

Consolidated financial statements of

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

December 31, 2016

# The Corporation of the Municipality of Chatham-Kent

December 31, 2016

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## 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, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

**Opinion**

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

A handwritten signature in black ink that reads "Deloitte LLP". The letters are cursive and somewhat stylized.

Chartered Professional Accountants  
Licensed Public Accountants  
September 11, 2017

# The Corporation of the Municipality of Chatham-Kent

Consolidated statement of financial position  
as at December 31, 2016

	2016	2015
	\$	\$
<b>Financial assets</b>		
Cash	125,937,071	109,168,394
Taxes receivable	10,007,467	9,461,113
Accounts receivable	36,392,348	37,100,719
Investment in Entegrus Inc. (Note 2)	43,389,512	43,383,733
Note receivable from Entegrus Inc. (Notes 2, 4)	23,523,326	23,523,326
Note receivable from 2351839 Ontario Limited (Notes 3, 5)	4,800,000	4,650,000
Land held for resale	4,494,019	4,494,019
Other assets	352,218	460,680
Local improvements receivable (Note 12)	23,055,452	20,208,379
	<b>271,951,413</b>	<b>252,450,363</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	30,761,325	31,580,087
Accrued interest (Note 11)	863,931	944,014
Accrued employee benefits (Note 7)	44,008,794	41,724,571
Deferred revenue (Note 9)	28,143,625	26,705,926
Deficiency in 2351839 Ontario Limited (Note 3)	415,405	298,787
Long-term liabilities (Note 10)	96,192,794	105,841,585
	<b>200,385,874</b>	<b>207,094,970</b>
Net financial assets	<b>71,565,539</b>	<b>45,355,393</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 13)	817,739,361	819,624,072
Inventory	593,763	377,221
Prepaid expenses	240,657	1,259,760
	<b>818,573,781</b>	<b>821,261,053</b>
<b>Accumulated surplus (Note 14)</b>	<b>890,139,320</b>	<b>866,616,446</b>

# The Corporation of the Municipality of Chatham-Kent

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

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
<b>Revenues</b>			
Taxation and user charges			
Property taxation (Note 15)	144,537,255	144,537,255	139,992,931
User charges	62,791,806	70,605,330	64,788,091
	<b>207,329,061</b>	<b>215,142,585</b>	204,781,022
Grants			
Government of Canada	8,947,040	6,520,679	7,005,699
Province of Ontario	103,593,254	104,352,140	100,551,103
	<b>112,540,294</b>	<b>110,872,819</b>	107,556,802
Other			
Investment income	2,609,566	3,631,810	3,183,113
Penalties and interest on taxes	1,560,000	1,388,338	1,562,484
Contributions from landowners and developers	-	559,662	438,894
Sale of land and equipment	97,479	166,562	1,191,013
Provincial offences administration	2,032,500	1,964,816	2,336,112
Other	881,672	1,439,549	3,369,863
Gain (loss) on disposal of tangible capital assets	-	10,739	(150,389)
	<b>7,181,217</b>	<b>9,161,476</b>	11,931,090
<b>Total revenue</b>	<b>327,050,572</b>	<b>335,176,880</b>	324,268,914
<b>Expenses</b>			
General government	8,069,991	4,283,962	3,943,488
Protection of persons and property	57,472,102	56,309,459	56,955,073
Transportation services	46,461,036	51,272,652	48,521,107
Environmental services	47,639,449	49,981,414	44,812,703
Health services	23,772,349	23,356,088	23,145,358
Social and family services	90,938,585	85,903,156	85,290,378
Social housing	13,813,046	13,237,210	12,570,563
Recreation and cultural services	23,196,199	24,939,201	23,636,289
Planning and development	4,641,204	4,780,025	4,908,512
<b>Total expenses</b>	<b>316,003,961</b>	<b>314,063,167</b>	303,783,471
Excess revenues over expenses before other items	11,046,611	21,113,713	20,485,443
Other items			
Income from subsidiaries	-	2,409,161	3,064,749
<b>Excess of revenues over expenses</b>	<b>11,046,611</b>	<b>23,522,874</b>	23,550,192
<b>Accumulated surplus, beginning of year</b>	<b>866,616,446</b>	<b>866,616,446</b>	843,066,254
<b>Accumulated surplus, end of year</b>	<b>877,663,057</b>	<b>890,139,320</b>	866,616,446

