loss are made based on management's assessment of likely outcome. The Municipality does not provide for claims that are unlikely to result in a significant loss, when the outcome is not determinable or when the claim amount cannot be reasonably estimated. Any litigation outstanding, if successful, would not have a material impact on the consolidated financial statement.

# The Corporation of the Municipality of Chatham-Kent

Consolidated schedule of tangible capital assets

year ended December 31, 2022

	Land and land improvements	Buildings	Equipment	Vehicles	Underground linear	Plants and facilities	Bridges	Transportation	Other assets	Total 2022	Total 2021
<b>Municipal Cost</b>											
Balance, beginning of the year	62,956,889	163,408,738	44,030,521	65,210,705	129,372,087	3,272,370	237,417,348	500,618,718	3,833,447	1,210,120,823	1,183,973,498
Add: Additions during the year	3,053,270	575,836	3,759,142	6,248,288	2,070,915	-	3,177,143	21,004,795	752,580	40,641,969	35,059,801
Less: Disposals during the year	61,192	248,017	6,410,740	3,098,749	-	-	-	2,527,103	494,542	12,840,343	8,650,638
<b>Balance, end of the year</b>	<b>65,948,967</b>	<b>163,736,557</b>	<b>41,378,923</b>	<b>68,360,244</b>	<b>131,443,002</b>	<b>3,272,370</b>	<b>240,594,491</b>	<b>519,096,410</b>	<b>4,091,485</b>	<b>1,237,922,449</b>	<b>1,210,382,661</b>
Accumulated amortization											
Balance, beginning of the year	16,996,386	80,580,552	28,957,193	29,417,798	66,811,095	2,042,375	78,414,145	305,326,363	1,903,599	610,449,506	587,097,680
Add: Amortization for the year	1,121,107	3,674,809	2,374,147	4,177,951	2,263,670	59,733	3,692,655	16,348,853	3,697	33,716,622	31,735,863
Less: Accumulated amortization on disposals	50,139	190,961	6,318,033	2,754,254	-	-	-	2,527,103	445,913	12,286,403	8,122,197
<b>Balance, end of the year</b>	<b>18,067,354</b>	<b>84,064,400</b>	<b>25,013,307</b>	<b>30,841,495</b>	<b>69,074,765</b>	<b>2,102,108</b>	<b>82,106,800</b>	<b>319,148,113</b>	<b>1,461,383</b>	<b>631,879,725</b>	<b>610,711,346</b>
<b>Net book value of municipal assets</b>	<b>47,881,613</b>	<b>79,672,157</b>	<b>16,365,616</b>	<b>37,518,749</b>	<b>62,368,237</b>	<b>1,170,262</b>	<b>158,487,691</b>	<b>199,948,297</b>	<b>2,630,102</b>	<b>606,042,724</b>	<b>599,671,315</b>
<b>Waterworks Cost</b>											
Balance, beginning of the year	2,232,112	25,692,984	38,120,064	937,808	179,633,048	43,333,701	-	-	-	289,949,717	281,120,575
Add: Additions during the year	-	-	1,489,631	111,821	12,902,585	3,337,159	-	-	-	17,841,196	8,860,480
Less: Disposals during the year	-	-	30,497	26,002	-	-	-	-	-	56,499	8,229
<b>Balance, end of the year</b>	<b>2,232,112</b>	<b>25,692,984</b>	<b>39,579,198</b>	<b>1,023,627</b>	<b>192,535,633</b>	<b>46,670,860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>307,734,414</b>	<b>289,972,826</b>
Accumulated amortization											
Balance, beginning of the year	-	16,703,566	22,581,697	545,649	70,527,362	17,502,314	-	-	-	127,860,588	122,195,923
Add: Amortization for the year	-	533,705	1,591,341	70,188	2,502,337	1,221,012	-	-	-	5,918,583	5,695,999
Less: Accumulated amortization on disposals	-	-	23,789	26,002	-	-	-	-	-	49,791	8,229
<b>Balance, end of the year</b>	<b>-</b>	<b>17,237,271</b>	<b>24,149,249</b>	<b>589,835</b>	<b>73,029,699</b>	<b>18,723,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,729,380</b>	<b>127,883,693</b>
<b>Net book value of waterworks assets</b>	<b>2,232,112</b>	<b>8,455,713</b>	<b>15,429,949</b>	<b>433,792</b>	<b>119,505,934</b>	<b>27,947,534</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,005,034</b>	<b>162,089,133</b>
<b>Wastewater Cost</b>											
Balance, beginning of the year	4,677,355	60,138,636	46,845,750	840,493	103,945,100	17,441,683	-	-	-	233,889,017	229,106,096
Add: Additions during the year	-	-	2,170,282	227,628	3,488,627	3,454,462	-	-	-	9,340,999	4,954,260
Less: Disposals during the year	-	-	6,144	46,079	-	-	-	-	-	52,223	128,940
<b>Balance, end of the year</b>	<b>4,677,355</b>	<b>60,138,636</b>	<b>49,009,888</b>	<b>1,022,042</b>	<b>107,433,727</b>	<b>20,896,145</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>243,177,793</b>	<b>233,931,416</b>
Accumulated amortization											
Balance, beginning of the year	-	40,852,072	32,869,008	393,224	52,003,482	9,548,452	-	-	-	135,666,238	130,675,269
Add: Amortization for the year	-	1,542,026	1,317,475	56,243	1,753,054	554,589	-	-	-	5,223,387	5,156,282
Less: Accumulated amortization on disposals	-	-	4,480	46,079	-	-	-	-	-	50,559	122,914
<b>Balance, end of the year</b>	<b>-</b>	<b>42,394,098</b>	<b>34,182,003</b>	<b>403,388</b>	<b>53,756,536</b>	<b>10,103,041</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,839,066</b>	<b>135,708,637</b>
<b>Net book value of wastewater assets</b>	<b>4,677,355</b>	<b>17,744,538</b>	<b>14,827,885</b>	<b>618,654</b>	<b>53,677,191</b>	<b>10,793,104</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,338,727</b>	<b>98,222,779</b>
Assets under construction	-	-	-	-	-	-	-	-	-	88,546,651	73,181,867
<b>Total value of tangible capital assets</b>	<b>54,791,080</b>	<b>105,872,408</b>	<b>46,623,450</b>	<b>38,571,195</b>	<b>235,551,362</b>	<b>39,910,900</b>	<b>158,487,691</b>	<b>199,948,297</b>	<b>2,630,102</b>	<b>970,933,136</b>	<b>933,165,094</b>

