

Consolidated financial statements of

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

December 31, 2015

# The Corporation of the Municipality of Chatham-Kent

December 31, 2015

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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, 2015, 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, 2015 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.

Deloitte LLP

Chartered Professional Accountants  
Licensed Public Accountants  
September 12, 2016

# The Corporation of the Municipality of Chatham-Kent

Consolidated statement of financial position  
as at December 31, 2015

	2015	2014
	\$	\$
<b>Financial assets</b>		
Cash	109,168,394	97,781,785
Taxes receivable	9,461,113	12,485,254
Accounts receivable	37,100,719	32,358,396
Investment in Entegrus Inc (Note 3)	43,383,733	42,514,901
Note receivable from Entegrus Inc. (Notes 3,5)	23,523,326	23,523,326
Note receivable from 2351839 Ontario Limited (Notes 4,6)	4,650,000	1,000,000
Land held for resale	4,494,019	4,545,288
Other assets	460,680	652,791
Local improvements receivable (Note 13)	20,208,379	17,262,510
	<b>252,450,363</b>	<b>232,124,251</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	31,580,087	31,250,919
Accrued interest (Note 12)	944,014	1,024,750
Accrued employee benefits (Note 8)	41,724,571	37,763,644
Deferred revenue (Note 10)	26,705,926	24,419,139
Deficiency in 2351839 Ontario Limited (Note 4)	298,787	145,704
Long-term liabilities (Note 11)	105,841,585	115,129,967
	<b>207,094,970</b>	<b>209,734,123</b>
<b>Net financial assets</b>	<b>45,355,393</b>	<b>22,390,128</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 14)	819,624,072	818,562,651
Inventory	377,221	483,908
Prepaid expenses	1,259,760	1,629,567
	<b>821,261,053</b>	<b>820,676,126</b>
<b>Accumulated surplus (Note 15)</b>	<b>866,616,446</b>	<b>843,066,254</b>

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  
year ended December 31, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Revenues</b>			
Taxation and user charges			
Property taxation (Note 16)	139,992,931	139,992,931	141,146,179
User charges	60,525,339	64,788,091	65,318,405
	<b>200,518,270</b>	<b>204,781,022</b>	206,464,584
Grants			
Government of Canada	8,912,113	7,005,698	12,508,174
Province of Ontario	103,094,590	100,551,103	102,830,296
	<b>112,006,703</b>	<b>107,556,801</b>	115,338,470
Other			
Investment income	2,635,723	3,183,113	3,359,666
Penalties and interest on taxes	1,560,000	1,562,484	1,765,925
Contributions from landowners and developers	-	438,894	233,276
Sale of land and equipment	94,355	1,191,013	153,772
Provincial offences administration	2,047,500	2,336,112	2,036,008
Other	3,047,676	3,369,863	1,262,817
	<b>9,385,254</b>	<b>12,081,479</b>	8,811,464
<b>Total revenue</b>	<b>321,910,227</b>	<b>324,419,302</b>	330,614,518
<b>Expenses</b>			
General government	6,855,589	3,943,488	7,640,224
Protection of persons and property	58,100,854	56,955,072	55,349,886
Transportation services	44,897,318	48,521,107	49,123,343
Environmental services	47,148,605	44,812,703	46,217,078
Health services	23,604,699	23,145,358	22,488,800
Social and family services	89,141,908	85,290,378	85,765,734
Social housing	14,406,036	12,570,563	11,711,402
Recreation and cultural services	23,806,011	23,636,289	23,293,207
Planning and development	5,184,455	4,908,512	5,144,492
Loss on disposal of tangible capital assets	-	150,389	27,696
<b>Total expenses</b>	<b>313,145,475</b>	<b>303,933,859</b>	306,761,861
Excess revenues over expenses before other items	8,764,752	20,485,443	23,852,657
Other items			
Income from subsidiaries	-	3,064,749	4,228,156
Excess of revenues over expenses	8,764,752	23,550,192	28,080,813
Accumulated surplus, beginning of year, as previously stated		842,383,377	814,432,513
Adjustment (Note 2)		682,877	552,928
<b>Accumulated surplus, beginning of year, restated</b>		<b>843,066,254</b>	814,985,441
<b>Accumulated surplus, end of year</b>		<b>866,616,446</b>	843,066,254