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  
year ended December 31, 2016

	2016	2015
	\$	\$
<b>Excess of revenues over expenses</b>	<b>23,522,874</b>	23,550,192
Acquisition of tangible capital assets	<b>(35,733,331)</b>	(38,976,244)
(Increase) decrease in tangible capital assets		
construction in progress	<b>(4,072,806)</b>	859,200
Amortization of tangible capital assets	<b>41,210,372</b>	36,587,349
(Gain) loss on sale of tangible capital assets	<b>(10,739)</b>	150,389
Proceeds of sale of tangible capital assets	<b>491,215</b>	317,886
Change in inventory	<b>(216,542)</b>	106,686
Change in prepaids	<b>1,019,103</b>	369,807
Change in net financial assets	<b>26,210,146</b>	22,965,265
Net financial assets, beginning of year	<b>45,355,393</b>	22,390,128
<b>Net financial assets, end of year</b>	<b>71,565,539</b>	45,355,393

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  
year ended December 31, 2016

	2016	2015
	\$	\$
<b>Operating transactions</b>		
Excess of revenues over expenses	23,522,874	24,050,192
Items not involving cash		
Amortization	41,210,372	36,587,349
(Gain) loss on sale of tangible capital assets	(10,739)	150,389
Income from subsidiaries	(2,409,161)	(3,064,749)
Change in non-cash working capital items	(3,395,356)	(4,591,503)
Change in obligations to be funded from future revenues	2,204,141	3,880,191
(Increase) decrease in inventory	(216,542)	106,686
Decrease in prepaid expenses	1,019,103	369,807
Deferred revenue	1,437,699	2,286,787
	<b>63,362,391</b>	<b>59,775,149</b>
<b>Financing transactions</b>		
New note issued	(150,000)	(3,650,000)
Long-term debt repayment	(9,648,791)	(9,288,382)
	<b>(9,798,791)</b>	<b>(12,938,382)</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(39,806,137)	(38,117,044)
Proceeds of sale of tangible capital assets	491,214	317,886
	<b>(39,314,923)</b>	<b>(37,799,158)</b>
<b>Investing transaction</b>		
Dividends received from Entegrus Inc.	2,520,000	2,349,000
Net increase in cash	16,768,677	11,386,609
Cash, beginning of year	109,168,394	97,781,785
<b>Cash, end of year</b>	<b>125,937,071</b>	<b>109,168,394</b>



# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

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## 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, but with no effect on Municipal Fund balances since the total is shown as a deduction.

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, 2016

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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	10-50
Buildings	5-50
Equipment	3-50
Vehicles	5-20
Underground linear	30-75
Plants and facilities	20-40
Bridges	35-50
Transportation	15-50
Other assets	3-10

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 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.

#### *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.

# The Corporation of the Municipality of Chatham-Kent

## Notes to the consolidated financial statements December 31, 2016

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### 1. Significant accounting policies (continued)

#### *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. Investment in Entegrus Inc.

Chatham-Kent Energy Inc. (CKE) and its wholly-owned subsidiaries, Chatham-Kent Hydro Inc. and Chatham-Kent Utility Services 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:

<b><u>Former name</u></b>	<b><u>Amended name</u></b>
Chatham-Kent Energy Inc.	Entegrus Inc. ("Entegrus")
Chatham-Kent Hydro Inc.	Entegrus Power Lines Inc. ("EPI")
Chatham-Kent Utility Services Inc.	Entegrus Services Inc. ("ESI")
Chatham-Kent Transmission Inc.	Entegrus Transmission Inc. ("EFT")

Entegrus is owned 90% by the Municipality of Chatham-Kent and 10% by Corix Utilities.