## The Corporation of the Municipality of Chatham-Kent

Consolidated schedule of segment disclosure  
year ended December 31, 2022

	General government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Social housing	Recreation and cultural services	Planning and development services	Water and wastewater services	Other items and corporations	2022 Consolidations	2021 Consolidated	2020 Consolidated	2019 Consolidated		
<b>Revenues</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Taxation	11,550,686	66,221,632	47,188,747	12,751,874	6,219,349	10,655,595	11,411,922	20,109,834	4,211,512	-	(10,052,105)	180,269,046	172,825,136	164,434,351	159,997,309		
User charges	1,026,108	449,068	1,023,637	4,852,504	1,032,457	8,173,012	2,946,334	3,859,958	845,866	55,578,774	6,969,278	-	86,756,996	80,628,806	78,995,023	79,190,954	
Government transfers	4,349,128	6,713,446	18,021,155	45,512	19,621,714	76,753,784	6,620,821	650,602	6,238,957	-	20,713,394	-	159,728,513	151,946,024	133,064,814	125,398,568	
Other	-	-	-	-	-	-	-	-	-	34,236,778	-	34,236,778	28,839,421	14,515,827	18,810,458		
	<b>16,925,922</b>	<b>73,384,146</b>	<b>66,233,539</b>	<b>17,649,890</b>	<b>26,873,520</b>	<b>95,582,391</b>	<b>20,979,077</b>	<b>24,620,394</b>	<b>11,296,335</b>	<b>55,578,774</b>	<b>61,919,450</b>	<b>(10,052,105)</b>	<b>460,991,333</b>	<b>434,239,387</b>	<b>391,010,015</b>	<b>383,397,289</b>	
<b>Expenses</b>																	
Salaries and benefits	24,314,443	52,702,789	11,849,688	3,209,315	9,373,774	35,749,980	2,486,204	10,180,970	3,300,982	9,738,515	-	-	162,906,660	155,959,229	148,020,330	145,802,500	
Goods and services	22,672,158	7,065,609	23,616,795	11,440,710	14,773,833	21,872,220	11,896,244	7,182,518	2,362,606	16,547,376	-	-	139,430,069	117,248,223	101,864,973	106,973,076	
Interest	-	-	-	-	-	428,355	165,587	198,163	102,258	984,731	-	-	1,879,094	2,264,742	2,628,525	3,047,956	
Transfers (to) from other segments	(31,064,342)	9,303,456	8,099,177	765,034	1,511,700	4,558,546	96,759	3,783,301	578,651	2,367,718	-	-	-	-	-	-	
External transfers	-	1,948,301	-	-	600,000	31,798,426	5,776,522	456,873	4,922,743	-	-	-	45,502,865	39,194,878	43,577,107	43,829,841	
Amortization	1,003,663	2,363,991	22,667,879	2,234,831	614,213	1,174,864	557,761	2,818,569	29,095	11,393,727	-	-	44,858,593	42,588,145	*	43,032,474	40,576,958
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-	(100,138)	(1,563,330)	(384,570)		
	<b>16,925,922</b>	<b>73,384,146</b>	<b>66,233,539</b>	<b>17,649,890</b>	<b>26,873,520</b>	<b>95,582,391</b>	<b>20,979,077</b>	<b>24,620,394</b>	<b>11,296,335</b>	<b>41,032,067</b>	<b>-</b>	<b>-</b>	<b>394,577,281</b>	<b>357,155,080</b>	<b>337,560,079</b>	<b>339,845,761</b>	
<b>Net surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,546,707</b>	<b>61,919,450</b>	<b>(10,052,105)</b>	<b>66,414,052</b>	<b>77,084,307</b>	<b>53,449,936</b>	<b>43,551,528</b>	