

Consolidated financial statements of

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

December 31, 2019

The Corporation of the Municipality of Chatham-Kent

December 31, 2019

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.....	7-27
Consolidated schedule of tangible capital assets	28
Consolidated schedule of segment disclosure.....	29

Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of The Corporation of the Municipality of Chatham-Kent (the "Corporation"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2019, and the results of its operations, its accumulated surplus, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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.

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

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

Auditor's Responsibilities for the Audit of the 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 GAAS will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
July 20, 2020

The Corporation of the Municipality of Chatham-Kent

Consolidated statement of financial position
as at December 31, 2019

	2019	2018
	\$	\$
Financial assets		
Cash	170,136,046	149,638,631
Taxes receivable	4,134,898	5,888,974
Accounts receivable	38,712,286	32,269,072
Investments (Note 2)	30,970,604	30,000,000
Investment in Entegrus Inc. (Note 3)	59,238,902	57,798,156
Note receivable from Entegrus Inc. (Notes 3,5)	23,523,326	23,523,326
Note receivable from 2351839 Ontario Limited (Notes 4,6)	4,875,000	4,875,000
Land held for resale	3,428,912	3,928,912
Other assets	571,202	521,823
Local improvements receivable (Note 13)	22,011,908	21,985,020
	357,603,084	330,428,914
Liabilities		
Accounts payable and accrued liabilities	43,641,355	41,295,684
Accrued interest (Note 12)	443,573	506,189
Accrued employee benefits (Note 8)	45,858,055	43,767,503
Deferred revenue (Note 10)	42,922,775	32,576,369
Deficiency in 2351839 Ontario Limited (Note 4)	119,251	676,960
Long-term liabilities (Note 11)	66,655,359	76,730,187
	199,640,368	195,552,892
Net financial assets	157,962,716	134,876,022
Non-financial assets		
Tangible capital assets (Note 14)	881,976,027	861,039,695
Inventory	100,464	541,876
Prepaid expenses	401,883	431,971
	882,478,374	862,013,542
Accumulated surplus (Note 15)	1,040,441,092	996,889,564

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

The Corporation of the Municipality of Chatham-Kent

Consolidated statement of operations and accumulated surplus
as at December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Taxation and user charges			
Property taxation (Note 16)	156,536,514	159,997,309	153,872,231
User charges	78,679,831	79,190,954	81,830,236
	235,216,345	239,188,263	235,702,467
Government transfers			
Government of Canada	9,102,530	7,092,822	9,907,570
Province of Ontario	122,316,398	118,305,746	114,984,256
	131,418,928	125,398,568	124,891,826
Other			
Investment income	2,351,000	6,376,043	5,253,983
Penalties and interest on taxes	1,450,000	1,337,722	1,721,877
Contributions from landowners and developers	-	1,054,295	433,879
Sale of land and equipment	90,344	718,548	605,222
Provincial offences administration (Note 18)	2,002,672	2,345,894	1,902,621
Other	846,704	1,288,942	1,398,562
Gain (loss) on disposal of tangible capital assets	-	(384,570)	515,148
	6,740,720	12,736,874	11,831,292
Total revenue	373,375,993	377,323,705	372,425,585
Expenses			
General government	10,421,693	5,725,967	8,155,095
Protection of persons and property	61,242,194	61,037,404	58,023,903
Transportation services	49,690,257	53,561,718	50,210,826
Environmental services	52,422,449	54,747,129	47,722,147
Health services	27,034,081	26,577,302	25,075,449
Social and family services	98,551,396	91,420,130	87,636,610
Social housing	15,594,672	15,062,654	13,502,208
Recreation and cultural services	25,204,787	26,084,555	23,615,900
Planning and development	5,534,631	5,628,902	4,770,057
Total expenses	345,696,160	339,845,761	318,712,195
Excess revenues over expenses before other items	27,679,833	37,477,944	53,713,390
Other items			
Income from subsidiaries	4,050,000	6,073,584	3,703,923
Excess of revenues over expenses	31,729,833	43,551,528	57,417,313
Accumulated surplus, beginning of year	996,889,564	996,889,564	939,472,251
Accumulated surplus, end of year	1,028,619,397	1,040,441,092	996,889,564