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.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

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## 2. 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:

	2016	2015
	\$	\$
Financial position		
Assets		
Current	27,414,027	26,340,705
Capital	90,071,428	85,571,182
Other	5,323,166	8,376,392
<b>Total assets</b>	<b>122,808,621</b>	<b>120,288,279</b>
Liabilities		
Current	38,045,404	34,689,023
Notes payable to Municipality of Chatham-Kent	23,523,326	23,523,326
Other	10,662,289	9,328,123
<b>Total liabilities</b>	<b>72,231,019</b>	<b>67,540,472</b>
Equity		
Share capital	26,882,150	26,882,150
Retained earnings	20,489,028	20,264,898
<b>Total equity</b>	<b>47,371,178</b>	<b>47,147,048</b>
Regulatory		
Regulatory credit balances	3,206,424	5,600,759
<b>Total regulatory</b>	<b>3,206,424</b>	<b>5,600,759</b>
<b>Total liabilities, equity and regulatory</b>	<b>122,808,621</b>	<b>120,288,279</b>

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

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

	2016	2015
	\$	\$
Financial activities		
Revenue	<b>142,546,791</b>	134,817,033
Expenses	<b>136,934,136</b>	127,512,391
	<b>5,612,655</b>	7,304,642
Payment in lieu of taxes	<b>776,267</b>	1,063,629
Net movement in regulatory balances, net of tax	<b>1,234,202</b>	2,665,644
Remeasurement of employee benefits	<b>578,056</b>	217,709
Dividends paid	<b>2,800,000</b>	2,610,000
Change in retained earnings	<b>224,130</b>	747,660
Municipality of Chatham-Kent's investment represented by:		
Investment in shares of Entegrus	<b>23,855,798</b>	23,855,798
Accumulated profit less dividends received	<b>19,533,714</b>	19,331,997
	<b>43,389,512</b>	43,187,795
Corix Utilities' investment represented by:		
Investment in shares of Entegrus	<b>3,026,352</b>	3,026,352
Accumulated profit less dividends received	<b>955,314</b>	932,901
	<b>3,981,666</b>	3,959,253

### (a) Equity in Entegrus Inc.

	2016	2015
	\$	\$
Balance, beginning of year	<b>66,711,121</b>	66,038,227
Changes during the year		
Net earnings for the year	<b>2,721,717</b>	3,021,894
Dividends paid	<b>2,520,000</b>	2,349,000
Balance, end of year	<b>66,912,838</b>	66,711,121
	2016	2015
	\$	\$
Investment in Entegrus Inc.	<b>43,389,512</b>	43,187,795
Notes receivable from Entegrus Inc.	<b>23,523,326</b>	23,523,326
Balance, end of year	<b>66,912,838</b>	66,711,121

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

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

### (b) Related party transactions and balances

The following summarizes the Municipality's related party transactions with Entegrus for the year ended December 31, 2016 and December 31, 2015 with balances as at December 31, 2016 and December 31, 2015:

	2016	2015
	\$	\$
Transactions		
Revenue		
Administrative services	569,570	649,600
Asset management	162,631	250,660
Interest on promissory note	1,380,816	1,380,816
Expenses		
Energy purchases (at commercial rates)	7,131,885	6,499,895
Billing and collection services - water/wastewater	2,284,040	2,254,383
Streetlight maintenance	239,961	184,472
Balances		
Amounts due from Entegrus Inc.		
Promissory note receivable	23,523,326	23,523,326
Accounts receivable	21,449,021	18,959,534

## 3. Investment in 2351839 Ontario Limited

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

On October 3, 2013, the closing date for the transfer and purchase of the railway, WDC Rail sold its future interest in the railway fixtures comprised of, among other things, the steel track materials and ties but not the land.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

### 3. Investment in 2351839 Ontario Limited (continued)

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

	2016	2015
	\$	\$
Financial position		
Assets		
Current	75,786	90,019
Capital	4,461,931	4,461,931
<b>Total assets</b>	<b>4,537,717</b>	<b>4,551,950</b>
Liabilities		
Current	153,122	200,737
Note payable to Municipality of Chatham-Kent	4,800,000	4,650,000
<b>Total liabilities</b>	<b>4,953,122</b>	<b>4,850,737</b>
Equity		
Share capital	1	1
Deficit	(415,406)	(298,788)
<b>Total deficit</b>	<b>(415,405)</b>	<b>(298,787)</b>
<b>Total liabilities and equity</b>	<b>4,537,717</b>	<b>4,551,950</b>
	2016	2015
	\$	\$
Financial activities		
Revenue	14,265	6,567
Expenses	130,883	159,650
	(116,618)	(153,083)
Payment in lieu of taxes	-	-
Dividends paid	-	-
<b>Change in retained earnings</b>	<b>(116,618)</b>	<b>(153,083)</b>
Municipality of Chatham-Kent's investment represented by:		
Balance, beginning of year	(298,788)	(145,705)
Changes during year		
Investment	1	1
Net Loss for the year	(116,618)	(153,083)
<b>Balance, end of year</b>	<b>(415,405)</b>	<b>(298,787)</b>