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, 2015

	2015	2014
	\$	\$
<b>Excess of revenues over expenses</b>	<b>23,550,192</b>	28,080,813
Acquisition of tangible capital assets	<b>(38,976,244)</b>	(33,344,354)
(Increase) decrease in tangible capital assets construction in progress	<b>859,200</b>	(2,246,641)
Amortization of tangible capital assets	<b>36,587,349</b>	36,595,291
Loss on sale of tangible capital assets	<b>150,389</b>	27,696
Proceeds of sale of tangible capital assets	<b>317,885</b>	105,027
Change in inventory	<b>106,687</b>	90,746
Change in prepaids	<b>369,807</b>	65,298
Change in net financial assets	<b>22,965,265</b>	29,373,877
Net financial assets (debt), beginning of year	<b>22,390,128</b>	(6,983,749)
<b>Net financial assets, end of year</b>	<b>45,355,393</b>	22,390,128

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, 2015

	2015	2014
	\$	\$
<b>Operating transactions</b>		
Excess of revenues over expenses	23,550,192	28,080,813
Change in non-cash working capital items	(1,328,222)	(4,460,639)
Items not involving cash		
Amortization	36,587,349	36,595,291
Loss on sale of tangible capital assets	150,389	27,696
Income from subsidiaries	(3,064,749)	(4,228,156)
Change in obligations to be funded from future revenues	3,880,191	6,198,086
	<b>59,775,150</b>	<b>62,213,092</b>
<b>Financing transactions</b>		
Long-term debt repayment	(9,288,382)	(12,902,290)
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(38,117,044)	(35,590,995)
Proceeds of sale of tangible capital assets	317,885	105,027
	<b>(37,799,159)</b>	<b>(35,485,968)</b>
<b>Investing transaction</b>		
Dividends received from Entegrus Inc.	2,349,000	3,352,500
New note issued to 2351839 Ontario Limited	(3,650,000)	-
	<b>(1,301,000)</b>	<b>3,352,500</b>
Net increase in cash	<b>11,386,609</b>	<b>17,177,334</b>
Cash, beginning of year	<b>97,781,785</b>	<b>80,604,451</b>
<b>Cash, end of year</b>	<b>109,168,394</b>	<b>97,781,785</b>

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, 2015

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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, 2015

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## 1. Significant accounting policies (continued)

### *Tangible capital assets*

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

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

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

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt and 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, 2015

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## 1. Significant accounting policies (continued)

### *Management estimates*

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

### *Employee future benefit obligations*

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

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

## 2. Changes in accounting policies

### *(a) Liability for contaminated sites*

As at January 1, 2015 the Municipality adopted the Canadian public sector accounting standard PS 3260 Liability for Contaminated Sites. The standard requires governments to record a liability in their financial statements if they have a contaminated site that meets the requirements as set out in the standard. The standard defines contamination as the introduction into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for the remediation of a contaminated site is recognized as the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Municipality is either directly responsible or accepts responsibility, it is expected that the future economic benefit will be given up, and a reasonable estimate of the amount is determinable. The adoption of this standard has been applied prospectively and the Municipality has recorded \$500,000 of liabilities for contaminated sites.

# The Corporation of the Municipality of Chatham-Kent

## Notes to the consolidated financial statements December 31, 2015

### 2. Changes in accounting policies (continued)

#### (b) ENTEGRUS Inc. first time adoption of International Financial Reporting Standards (IFRS)

ENTEGRUS Inc. which is owned 90% by the Municipality of Chatham-Kent adopted IFRS on January 1, 2015. The adoption of IFRS requires retrospective application of the new accounting framework to January 1, 2014, the date of transition. As a result, the amounts reported by ENTEGRUS Inc. for its December 31, 2014 year end and the opening balance sheet as at the date of transition have been restated.

In preparing its opening IFRS consolidated balance sheet ENTEGRUS Inc. has adjusted amounts reported previously in its consolidated financial statements prepared in accordance with Canadian GAAP. IFRS 1 requires an entity to explain how the transition from its previous GAAP to IFRS affected its reported financial position, financial performance and cash flows by providing reconciliations of shareholder's equity, comprehensive income and cash flows for prior periods.