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

The Corporation of the Municipality of Chatham-Kent

Consolidated statement of change in net financial assets
as at December 31, 2019

	2019	2018
	\$	\$
Excess of revenues over expenses	43,551,529	57,417,313
Acquisition of tangible capital assets	(86,252,347)	(30,247,743)
(Increase) decrease in assets under construction	23,983,239	(32,155,361)
Amortization of tangible capital assets	40,576,958	39,322,821
Loss (gain) on sale of tangible capital assets	384,570	(515,148)
Proceeds of sale of tangible capital assets	371,247	1,129,251
Change in inventory	441,409	461,033
Change in prepaids	30,089	(21,560)
Change in net financial assets	23,086,694	35,390,606
Net financial assets, beginning of year	134,876,022	99,485,416
Net financial assets, end of year	157,962,716	134,876,022

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

The Corporation of the Municipality of Chatham-Kent

Consolidated statement of cash flows as at December 31, 2019

	2019	2018
	Actual	\$
Operating transactions		
Excess of revenues over expenses	43,551,528	57,417,313
Items not involving cash		
Amortization	40,576,957	39,322,821
Loss (gain) on sale of tangible capital assets	384,570	(515,148)
Income from subsidiaries	(6,073,584)	(3,703,923)
Change in Taxes Receivable	1,754,076	3,798,046
Change in Accounts Receivable	(6,443,214)	9,798,642
Change in Land Held for Resale	500,000	265,500
Change in Other Assets	(49,379)	(45,520)
Change in Local Improvements Receivable	(26,888)	(1,073,845)
Change in Accounts Payable and Accrued Liabilities	2,345,671	(1,175,375)
Change in obligations to be funded from future revenues	2,027,936	(3,276,938)
Decrease in inventory	441,412	461,034
Decrease in prepaid expenses	30,088	(21,560)
Deferred revenue	10,346,406	2,578,135
	89,365,579	103,829,182
Financing transactions		
New debt issued	-	-
New note issued	-	(75,000)
Note payable repayment	-	-
Long-term debt repayment	(10,074,828)	(9,684,891)
	(10,074,828)	(9,759,891)
Capital transactions		
Acquisition of tangible capital assets	(62,269,108)	(62,403,105)
Proceeds of sale of tangible capital assets	371,247	1,129,251
	(61,897,861)	(61,273,854)
Investing transaction		
Dividends received from Entegrus Inc	4,075,129	4,055,826
Investment in Entegus	-	-
Investment in Principally Protected Funds	(970,604)	(30,000,000)
	3,104,525	(25,944,174)
Net increase in cash	20,497,415	6,851,263
Cash, beginning of year	149,638,631	142,787,368
Cash, end of year	170,136,046	149,638,631

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

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

1. Significant accounting policies

The consolidated financial statements of The Corporation of the Municipality of Chatham-Kent (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. and 2351839 Ontario Limited are 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 overlevies are reported on the Consolidated statement of financial position as "other current liabilities".

Trust funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Funds Statement of continuity and Balance sheet.

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, 2019

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 15th 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 also are recorded as revenue.

Works of art, artifacts, cultural or historic assets are not recorded as assets in the 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 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, 2019

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. 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 \$30,970,604 in 2019 (\$30,000,000 in 2018). The investments are comprised of Principally Guaranteed Pooled Investments with CIBC. The market value of these investments at December 31, 2019 amounted to \$30,370,200.

3. Investment in Entegrus Inc.

Chatham-Kent Energy Inc. (CKE) and its wholly-owned subsidiaries, Chatham-Kent Hydro Inc.(CKH) and Chatham-Kent Utility Services Inc., Chatham-Kent Transmission Inc., were incorporated September 22, 2000 under the *Business Corporations Act (Ontario)*.

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

Effective January 1, 2012 CKH and MPDC amalgamated to continue as Chatham Kent Hydro Inc. Effective January 19, 2012 the names of CKE and its wholly-owned subsidiaries were amended as follows:

Former name

Chatham-Kent Energy Inc.
Chatham-Kent Hydro Inc.
Chatham-Kent Utility Services Inc.
Chatham-Kent Transmission Inc.