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

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### 3. Investment in 2351839 Ontario Limited (continued)

#### (a) Equity in WDC Rail

	2016	2015
	\$	\$
Investment in the Company	(415,405)	(298,787)
Notes receivable from the Company	4,800,000	4,650,000
<b>Balance, end of year</b>	<b>4,384,595</b>	<b>4,351,213</b>

#### (b) Related party transactions and balances

The following summarizes the Municipality's related party transactions with WDC Rail for the year ended December 31, 2016 and December 31, 2015 with balances as at December 31, 2016 and December 31, 2015:

	2016	2015
	\$	\$
<b>Transactions</b>		
<b>Revenue</b>		
Interest on promissory note	59,063	50,566
Drainage Assessments	5,599	1,990
<b>Expenses</b>		
Easements	-	1,386
<b>Balances</b>		
Amounts due from the Company		
Promissory note receivable	4,800,000	4,650,000
Accounts receivable	133,897	197,148

### 4. Note receivable from Entegrus Inc.

Note receivable is due from Entegrus Inc. with no set repayment terms and interest payable monthly at 5.87%. The Municipality received an interest payment in the current year of \$1,380,816 (2015 - \$1,380,816).

### 5. 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 (2016 - 1.25%). The Municipality received an interest payment in the current year of \$59,063 (2015 - \$50,566).

### 6. Trust funds

Trust funds administered by the Municipality amounting to \$5,141,300 (2015 - \$5,115,998) 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.



# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

## 7. Accrued employee benefits

The Municipality has accrued employee benefits as follows:

	2016	2015
	\$	\$
Employee future benefits	33,424,938	30,338,661
Workplace safety and insurance obligations	6,918,197	8,009,576
Vested sick leave	58,081	58,081
Vacation credits	3,607,578	3,318,253
	<b>44,008,794</b>	<b>41,724,571</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, 2016 of \$33,424,938 (2015 - \$30,338,661) was determined by actuarial valuation using a discount rate of 3.5% (2015 - 3.5%). A comprehensive actuarial valuation of the future liability for employee future benefits was conducted as at December 31, 2015 and has been extrapolated to estimate the liability for the 2016 period. The next required valuation will be as of December 31, 2018.

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

	\$	\$
Accrued benefit liability as at January 1, 2016	30,338,661	27,806,338
Expense for the period	4,135,854	3,459,102
Benefits paid during the period	(1,049,577)	(926,779)
<b>Estimated accrued benefit liability as at December 31, 2016</b>	<b>33,424,938</b>	<b>30,338,661</b>

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 2016 and thereafter.

### (a) Employee future benefits (continued)

### (ii) Interest (discount) rate

The present value as at December 31, 2016 of the future benefits was determined using a discount rate of 3.5%. The expense for the year ended December 31, 2015, was determined using a discount rate of 3.5%.

### (iii) Health costs

Drug costs were assumed to increase at 8.0% per year grading down to 3.5% over 10 years.

### (iv) Dental costs

Dental costs were assumed to increase at 3.5% annually.

# The Corporation of the Municipality of Chatham-Kent

## Notes to the consolidated financial statements December 31, 2016

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### 7. Accrued employee benefits (continued)

#### *(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 \$6,918,197 (2015 - \$8,009,576) and an accrual has been recorded for 2016. 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 \$2,340,261 (2015 - \$2,673,827). 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 (2015 - \$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 (2015 - \$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, 2016 is \$3,607,578 (2015 - \$3,318,253) 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.