Accordingly, ENTEGRUS Inc. prepared their first annual consolidated financial statements in accordance with IFRS and IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRS 1) has been applied. The adjustments required in the Municipality's financial statements due to ENTEGRUS Inc.'s transition to IFRS are provided below:

As at and for the year ended December 31, 2014, unless otherwise stated	Balance, previously reported	IFRS adjustments to opening accumulate d surplus as at Jan. 1, 2014	IFRS adjustments to 2014	Balance, restated (Note 3)
Investment in ENTEGRUS Inc.	41,832,024	552,928	129,949	42,514,901
Equity pick up from subsidiaries	4,098,207	-	129,949	4,228,156
Accumulated surplus, January 1, 2014	814,432,513	552,928	-	814,985,441

### 3. 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:

<u>Former name</u>	<u>Amended name</u>
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.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2015

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

Under a municipal by-law, dated September 5, 2000, the former Public Utilities Commission of the Municipality of Chatham-Kent – Electrical Division and the Municipality transferred the assets, liabilities and employees associated with the distribution of electricity at book value effective October 1, 2000. The book value of the net assets transferred to 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 following table provides condensed supplementary consolidated financial information for Entegrus and its subsidiaries for the year ended December 31:

	2015	2014
	\$	\$
Financial position		
Assets		
Current	26,340,705	26,740,054
Capital	85,571,182	80,492,218
Other	8,376,392	12,408,079
<b>Total assets</b>	<b>120,288,279</b>	<b>119,640,351</b>
Liabilities		
Current	34,689,023	35,227,392
Notes payable to Municipality of Chatham-Kent	23,523,326	23,523,326
Other	9,328,123	8,800,896
<b>Total liabilities</b>	<b>67,540,472</b>	<b>67,551,614</b>
Equity		
Share capital	26,882,150	26,882,150
Retained earnings	20,264,898	19,517,238
<b>Total equity</b>	<b>47,147,048</b>	<b>46,399,388</b>
Regulatory		
Regulatory credit balances	5,600,759	5,689,349
<b>Total regulatory</b>	<b>5,600,759</b>	<b>5,689,349</b>
<b>Total liabilities equity and regulatory</b>	<b>120,288,279</b>	<b>119,640,351</b>

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2015

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

	2015	2014
	\$	\$
Financial activities		
Revenue	134,817,033	125,399,886
Expenses	127,512,391	122,439,941
	<b>7,304,642</b>	2,959,945
Payment in lieu of taxes	1,063,629	(665)
Dividends paid	2,610,000	3,725,000
Change in retained earnings	<b>3,631,013</b>	(764,390)
Municipality of Chatham-Kent's investment represented by:		
Investment in shares of Entegrus	23,855,798	23,855,798
Accumulated profit less dividends received	19,527,935	18,659,103
	<b>43,383,733</b>	42,514,901
Corix Utilities' investment represented by:		
Investment in shares of Entegrus	3,026,352	3,026,352
Accumulated profit less dividends received	878,797	782,260
	<b>3,905,149</b>	3,808,612

#### (a) Equity in Entegrus Inc.

	2015	2014
	\$	\$
Balance, beginning of year	66,038,227	65,064,284
Changes during the year		
Net earnings for the year	3,217,832	4,326,443
Dividends paid	2,349,000	3,352,500
Balance, end of year	<b>66,907,059</b>	66,038,227
	\$	\$
Investment in Entegrus Inc.	43,383,733	42,514,901
Notes receivable from Entegrus Inc.	23,523,326	23,523,326
Balance, end of year	<b>66,907,059</b>	66,038,227

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2015

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### 3. 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, 2015 and December 31, 2014 with balances as at December 31, 2015 and December 31, 2014:

	2015	2014
	\$	\$
Transactions		
Revenue		
Administrative services	649,600	635,688
Asset management	250,660	245,745
Interest on promissory note	1,380,816	1,380,819
Expenses		
Energy purchases (at commercial rates)	6,499,895	6,012,516
Billing and collection services - water/wastewater	2,254,383	2,304,591
Streetlight maintenance	184,472	201,163
Balances		
Amounts due from Entegrus Inc.		
Promissory note receivable	23,523,326	23,523,326
Accounts receivable	18,959,534	17,235,077