Amended name

Entegrus Inc. ("Entegrus")
Entegrus Power Lines Inc. ("EPI")
Entegrus Services Inc. ("ESI")
Entegrus Transmission Inc. ("EFT")

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

3. Investment in Entegrus Inc. (continued)

The principal activity of Entegrus 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, and its subsidiaries, are to provide energy services, meter services, and street lighting services.

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 CKE at October 1, 2000 was \$47,379,124. In consideration for the transfer, CKE 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 CKE issued 222 common shares to Corix which represents a 10% ownership.

In 2017 Entegrus 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 is owned 71.49% by the Municipality of Chatham-Kent, 7.94% by Corix Utilities and 20.57% by St. Thomas Energy Inc.

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

3. Investment in Entegrus Inc. (continued)

The following table provides condensed supplementary consolidated financial information for Entegrus and its subsidiaries for the year ended December 31, 2019:

	2019	2018
	\$	\$
Financial position		
Assets		
Current	41,377,412	34,636,403
Capital	147,200,198	138,346,499
Other	29,855,156	29,406,606
Total assets	218,432,766	202,389,508
Liabilities		
Current	43,947,502	38,676,066
Notes payable to Municipality of Chatham-Kent	23,523,326	23,523,326
Other	53,374,778	42,770,895
Total liabilities	120,845,606	104,970,287
Equity		
Share capital	52,161,260	52,161,260
Share Premium	16,571,469	16,571,469
Hedging Reserve	(1,978,542)	(899,502)
Retained earnings	29,861,360	28,745,649
Total equity	96,615,547	96,578,876
Regulatory		
Regulatory credit balances	971,613	840,345
Total regulatory	971,613	840,345
Total liabilities equity and regulatory	218,432,766	202,389,508

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

3. Investment in Entegrus Inc. (continued)

	2019	2018
	\$	\$
Financial activities		
Revenue	177,431,761	161,591,895
Expenses	170,666,817	155,730,133
	6,764,944	5,861,762
Payment in lieu of taxes	408,330	885,628
Net movement in regulatory balances, net of tax	(822,892)	(1,174,367)
Remeasurement of employee benefits	72,620	(666,649)
Unrealized gain on investment	365,983	425,075
Dividends paid	5,700,000	5,673,000
Change in retained earnings	1,040,903	719,075
Municipality of Chatham-Kent's investment represented by:		
Investment in shares of Entegrus	31,595,798	31,595,798
Accumulated profit less dividends received	27,643,104	26,898,927
	59,238,902	58,494,725
Corix Utilities' investment represented by:		
Investment in shares of Entegrus	3,886,352	3,886,352
Accumulated profit less dividends received	1,856,238	1,773,622
	5,742,590	5,659,974
St. Thomas Energy Inc. investment represented by:		
Investment in shares of Entegrus	16,679,110	16,679,110
Accumulated profit less dividends received	362,017	147,908
	17,041,127	16,827,018

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

3. Investment in Entegrus Inc. (continued)

(a) *Equity in Entegrus Inc.*

	2019	2018
	\$	\$
Balance, beginning of year	81,321,482	81,503,966
Changes during the year		
Adjustment for prior year	696,568	-
Net earnings for the year	4,819,307	3,873,342
Dividends paid	(4,075,129)	(4,055,826)
Balance, end of year	82,762,228	81,321,482
	2019	2018
	\$	\$
Investment in Entegrus Inc.	59,238,902	57,798,156
Notes receivable from Entegrus Inc.	23,523,326	23,523,326
Balance, end of year	82,762,228	81,321,482

(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, 2019 and December 31, 2018:

	2019	2018
	\$	\$
Transactions		
Revenue		
Administrative services	581,308	569,912
Interest on promissory note	1,067,964	1,067,959
Expenses		
Energy purchases (at commercial rates)	6,132,790	5,860,611
Billing and collection services - water/wastewater	2,305,728	2,302,546
Streetlight maintenance	237,486	249,171
Balances		
Amounts due from Entegrus Inc.		
Promissory note receivable	23,523,326	23,523,326
Accounts receivable	15,713,942	13,831,173

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

4. Investment in 2351839 Ontario Limited

2351839 Ontario Limited operating as WDC Rail, incorporated November 29th, 2012 under the *Canada Business Corporations Act*, owns railway land assets and is wholly owned by the Municipality of Chatham-Kent.