### 8. Pension agreement

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer plan, on behalf of 1,368 (2015 - 1,340) 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 2016 calendar year at rates ranging from 9.0% to 15.8% (2015 - 9.0% to 15.8%) depending on the member's designated retirement age and level of earnings. The amount contributed to OMERS for 2016 was \$9,021,141 (2015 - \$8,705,854) for current service and this is included on the Consolidated Statement of Operations and Accumulated Surplus. As at December 31, 2016 the OMERS plan is in a deficit of \$5.7 Billion (2015 - \$7.0 Billion), which will be addressed through temporary contribution rate increases, benefit reductions, and investment returns.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

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## 9. 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:

	2016	2015
	\$	\$
For building code act	937,514	1,057,302
For parkland purposes	176,810	161,272
For Federal gas tax	14,980,075	11,967,199
For Provincial gas tax	4,543,555	4,317,913
Deferred revenue - obligatory reserve funds	<b>20,637,954</b>	17,503,686
Other deferred revenue		
Deferred taxes	1,818,188	1,192,406
Deferred grants	3,332,131	4,426,321
Other	2,355,352	3,583,513
Total deferred revenue	<b>28,143,625</b>	26,705,926

## 10. 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:

	2016	2015
	\$	\$
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.	<b>98,942,970</b>	108,659,622
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.	<b>(2,750,176)</b>	(2,818,037)
Net long-term liabilities at the end of the year	<b>96,192,794</b>	105,841,585

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

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

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

	2017 to 2021	2022 to 2026	2027 and thereafter
	\$	\$	\$
From general municipal revenue	10,524,306	5,337,294	3,514,002
From benefiting landowners	12,418,059	10,536,573	434,214
From benefiting water ratepayers	12,268,005	10,659,957	2,308,865
From benefiting wastewater ratepayers	12,614,815	11,246,620	4,330,084
	<u>47,825,185</u>	<u>37,780,444</u>	<u>10,587,165</u>

(c) Included in the principal amount in a) is \$7,504,887 (2015 - \$8,192,787) 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 and approved by Council 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%.

## 11. Charges for net long-term liabilities

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

	2016	2015
	\$	\$
Beginning balance	105,841,585	115,129,967
Principal payments	(9,648,791)	(9,288,382)
New debt issued	-	-
Ending balance	<u>96,192,794</u>	<u>105,841,585</u>

Net interest payments related to long-term liabilities in the current year were \$4,170,843 (2015 - \$4,531,253) 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 \$863,931 (2015 - \$944,014) and is reported as an accrued liability on the Consolidated statement of financial position.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

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## 12. Local improvements receivable

Improvements to infrastructure are often requested by residents, such as extending waterlines, sewers, sidewalks, or 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.

	2016	2015
	\$	\$
Local improvements receivable for capital projects on tax roll		
Wastewater	651,053	793,944
Water	1,102,506	1,364,439
Drainage	21,148,731	17,878,256
Other	153,162	171,740
	<b>23,055,452</b>	<b>20,208,379</b>

## 13. Tangible capital assets

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

	2016	2015
	\$	\$
Land and land improvements	53,146,818	53,188,104
Buildings	127,534,344	131,749,130
Equipment	49,861,930	51,004,844
Vehicles	25,763,297	24,928,577
Underground linear	213,015,322	215,320,300
Plants and facilities	20,933,688	23,413,112
Bridges	127,221,342	122,162,654
Transportation	175,835,272	177,097,508
Other assets	2,677,137	3,082,438
	<b>795,989,150</b>	<b>801,946,667</b>
Assets under construction	21,750,211	17,677,405
	<b>817,739,361</b>	<b>819,624,072</b>

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, 2016

## 14. Accumulated surplus

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

	2016	2015
	\$	\$
Surplus		
Invested in tangible capital assets	727,049,633	700,325,349
Entegrus, net equity	66,912,838	66,907,059
WDC Rail	(415,406)	(298,788)
Business Improvement Area	-	-
Prelevies for benefitting landowners	134,129	114,360
Other	(597,741)	2,505,723
Obligations to be funded from future years	(1,911,168)	(2,739,372)
Unfunded		
Employee future benefits, workplace safety and vacation	(42,191,601)	(39,939,494)
Accrued interest on long-term liabilities	(863,931)	(944,014)
Accrued Environmental Liability	(500,000)	(500,000)
	<b>747,616,753</b>	<b>725,430,823</b>
Surplus allocated to reserves		
For acquisition of capital assets	60,355,856	62,895,264
For public liability insurance	2,677,875	2,003,944
For various programs, facilities	51,704,187	56,415,227
For strategic and community development	5,294,333	2,796,010
For water	7,329,357	5,026,506
For wastewater	8,414,757	6,201,946
	<b>135,776,365</b>	<b>135,338,897</b>
Surplus allocated to reserve funds		
For community investment	6,537,586	5,646,560
For parking purposes	208,616	200,166
	<b>6,746,202</b>	<b>5,846,726</b>
<b>Total accumulated surplus</b>	<b>890,139,320</b>	<b>866,616,446</b>

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

## 15. 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:

	2016	2015
	\$	\$
Taxation	28,556,299	28,966,246
Requisitions	(28,556,299)	(28,966,246)
Net levy for the year	-	-

Included in accounts receivable are levies owing from the school board totaling \$818,564.66 (2015 \$707,757.20).