### 4. 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, 2015

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

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

	2015	2014
	\$	\$
Financial position		
Assets		
Current	90,019	125,034
Capital	4,461,931	813,576
<b>Total assets</b>	<b>4,551,950</b>	<b>938,610</b>
Liabilities		
Current	200,737	84,314
Note payable to Municipality of Chatham-Kent	4,650,000	1,000,000
<b>Total liabilities</b>	<b>4,850,737</b>	<b>1,084,314</b>
Equity		
Share capital	1	1
Deficit	(298,788)	(145,705)
<b>Total deficit</b>	<b>(298,787)</b>	<b>(145,704)</b>
<b>Total liabilities and equity</b>	<b>4,551,950</b>	<b>938,610</b>
	2015	2014
	\$	\$
Financial activities		
Revenue	6,567	8,569
Expenses	159,650	106,856
	(153,083)	(98,287)
Payment in lieu of taxes	-	-
Dividends paid	-	-
<b>Change in retained earnings</b>	<b>(153,083)</b>	<b>(98,287)</b>
Municipality of Chatham-Kent's investment represented by:		
Balance, beginning of year	(145,704)	(47,417)
Changes during year		
Investment in shares of company		
Net Loss for the year	(153,083)	(98,287)
Dividends Paid	-	-
<b>Balance, end of year</b>	<b>(298,787)</b>	<b>(145,704)</b>



# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2015

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

### (a) Equity in WDC Rail

	2015	2014
	\$	\$
Balance, beginning of year	854,296	952,583
Changes during the year		
Investment in the Company		
Note receivable issued to the Company	3,650,000	-
Net loss for the year	(153,083)	(98,287)
<b>Balance, end of year</b>	<b>4,351,213</b>	<b>854,296</b>

	2015	2014
	\$	\$
Investment in the Company	(298,787)	(145,704)
Notes receivable from the Company	4,650,000	1,000,000
<b>Balance, end of year</b>	<b>4,351,213</b>	<b>854,296</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, 2015 with balances as at December 31, 2014:

	2015	2014
	\$	\$
Transactions		
Revenue		
Interest on promissory note	50,566	17,500
Drainage Assessments	1,990	1,263
Expenses		
Easements	1,386	1,386
Balances		
Amounts due from the Company		
Promissory note receivable	4,650,000	1,000,000
Accounts receivable	197,148	84,314

## 5. 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 (2014 - \$1,380,819).

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2015

## 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 (2015 - 1.75%). The Municipality received an interest payment in the current year of \$50,566 (2014 - \$17,500).

## 7. Trust funds

Trust funds administered by the Municipality amounting to \$5,115,998 (2014 - \$5,098,978) 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:

	2015	2014
	\$	\$
Employee future benefits	30,338,661	27,806,338
Workplace safety and insurance obligations	8,009,576	6,357,654
Vested sick leave	58,081	58,081
Vacation credits	3,318,253	3,541,571
	<b>41,724,571</b>	<b>37,763,644</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, 2015 of \$30,338,661 (2014 - \$27,806,338) was determined by actuarial valuation using a discount rate of 3.5% (2014 - 3.75%). A comprehensive actuarial valuation of the future liability for employee future benefits was conducted as at December 31, 2012 and has been extrapolated to estimate the liability for the 2013 through 2015 period. The next required valuation will be as of December 31, 2015.

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

	\$	\$
Accrued benefit liability as at January 1, 2015	27,806,338	24,843,647
Expense for the period	3,459,102	3,839,691
Benefits paid during the period	(926,779)	(877,000)
<b>Estimated accrued benefit liability as at December 31, 2015</b>	<b>30,338,661</b>	<b>27,806,338</b>

# The Corporation of the Municipality of Chatham-Kent

## Notes to the consolidated financial statements December 31, 2015

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### 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 2015 and thereafter.

(ii) Interest (discount) rate

The present value as at December 31, 2015 of the future benefits was determined using a discount rate of 3.5%. The expense for the year ended December 31, 2014, was determined using a discount rate of 3.75%.

(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.

(a) 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 \$8,009,576 (2014 - \$6,357,654) and an accrual has been recorded for 2015. Changes in presumptive disease legislation with respect to Firefighters has contributed to the increase in this estimate. 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 \$2,673,827 (2014 - \$2,831,786). 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 (2014 - \$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 (2014 - \$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, 2015 is \$3,318,253 (2014 - \$3,541,571) 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, 2015

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## 9. Pension agreement

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer plan, on behalf of 1,340 (2014 - 1,301) 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 2014 calendar year at rates ranging from 9.0% to 15.8% (2014 – 9.0% to 15.9%) depending on the member's designated retirement age and level of earnings. The amount contributed to OMERS for 2014 was \$8,716,035 (2014 - \$8,600,409) for current service and this is included on the Consolidated Statement of Operations and Accumulated Surplus. As at December 31, 2015 the OMERS plan is in a deficit of \$7.0 Billion (2014 – \$7.1 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:

	2015	2014
	\$	\$
For building code act	1,057,302	1,282,879
For parkland purposes	161,272	159,919
For Federal gas tax	11,967,199	10,039,092
For Provincial gas tax	4,317,913	4,085,144
Deferred revenue - obligatory reserve funds	<b>17,503,686</b>	15,567,034
Other deferred revenue		
Deferred taxes	1,192,406	1,174,160
Deferred grants	4,426,321	4,894,498
Other	3,583,513	2,783,447
Total deferred revenue	<b>26,705,926</b>	24,419,139

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2015

## 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:

	2015	2014
	\$	\$
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>108,659,622</b>	117,862,123
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>(2,818,037)</b>	(2,732,156)
<b>Net long-term liabilities at the end of the year</b>	<b>105,841,585</b>	115,129,967

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

	2016 to 2020	2021 to 2025	2026 and thereafter
	\$	\$	\$
From general municipal revenue	19,724,310	14,581,318	3,778,116
From benefiting landowners	4,488,113	4,264,869	1,047,128
From benefiting water ratepayers	11,906,873	12,671,449	2,900,078
From benefiting wastewater ratepayers	12,213,457	12,684,593	5,581,281
	<b>48,332,753</b>	<b>44,202,229</b>	<b>13,306,603</b>

- (c) Included in the principal amount in a) is \$8,192,787 (2014 - \$8,841,776) 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 5.19%, and the tile drainage and shoreline property assistance loans are repayable at rates up to 8%.

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2015

## 12. Charges for net long-term liabilities

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

	2015	2014
	\$	\$
Beginning balance	115,129,967	128,032,257
Principal payments	(9,288,382)	(12,902,290)
New debt issued	-	-
Ending balance	<b>105,841,585</b>	115,129,967

Net interest payments related to long-term liabilities in the current year were \$4,531,252 (2014 - \$5,045,734) 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 \$944,014 (2014 - \$1,024,750) 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, 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.

	2015	2014
	\$	\$
Local improvements receivable for capital projects on tax roll		
Wastewater	793,944	941,299
Water	1,364,439	1,680,619
Drainage	17,878,256	14,451,452
Other	171,740	189,139
	<b>20,208,379</b>	17,262,510

# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2015

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## 14. Tangible capital assets

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

	2015	2014
	\$	\$
Land and land improvements	<b>53,188,104</b>	52,957,456
Buildings	<b>131,749,130</b>	133,169,609
Equipment	<b>51,004,844</b>	52,604,879
Vehicles	<b>24,928,577</b>	24,256,305
Underground linear	<b>215,320,300</b>	216,752,805
Plants and facilities	<b>23,413,112</b>	22,832,547
Bridges	<b>122,162,654</b>	119,122,502
Transportation	<b>177,097,508</b>	174,883,054
Other assets	<b>3,082,439</b>	3,446,889
	<b>801,946,667</b>	800,026,046
Assets under construction	<b>17,677,405</b>	18,536,605
	<b>819,624,072</b>	818,562,651

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, 2015

## 15. Accumulated surplus

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

	2015	2014
	\$	\$
Surplus		
Invested in tangible capital assets	700,325,349	690,854,936
Entegrus, net equity	66,907,059	66,038,227
WDC Rail	(298,788)	(145,705)
Business Improvement Area	-	-
Prelevies for benefitting landowners	114,360	129,469
Other	2,505,722	2,071,234
Obligations to be funded from future years	(2,739,372)	(3,588,212)
Unfunded		
Employee future benefits, workplace safety and vacation	(39,939,494)	(35,937,419)
Accrued interest on long-term liabilities	(944,014)	(1,024,750)
Accrued Environmental Liability	(500,000)	-
	<b>725,430,822</b>	<b>718,397,779</b>
Surplus allocated to reserves		
For acquisition of capital assets	62,895,264	50,676,287
For public liability insurance	2,003,944	1,502,979
For various programs, facilities	56,415,227	54,173,101
For strategic and community development	2,796,010	4,474,868
For water	5,026,506	3,760,851
For wastewater	6,201,946	5,355,559
	<b>135,338,897</b>	<b>119,943,643</b>
Surplus allocated to reserve funds		
For community investment	5,646,560	4,490,115
For parking purposes	200,166	234,716
	<b>5,846,726</b>	<b>4,724,831</b>
<b>Total accumulated surplus</b>	<b>866,616,446</b>	<b>843,066,254</b>



# The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements  
December 31, 2015

## 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:

	2015	2014
	\$	\$
Taxation	28,966,246	29,507,478
Requisitions	(28,966,246)	(29,507,478)
Net levy for the year	-	-

Included in accounts receivable are levies owing from the school board totaling \$707,757 (2014 \$268,079).