The following table provides condensed supplementary financial information for WDC Rail for the year ended December 31:

	2019	2018
	\$	\$
Financial position		
Assets		
Current	-	41,609
Capital	-	4,461,931
Total assets	-	4,503,540
Liabilities		
Current	119,250	305,499
Note payable to Municipality of Chatham-Kent	-	4,875,000
Total liabilities	119,250	5,180,499
Equity		
Share capital	1	1
Deficit	(119,251)	(676,960)
Total deficit	(119,250)	(676,959)
Total liabilities and equity	-	4,503,540
Financial activities		
Revenue	774,470	4,619
Expenses	216,761	174,038
	557,709	(169,419)
Change in retained earnings	557,709	(169,419)
Municipality of Chatham-Kent's investment represented by:		
Balance, beginning of year	(676,960)	(507,541)
Changes during year		
Investment in shares of company		
Net gain (loss) for the year	557,709	(169,419)
Balance, end of year	(119,251)	(676,960)

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

4. Investment in 2351839 Ontario Limited (continued)

(a) *Equity in WDC Rail*

	2019	2018
	\$	\$
Balance, beginning of year	323,041	492,460
Changes during the year		
Investment in the Company		
Note receivable issued to the Company		
Net gain (loss) for the year	557,709	(169,419)
Balance, end of year	<u>880,750</u>	<u>323,041</u>
	2019	2018
	\$	\$
Investment in the Company	(119,251)	(676,960)
Notes receivable from the Company	<u>4,875,000</u>	<u>4,875,000</u>
Balance, end of year	<u>4,755,749</u>	<u>4,198,040</u>

(b) *Related party transactions and balances*

The following summarizes the Municipality's related party transactions with WDC Rail for the year ended December 31, 2019 and December 31, 2018:

	2019	2018
	\$	\$
Transactions		
Revenue		
Interest on promissory note	121,875	100,594
Drainage assessments	2,302	4,098
Balances		
Amounts due from the Company		
Promissory note receivable	4,875,000	4,875,000
Accounts receivable	<u>424,366</u>	<u>302,491</u>

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 (2018 - \$1,067,959).

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

6. Note receivable from 2351839 Ontario Limited

Note receivable is due from 2351839 Ontario Limited with no set repayment terms and interest payable at a rate equal to the interest amount payable by the Municipality on funds borrowed from its financial institution in the year for which the interest is charged (2019 Prime – 1.45%). The Municipality recorded revenue for interest in the current year of \$121,875 (2018 - \$100,594).

7. Trust funds

Trust funds administered by the Municipality amounting to \$6,199,873 (2018 - \$6,022,703) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated surplus.

8. Accrued employee benefits

The Municipality has accrued employee benefits as follows:

	2019	2018
	\$	\$
Employee future benefits	40,110,196	38,082,357
Workplace safety and insurance obligations	1,499,759	1,729,866
Vested sick leave	58,081	58,081
Vacation credits	4,190,019	3,897,200
	45,858,055	43,767,504

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, 2019 of \$40,110,196 (2018 - \$38,082,357) was determined by actuarial valuation using a discount rate of 3.00% (2018 – 3.75%). A comprehensive actuarial valuation of the future liability for employee future benefits was conducted as at December 31, 2018. The next required valuation will be as of December 31, 2021.

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

	2019	2018
	\$	\$
Accrued benefit liability as at January 1, 2019	38,082,357	35,873,476
Expense for the period	3,450,717	3,378,210
Benefits paid during the period	(1,422,878)	(1,169,329)
Estimated accrued benefit liability as at December 31, 2019	40,110,196	38,082,357

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

8. Accrued employee benefits (continued)

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 2018 and thereafter.

(ii) Interest (discount) rate

The present value as at December 31, 2019 of the future benefits was determined using a discount rate of 3.00%. The expense for the year ended December 31, 2018, was determined using a discount rate of 3.75%.