### b) Taxation revenue by major tax class

	2016				
	Taxes - own purpose	Payments in lieu	Supplementary taxes	Rebates and write-offs	Total
	\$	\$	\$	\$	\$
Residential	92,075,204	649,068	700,157	(739,200)	92,685,229
Multi-residential	6,378,607	-	(41,334)	(79,032)	6,258,241
Commercial	27,682,026	2,160,299	310,651	(1,450,794)	28,702,182
Industrial	6,016,350	5,302	31,037	(545,253)	5,507,436
Pipelines	1,622,425	-	2,781	-	1,625,206
Farmlands	10,716,789	4,516	51,034	57,155	10,829,494
Managed forests	5,165	-	-	-	5,165
Other	426,144	620,417	12,670	(618,163)	441,068
Capping program	(1,601,705)	-	-	84,939	(1,516,766)
Total tax revenue	143,321,005	3,439,602	1,066,996	(3,290,348)	144,537,255

	2015				
	Taxes - own purpose	Payments in lieu	Supplementary taxes	Rebates and write-offs	Total
	\$	\$	\$	\$	\$
Residential	89,651,367	653,103	519,376	(1,137,674)	89,686,172
Multi-residential	7,176,568	-	352,411	(2,172,204)	5,356,775
Commercial	27,515,883	2,043,631	211,503	(783,666)	28,987,351
Industrial	6,043,382	5,403	133,953	(1,015,508)	5,167,230
Pipelines	1,586,775	-	2,916	(130)	1,589,561
Farmlands	9,680,165	4,228	27,057	67,682	9,779,132
Managed forests	4,205	-	-	-	4,205
Other	435,483	659,900	26,059	(260,662)	860,780
Capping program	(1,449,865)	-	-	11,590	(1,438,275)
Total tax revenue	140,643,963	3,366,265	1,273,275	(5,290,572)	139,992,931

# The Corporation of the Municipality of Chatham-Kent

## Notes to the consolidated financial statements December 31, 2016

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### 16. 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, 2016 amounted to \$3,854,154 (2015 - \$3,039,587) and is reported on the consolidated statement of financial position under reserves. The provision for the year of \$1,318,846 (2015 - \$1,139,000) less claims settled \$432,402 (2015 - \$546,182) has been reported as an expenditure on the Consolidated statement of operations and accumulated surplus.

Other Operating Surpluses, related to insurance, in the amount of \$75,335 (2015 - \$116,148) have been transferred to the reserve.

### 17. Provincial offences administration

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 2016 were \$1,964,816 (2015 - \$2,336,112) and net revenue was \$401,731 (2015 - \$700,284).

### 18. 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.

#### *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, 2016

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## 18. Segmented information (continued)

### *Recreational 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.

## 19. 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:

	\$
2017	6,655,764
2018	6,033,135
2019	5,964,555
2020	6,008,086
2021	4,874,373
	29,535,913

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

	\$
2017	660,000
2018	660,000
2019	660,000
2020	325,000
	2,305,000

## 20. 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.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2016

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## **21. Contingent liabilities**

From time to time, as is common with other municipalities, the Municipality is the subject of litigation. In the opinion of management, any litigation outstanding, if successful, would not have a material impact on the consolidated financial statements.