### b) Taxation revenue by major tax class

2015	Taxes - own purpose	Payments in lieu	Supplementary taxes	Rebates & Write-offs	2015 Total
	\$	\$	\$	\$	\$
Residential	89,651,367	653,103	519,376	(1,137,674)	89,686,172
Mult-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)
<b>Total tax revenue</b>	<b>140,643,963</b>	<b>3,366,265</b>	<b>1,273,275</b>	<b>(5,290,572)</b>	<b>139,992,931</b>

2014	Taxes - own purpose	Payments in lieu	Supplementary taxes	Rebates & Write-offs	2014 Total
	\$	\$	\$	\$	\$
Residential	88,523,820	665,359	572,390	(1,063,850)	88,697,719
Mult-Residential	7,042,624	-	24,120	(90,808)	6,975,936
Commercial	27,083,667	1,941,307	410,639	(981,508)	28,454,105
Industrial	6,821,990	5,825	498,397	(464,329)	6,861,883
Pipelines	1,581,556	-	3,787	-	1,585,343
Farmlands	8,819,783	3,169	13,311	84,358	8,920,621
Managed Forests	3,085	-	-	-	3,085
Other	417,913	663,800	22,520	(511,809)	592,424
Capping program	(1,104,798)	-	-	159,860	(944,938)
<b>Total tax revenue</b>	<b>139,189,640</b>	<b>3,279,460</b>	<b>1,545,165</b>	<b>(2,868,086)</b>	<b>141,146,179</b>

# The Corporation of the Municipality of Chatham-Kent

## Notes to the consolidated financial statements December 31, 2015

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### 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 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, 2015 amounted to \$3,039,587 (2014 - \$2,330,621) and is reported on the consolidated statement of financial position under reserves. The provision for the year of \$1,139,000 (2014 - \$858,000) less claims settled \$546,182 (2014 - \$592,901) 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 \$116,148 (2014 - \$162,205) have been transferred to the reserve.

### 18. 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 2015 were \$2,336,046 (2014 - \$2,036,047) and net revenue was \$700,284 (2014 - \$494,917).

### 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.

#### *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, 2015

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## 19. 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:

	\$
2016	16,162,945
2017	5,991,651
2018	5,922,453
2019	5,964,555
2020	6,008,086
2021	4,874,373
	44,924,063

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

	\$
2016	535,000
2017	660,000
2018	660,000
2019	660,000
2020	325,000
	2,840,000

## 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, 2015

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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 statement.