(iii) Health costs

Drug costs were assumed to increase at 6.5% per year grading down to 4% over 7 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 \$1,499,759 (2018 - \$1,729,866) and an accrual has been recorded for 2019. 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 \$2,293,096 (2018 - \$2,432,562). 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) Vested sick leave

Under some of the pre-amalgamation municipal sick leave benefit plans, unused sick leave could accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment. The Municipality has not offered vested sick leave and thus the amounts will no longer accumulate.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$58,081 (2018 - \$58,081) at the end of the year and is reported as an accrued liability on the Consolidated statement of financial position. An amount of \$0 (2017 - \$0) was paid to employees who left the Municipality's employment during the current year.

(d) 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, 2019 is \$4,190,019 (2018 - \$3,897,200) 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, 2019

9. Pension agreement

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer plan, on behalf of 1351 (2018 - 1352) 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 2019 calendar year at rates ranging from 9.0% to 15.8% (2018 - 9.0% to 15.8%) depending on the member's designated retirement age and level of earnings. The amount contributed to OMERS for 2019 was \$9,623,163 (2018 - \$9,500,603) for current service and this is included on the Consolidated Statement of Operations and Accumulated Surplus. As at December 31, 2019 the OMERS plan is in a deficit of \$3.4 Billion (2018 - \$4.2 Billion), which will be addressed through temporary contribution rate increases, benefit reductions, and investment returns.

10. Deferred revenue - obligatory reserve funds

A requirement of the public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Municipality are summarized as follows:

	2019	2018
	\$	\$
For building code act	3,328,455	2,596,193
For parkland purposes	145,524	118,465
For Federal gas tax	25,045,516	15,859,604
For Provincial gas tax	4,720,818	4,738,311
Deferred revenue - obligatory reserve funds	<u>33,240,313</u>	23,312,573
Other deferred revenue		
Deferred taxes	1,050,245	1,307,276
Deferred grants	2,864,227	3,310,305
Other	5,767,990	4,646,215
Total deferred revenue	<u>42,922,775</u>	32,576,369

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

11. 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:

	2019	2018
	\$	\$
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.	68,248,939	78,643,445
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.	(1,593,580)	(1,913,258)
Net long-term liabilities at the end of the year	66,655,359	76,730,187

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

	2020 to 2024	2025 to 2029	2030 and thereafter
	\$	\$	\$
From general municipal revenue	7,106,312	2,745,776	2,123,708
From benefiting landowners	13,323,527	2,389,778	-
From benefiting water ratepayers	13,424,193	4,318,915	354,164
From benefiting wastewater ratepayers	13,907,831	6,261,988	699,167
	47,761,863	15,716,457	3,177,039

- (c) Included in the principal amount in a) is \$4,752,761 (2018 - \$5,559,682) 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%.

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

12. Charges for net long-term liabilities

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

	2019	2018
	\$	\$
Beginning balance	76,730,187	86,415,078
Principal payments	(10,074,828)	(9,684,891)
New debt issued	-	-
Ending balance	66,655,359	76,730,187

Net interest payments related to long-term liabilities in the current year were \$3,005,136 (2018 - \$3,395,071) 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 \$443,573 (2018 - \$506,189) and is reported as an accrued liability on the Consolidated statement of financial position.

13. 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.

	2019	2018
	\$	\$
Local improvements receivable for capital projects on tax roll		
Wastewater	436,246	503,743
Water	902,729	1,137,712
Drainage	20,494,004	20,198,319
Other	178,929	145,246
22,011,908	21,985,020	

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

14. Tangible capital assets

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

	2019	2018
	\$	\$
Land and land improvements	52,125,687	52,186,168
Buildings	118,228,230	120,390,951
Equipment	45,997,244	47,136,682
Vehicles	35,812,703	30,227,609
Underground linear	217,340,098	207,452,500
Plants and facilities	34,862,200	25,523,958
Bridges	152,779,616	136,553,631
Transportation	186,655,724	179,215,627
Other assets	2,027,443	2,222,253
	845,828,945	800,909,379
Assets under construction	36,147,082	60,130,316
	881,976,027	861,039,695