# The Corporation of the Municipality of Chatham-Kent

## Consolidated schedule of tangible capital assets

year ended December 31, 2016

	Land and land improvements	Buildings	Equipment	Vehicles	Underground linear	Plants and facilities	Bridges	Transportation	Other assets	Total 2016	Total 2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Municipal</b>											
<b>Cost</b>											
Balance, beginning of the year	56,929,612	149,560,833	31,903,008	50,907,926	113,488,628	3,272,370	184,007,954	425,425,220	6,644,032	1,022,139,583	1,001,215,302
Add: Additions during the year	1,297,936	2,143,843	3,781,830	4,426,092	382,253	-	8,025,666	10,254,761	462,695	30,775,076	32,313,837
Less: Disposals during the year	269	41,992	685,575	2,301,394	-	-	281,178	2,828,347	669,997	6,808,752	11,389,556
<b>Balance, end of the year</b>	<b>58,227,279</b>	<b>151,662,684</b>	<b>34,999,263</b>	<b>53,032,624</b>	<b>113,870,881</b>	<b>3,272,370</b>	<b>191,752,442</b>	<b>432,851,634</b>	<b>6,436,730</b>	<b>1,046,105,907</b>	<b>1,022,139,583</b>
<b>Accumulated amortization</b>											
Balance, beginning of the year	10,650,975	58,922,850	16,141,568	26,482,893	54,165,672	1,599,712	61,845,300	248,327,713	3,561,593	481,698,276	465,446,939
Add: Amortization for the year	1,339,173	4,186,685	2,097,797	3,409,870	2,045,104	81,918	2,911,120	11,443,601	867,999	28,383,267	27,173,858
Less: Accumulated amortization on disposals	220	31,027	641,302	2,005,713	-	-	225,320	2,754,952	669,997	6,328,531	10,922,520
<b>Balance, end of the year</b>	<b>11,989,928</b>	<b>63,078,508</b>	<b>17,598,063</b>	<b>27,887,050</b>	<b>56,210,776</b>	<b>1,681,630</b>	<b>64,531,100</b>	<b>257,016,362</b>	<b>3,759,595</b>	<b>503,753,012</b>	<b>481,698,276</b>
<b>Net book value of municipal assets</b>	<b>46,237,351</b>	<b>88,584,176</b>	<b>17,401,200</b>	<b>25,145,574</b>	<b>57,660,105</b>	<b>1,590,740</b>	<b>127,221,342</b>	<b>175,835,272</b>	<b>2,677,135</b>	<b>542,352,895</b>	<b>540,441,306</b>
<b>Waterworks</b>											
<b>Cost</b>											
Balance, beginning of the year	2,232,112	25,692,984	32,925,245	690,907	160,701,007	29,390,430	-	-	-	251,632,685	246,980,223
Add: Additions during the year	-	-	46,175	56,505	2,675,946	26,101	-	-	-	2,804,727	4,739,172
Less: Disposals during the year	-	-	3,030	30,893	-	-	-	-	-	33,923	(76,088)
<b>Balance, end of the year</b>	<b>2,232,112</b>	<b>25,692,984</b>	<b>32,968,390</b>	<b>716,519</b>	<b>163,376,953</b>	<b>29,416,531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254,403,489</b>	<b>251,795,483</b>
<b>Accumulated amortization</b>											
Balance, beginning of the year	-	13,362,541	14,162,249	467,329	56,715,406	10,384,754	-	-	-	95,092,279	90,568,398
Add: Amortization for the year	-	557,047	2,648,484	55,582	2,184,481	2,229,051	-	-	-	7,674,645	4,610,589
Less: Accumulated amortization on disposals	-	-	3,030	30,638	-	-	-	-	-	33,668	(76,088)
<b>Balance, end of the year</b>	<b>-</b>	<b>13,919,588</b>	<b>16,807,703</b>	<b>492,273</b>	<b>58,899,887</b>	<b>12,613,805</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,733,256</b>	<b>95,255,075</b>
<b>Net book value of waterworks assets</b>	<b>2,232,112</b>	<b>11,773,396</b>	<b>16,160,687</b>	<b>224,246</b>	<b>104,477,066</b>	<b>16,802,726</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151,670,233</b>	<b>156,540,408</b>
<b>Wastewater</b>											
<b>Cost</b>											
Balance, beginning of the year	4,677,355	60,138,637	40,885,204	588,462	93,958,824	10,021,505	-	-	-	210,269,987	208,394,036
Add: Additions during the year	-	-	1,445,655	186,085	521,788	-	-	-	-	2,153,528	1,923,235
Less: Disposals during the year	-	-	2,020	24,457	-	-	-	-	-	26,477	47,284
<b>Balance, end of the year</b>	<b>4,677,355</b>	<b>60,138,637</b>	<b>42,328,839</b>	<b>750,090</b>	<b>94,480,612</b>	<b>10,021,505</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>212,397,038</b>	<b>210,269,987</b>
<b>Accumulated amortization</b>											
Balance, beginning of the year	-	31,357,932	24,404,796	308,496	41,947,081	7,286,728	-	-	-	105,305,033	100,548,177
Add: Amortization for the year	-	1,603,932	1,626,019	72,573	1,655,380	194,556	-	-	-	5,152,460	4,802,903
Less: Accumulated amortization on disposals	-	-	2,020	24,457	-	-	-	-	-	26,477	46,046
<b>Balance, end of the year</b>	<b>-</b>	<b>32,961,864</b>	<b>26,028,795</b>	<b>356,612</b>	<b>43,602,461</b>	<b>7,481,284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,431,016</b>	<b>105,305,034</b>
<b>Net book value of wastewater assets</b>	<b>4,677,355</b>	<b>27,176,773</b>	<b>16,300,044</b>	<b>393,478</b>	<b>50,878,151</b>	<b>2,540,221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101,966,022</b>	<b>104,964,953</b>
<b>Assets under construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,750,211</b>	<b>17,677,405</b>
<b>Total value of tangible capital assets</b>	<b>53,146,818</b>	<b>127,534,345</b>	<b>49,861,931</b>	<b>25,763,298</b>	<b>213,015,322</b>	<b>20,933,687</b>	<b>127,221,342</b>	<b>175,835,272</b>	<b>2,677,135</b>	<b>817,739,361</b>	<b>819,624,072</b>