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, 2019

15. Accumulated surplus

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

	2019	2018
	\$	\$
Surplus		
Invested in tangible capital assets	820,274,465	787,332,204
Entegrus, net equity	82,762,228	81,321,482
WDC Rail	(119,250)	(676,960)
Business Improvement Area	-	-
Prelevies for benefitting landowners	76,222	109,170
Other	5,444,719	6,342,937
Obligations to be funded from future years	(1,315,713)	(1,582,803)
Unfunded		
Employee future benefits, workplace safety and vacation	(44,331,395)	(42,059,289)
Accrued interest on long-term liabilities	(443,573)	(506,189)
Accrued Environmental Liability	(200,000)	(200,000)
	862,147,703	830,080,552
 Surplus allocated to reserves		
For acquisition of tangible capital assets	93,132,324	68,698,490
For public liability insurance	3,493,067	2,968,476
For various programs, facilities	59,862,722	61,205,141
For strategic and community development	5,604,947	9,173,950
For water	1,369,616	5,722,335
For wastewater	12,749,675	10,617,692
	176,212,351	158,386,084
 Surplus allocated to reserve funds		
For community investment	1,847,072	8,197,411
For parking purposes	233,966	225,516
	2,081,038	8,422,927
 Total accumulated surplus	1,040,441,092	996,889,564

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

16. 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:

	2019	2018
	\$	\$
Taxation	28,680,788	28,470,716
Requisitions	(28,680,788)	(28,470,716)
Net levy for the year	-	-

Included in accounts payable are levies due to the school board totaling \$20,754 and included in accounts receivable are levies due from the school board of \$2,163 (2018 - \$325,981 in levies were owing from the school board).

b) Taxation revenue by major tax class

2019	Taxes - own purpose	Payments in lieu	Supplementary taxes	Rebates & Write-offs	2019 Total
	\$	\$	\$	\$	\$
Residential	98,915,656	572,842	1,035,328	(1,037,378)	99,486,448
Multi-residential	5,942,859	-	17,184	(23,186)	5,936,857
Commercial	27,878,115	2,147,370	805,957	(697,216)	30,134,226
Industrial	5,823,082	5,411	305,393	(88,804)	6,045,082
Pipelines	2,509,809	-	6,739	(38,668)	2,477,880
Landfill	212,797	-	-	-	212,797
Farmlands	14,821,832	6,004	39,528	109,738	14,977,102
Managed forests	9,337	-	-	(379)	8,958
Other	384,828	729,168	4,700	(291,279)	827,417
Capping program	(114,699)	-	-	5,241	(109,458)
Total tax revenue	156,383,616	3,460,795	2,214,829	(2,061,931)	159,997,309

2018	Taxes - own purpose	Payments in lieu	Supplementary taxes	Rebates & Write-offs	2018 Total
	\$	\$	\$	\$	\$
Residential	96,348,221	599,007	724,987	(1,056,750)	96,615,465
Multi-residential	5,945,406	-	46,866	(19,756)	5,972,516
Commercial	27,353,861	2,163,333	334,730	(1,746,793)	28,105,131
Industrial	5,842,633	5,253	167,383	(86,208)	5,929,061
Pipelines	1,698,238	-	886,646	(214)	2,584,670
Landfill	193,409	-	-	-	193,409
Farmlands	13,538,218	5,536	36,143	109,356	13,689,253
Managed forests	6,705	-	-	-	6,705
Other	396,346	578,535	47,966	(125,487)	897,360
Capping program	(233,888)	-	-	112,549	(121,339)
Total tax revenue	151,089,149	3,351,664	2,244,721	(2,813,303)	153,872,231

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

17. 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, 2019 amounted to \$5,066,379 (2018 - \$4,296,057) and is reported on the consolidated statement of financial position under reserves. The provision for the year of \$1,209,079 (2018 - \$1,309,079) less claims settled \$347,928 (2018 - \$714,765) 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 \$90,829 (2018 - \$218,219) have been transferred to/from the reserve.

18. 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 2019 were \$2,345,894 (2018 - \$1,902,621) and net revenue was \$744,126 (2018 - \$356,205).

19. 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 services

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.

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2019

19. Segmented information (continued)

Social housing

Social housing provides for a variety of housing services.

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.

20. 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:

	\$
2020	19,356,940
2021	17,702,543
2022	1,660,951
2023	1,165,809
2024	429,572
2025	165,039
2026	184,933
2027	165,039
<hr/>	
	40,830,826

- (b) The Municipality has entered into several other long-term commitments. The obligation over the remaining life of the contracts are:

<u>2020</u>	\$ 3,157,945
	3,157,945

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2019

21. 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.

22. Contingent liabilities

From time to time, when it is likely a claim will result in a material exposure and the amount of a claim will result in a material exposure and the amount of a 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.

23. Subsequent events

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus.

The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results of the Municipality in future periods. The pandemic has caused significant volatility in the global and Canadian capital markets, changes in interest rates and fluctuations in foreign currency exchange rates, consequently affecting the valuation and performance of investments. As at June 1, 2020 the Municipality anticipates a decrease in interest income from budgeted amounts as interest rates have decreased from 2.5% to 1%, the estimated impact of this decrease in interest rates is a \$600,000 decrease in interest income in 2020.

The Corporation of the Municipality of Chatham-Kent

Consolidated schedule of tangible capital assets

year ended December 31, 2019

as at December 31, 2019	Land and land improvements	Buildings	Equipment	Vehicles	Underground linear	Plants and facilities	Bridges	Transportation	Other assets	Total 2019	Total 2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Municipal Cost											
Balance, beginning of the year	59,168,327	155,517,128	39,195,154	56,474,302	115,268,549	3,272,370	206,504,205	454,470,849	6,152,381	1,096,023,265	1,075,060,390
Add: Additions during the year	969,263	3,552,647	2,313,669	9,484,459	7,650,020	-	19,425,450	21,057,145	415,564	64,848,217	28,691,357
Less: Disposals during the year	-	6,801	612,024	4,789,305	-	-	1,187,611	5,242,957	2,183,252	14,021,950	7,728,481
Balance, end of the year	60,137,590	159,062,974	40,896,799	61,149,456	122,918,569	3,272,370	224,742,044	470,285,037	4,384,693	1,146,849,532	1,096,023,265
Accumulated amortization											
Balance, beginning of the year	13,891,626	69,767,265	22,223,749	26,970,194	60,331,446	1,844,411	69,950,574	275,255,223	3,930,128	544,164,616	521,895,919
Add: Amortization for the year	1,029,744	3,586,980	3,042,732	3,667,188	2,075,098	75,537	3,019,075	13,317,765	610,374	30,424,493	29,383,075
Less: Accumulated amortization on disposals	6,801	606,420	4,518,764	-	-	1,007,221	4,943,675	2,183,252	13,266,133	7,114,379	-
Balance, end of the year	14,921,370	73,347,444	24,660,061	26,118,618	62,406,544	1,919,948	71,962,428	283,629,313	2,357,250	561,322,976	544,164,616
Net book value of municipal assets	45,216,220	85,715,530	16,236,738	35,030,838	60,512,025	1,352,422	152,779,616	186,655,724	2,027,443	585,526,556	551,858,649
Waterworks											
Cost											
Balance, beginning of the year	2,232,112	25,692,984	34,179,286	674,687	167,524,780	32,584,398	-	-	-	262,888,247	261,915,850
Add: Additions during the year	-	-	1,303,711	78,113	5,551,802	7,873,522	-	-	-	14,807,148	1,056,088
Less: Disposals during the year	-	-	3,890	48,525	-	-	-	-	-	52,415	83,690
Balance, end of the year	2,232,112	25,692,984	35,479,107	704,275	173,076,582	40,457,920	-	-	-	277,642,980	262,888,247
Accumulated amortization											
Balance, beginning of the year	-	15,036,149	18,819,760	442,542	63,404,860	14,275,202	-	-	-	111,978,513	107,185,626
Add: Amortization for the year	-	556,231	1,119,760	33,543	2,282,086	956,556	-	-	-	4,948,176	4,876,577
Less: Accumulated amortization on disposals	-	-	3,890	48,525	-	-	-	-	-	52,415	83,690
Balance, end of the year	-	15,592,380	19,935,630	427,560	65,686,946	15,231,758	-	-	-	116,874,274	111,978,513
Net book value of waterworks assets	2,232,112	10,100,604	15,543,477	276,715	107,389,636	25,226,162	-	-	-	160,768,706	150,909,734
Wastewater											
Cost											
Balance, beginning of the year	4,677,355	60,138,637	43,505,354	887,833	95,337,842	13,893,335	-	-	-	218,440,356	218,002,449
Add: Additions during the year	-	-	824,699	74,478	2,721,898	2,975,901	-	-	-	6,596,976	500,299
Less: Disposals during the year	-	-	2,594	52,192	-	-	-	-	-	54,786	62,392
Balance, end of the year	4,677,355	60,138,637	44,327,459	910,119	98,059,740	16,869,236	-	-	-	224,982,546	218,440,356
Accumulated amortization											
Balance, beginning of the year	-	36,154,385	28,699,603	396,477	46,942,364	8,106,532	-	-	-	120,299,361	115,298,584
Add: Amortization for the year	-	1,572,156	1,413,421	60,684	1,678,939	479,088	-	-	-	5,204,288	5,063,169
Less: Accumulated Amortization on Disposals	-	-	2,594	52,192	-	-	-	-	-	54,786	62,392
Balance, end of the year	-	37,726,541	30,110,430	404,969	48,621,303	8,585,620	-	-	-	125,448,863	120,299,361
Net book value of wastewater assets	4,677,355	22,412,096	14,217,029	505,150	49,438,437	8,283,616	-	-	-	99,533,683	98,140,996
Assets under construction	-	-	-	-	-	-	-	-	-	36,147,082	60,130,316
Total value of tangible capital assets	52,125,687	118,228,230	45,997,244	35,812,703	217,340,098	34,862,200	152,779,616	186,655,724	2,027,443	881,976,027	861,039,695