# The Corporation of the Municipality of Chatham-Kent

Consolidated schedule of segment disclosure  
year ended December 31, 2016

	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	2016 Consolidated	2015 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>														
Taxation	3,825,648	53,925,434	38,756,767	8,305,794	8,040,468	15,730,476	6,853,585	18,479,438	3,236,189	-	-	(12,616,544)	144,537,255	139,992,931
Sales of service	406,606	626,905	2,345,521	4,774,093	846,671	8,043,984	2,502,783	5,309,653	788,204	40,309,587	4,651,323	-	70,605,330	64,788,091
Government transfers	51,082	1,631,479	9,819,816	-	14,432,920	62,128,697	3,325,241	765,053	755,632	-	17,962,899	-	110,872,819	107,556,801
Other	-	-	-	-	-	-	-	-	-	-	11,559,897	-	11,559,897	15,146,225
	4,283,336	56,183,818	50,922,104	13,079,887	23,320,059	85,903,157	12,681,609	24,554,144	4,780,025	40,309,587	34,174,119	(12,616,544)	337,575,301	327,484,048
<b>Expenses</b>														
Salaries and benefits	17,524,122	42,957,644	10,313,507	1,945,060	9,062,963	31,749,342	2,144,770	10,406,501	2,807,720	7,305,118	-	-	136,216,747	134,529,342
Goods and services	14,058,997	3,316,652	17,562,603	8,184,928	11,046,915	8,615,513	3,475,480	6,503,066	1,057,103	12,792,925	-	-	86,614,182	78,048,024
Interest	5,905	-	253,405	-	-	1,136,502	457,596	269,977	247,134	1,891,232	-	-	4,261,751	4,614,448
Transfers (to) from other segments	(28,103,965)	7,034,566	6,571,187	938,659	2,238,150	5,630,142	(135,855)	3,562,445	433,402	1,831,269	-	-	-	-
External transfers	-	914,306	1,000	-	448,382	37,335,300	6,186,077	667,052	207,998	-	-	-	45,760,115	50,004,306
Amortization	798,903	2,086,291	16,570,950	2,023,456	559,678	1,436,357	1,109,142	3,530,160	26,668	13,068,767	-	-	41,210,372	36,587,347
Loss (gain) on disposal of tangible capital assets	(629)	(64,470)	111,700	(12,211)	(36,029)	-	13,557	(5,039)	-	(17,619)	-	-	(10,740)	150,389
	4,283,333	56,244,989	51,384,352	13,079,892	23,320,059	85,903,156	13,250,767	24,934,162	4,780,025	36,871,692	-	-	314,052,427	303,933,856
<b>Net surplus</b>	3	(61,171)	(462,248)	(5)	-	1	(569,158)	(380,018)	-	3,437,895	34,174,119	(12,616,544)	23,522,874	23,550,192