The Corporation of the Municipality of Chatham-Kent

Consolidated schedule of segment disclosure
year ended December 31, 2019

mber 31, 2019	2019										2018			
	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	Eliminations	Consolidated	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues														
Taxation	5,095,340	58,453,586	40,990,893	12,684,972	9,912,947	13,824,781.00	-	7,481,543.00	20,394,876.00	3,601,585.00	-	-	(12,443,214.00)	159,997,309.00
User charges	577,319	475,598	1,422,635	4,504,543	806,293	8,893,533.00	-	2,849,725.00	4,929,594.00	842,950.00	48,227,958.00	5,600,000.00	-	79,190,954.00
Government transfers	53,308	2,108,220	11,148,190	25,427	15,858,062	68,701,816.00	-	4,731,386.00	760,085.00	1,164,367.00	383,314.00	20,444,393.00	-	125,398,586.00
Other														124,891,818.00
	5,725,967	61,037,404	53,561,718	17,214,942	26,577,302	91,420,130.00	-	15,062,654.00	26,084,555.00	5,628,902.00	48,611,272.00	44,915,657.00	(12,443,214.00)	383,397,389.00
Expenses														
Salaries and benefits	19,538,022	45,580,960	10,859,317	2,293,837	9,245,731	33,670,537.00	-	2,163,885.00	11,158,435.00	3,140,861.00	8,150,916.00	-	-	145,802,499.00
Goods and services	14,442,207	3,953,589	17,310,380	11,747,220	13,527,264	15,292,932.00	-	5,924,580.00	7,024,281.00	1,744,580.00	15,204,026.00	-	-	106,973,076.00
Interest	1,795	-	69,457	-	-	605,981.00	-	230,561.00	237,240.00	189,373.00	1,475,531.00	-	-	3,047,956.00
Transfers (to) from other segments	(29,184,542)	7,355,031	7,060,365	1,107,034	2,851,600	4,322,896.00	-	160,427.00	3,469,249.00	558,175.00	2,209,765.00	-	-	3,476,040.00
External transfers	-	1,218,523	-	-	235,000	35,787,866.00	-	5,956,542.00	629,796.00	2,115.00	-	-	-	43,637,444.00
Amortization	931,886	2,767,641	18,644,644	2,066,851	693,411	1,301,118.00	-	557,532.00	3,186,032.00	23,820.00	10,404,221.00	-	-	40,576,956.00
Loss (gain) on disposal of tangible capital assets	(3,311)	161,660	(581,445)	-	24,296	-	-	-	7,304.00	-	6,928.00	-	-	(515,148.00)
	5,725,967	61,037,404	53,561,718	17,214,942	26,577,302	91,420,130.00	-	15,062,654.00	26,084,555.00	5,628,902.00	48,611,272.00	44,915,657.00	(12,443,214.00)	383,397,389.00
Net surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	57,417,313.00