# The Corporation of the Municipality of Chatham-Kent

Consolidated schedule of tangible capital assets  
year ended December 31, 2015

	Land and land improvements	Buildings	Equipment	Vehicles	Underground linear	Plants and facilities	Bridges	Transportation	Other assets	Total 2015	Total 2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Municipal</b>											
<b>Cost</b>											
Balance, beginning of the year	56,183,092	146,249,120	30,151,006	50,015,726	112,690,610	3,272,370	179,055,828	416,498,047	7,099,503	1,001,215,302	982,632,138
Add: Additions during the year	1,131,028	3,408,185	2,219,312	4,205,478	798,018	-	5,826,127	14,215,396	510,292	32,313,837	28,416,841
Less: Writedowns during the year	-	-	-	-	-	-	-	-	-	-	-
Less: Disposals during the year	384,508	96,472	467,309	3,313,279	-	-	874,002	5,288,223	965,763	11,389,556	9,833,677
<b>Balance, end of the year</b>	<b>56,929,612</b>	<b>149,560,833</b>	<b>31,903,008</b>	<b>50,907,926</b>	<b>113,488,628</b>	<b>3,272,370</b>	<b>184,007,954</b>	<b>425,425,220</b>	<b>6,644,032</b>	<b>1,022,139,583</b>	<b>1,001,215,302</b>
<b>Accumulated amortization</b>											
Balance, beginning of the year	10,135,104	55,622,549	14,604,569	26,288,362	52,092,402	1,503,022	59,933,326	241,614,993	3,652,614	465,446,939	448,004,577
Add: Amortization for the year	882,485	3,366,584	2,002,220	3,467,160	2,073,271	96,690	2,600,272	11,810,434	874,741	27,173,858	27,143,963
Less: Accumulated amortization on disposal:	366,613	66,282	465,221	3,272,628	0	-	688,298	5,097,714	965,763	10,922,520	9,701,602
<b>Balance, end of the year</b>	<b>10,650,975</b>	<b>58,922,850</b>	<b>16,141,568</b>	<b>26,482,893</b>	<b>54,165,672</b>	<b>1,599,712</b>	<b>61,845,300</b>	<b>248,327,713</b>	<b>3,561,593</b>	<b>481,698,276</b>	<b>465,446,938</b>
<b>Net book value of municipal assets</b>	<b>46,278,637</b>	<b>90,637,983</b>	<b>15,761,440</b>	<b>24,425,033</b>	<b>59,322,956</b>	<b>1,672,658</b>	<b>122,162,654</b>	<b>177,097,508</b>	<b>3,082,439</b>	<b>540,441,306</b>	<b>535,768,363</b>
<b>Waterworks</b>											
<b>Cost</b>											
Balance, beginning of the year	2,232,112	24,972,730	32,698,027	715,888	158,252,929	28,108,537	-	-	-	246,980,223	243,357,079
Add: Additions during the year	-	720,255	232,528	56,417	2,448,078	1,281,894	-	-	-	4,739,172	3,655,694
Less: Disposals during the year	-	-	5,310	(81,398)	-	-	-	-	-	(76,088)	32,550
<b>Balance, end of the year</b>	<b>2,232,112</b>	<b>25,692,984</b>	<b>32,925,245</b>	<b>853,703</b>	<b>160,701,007</b>	<b>29,390,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>251,795,483</b>	<b>246,980,223</b>
<b>Accumulated amortization</b>											
Balance, beginning of the year	-	12,815,166	13,135,869	491,147	54,498,403	9,627,813	-	-	-	90,568,398	86,149,147
Add: Amortization for the year	-	547,375	1,031,690	57,580	2,217,003	756,942	-	-	-	4,610,589	4,451,802
Less: Accumulated amortization on disposal:	-	-	5,310	(81,398)	-	-	-	-	-	(76,088)	32,550
<b>Balance, end of the year</b>	<b>-</b>	<b>13,362,541</b>	<b>14,162,249</b>	<b>630,125</b>	<b>56,715,406</b>	<b>10,384,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,255,075</b>	<b>90,568,399</b>
<b>Net book value of waterworks assets</b>	<b>2,232,112</b>	<b>12,330,443</b>	<b>18,762,996</b>	<b>223,578</b>	<b>103,985,601</b>	<b>19,005,677</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,540,408</b>	<b>156,411,824</b>
<b>Wastewater</b>											
<b>Cost</b>											
Balance, beginning of the year	4,677,355	60,138,637	40,594,454	604,589	92,686,314	9,692,687	-	-	-	208,394,036	207,174,245
Add: Additions during the year	-	-	294,290	27,618	1,272,510	328,818	-	-	-	1,923,235	1,271,820
Less: Disposals during the year	-	-	3,540	43,744	-	-	-	-	-	47,284	52,028
<b>Balance, end of the year</b>	<b>4,677,355</b>	<b>60,138,637</b>	<b>40,885,204</b>	<b>588,462</b>	<b>93,958,824</b>	<b>10,021,505</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,269,987</b>	<b>208,394,037</b>
<b>Accumulated amortization</b>											
Balance, beginning of the year	-	29,753,162	23,098,171	300,389	40,286,243	7,110,213	-	-	-	100,548,177	95,600,031
Add: Amortization for the year	-	1,604,770	1,310,166	50,613	1,660,838	176,515	-	-	-	4,802,903	4,999,527
Less: Accumulated Amortization on Disposal:	-	-	3,540	42,506	-	-	-	-	-	46,046	51,380
<b>Balance, end of the year</b>	<b>-</b>	<b>31,357,932</b>	<b>24,404,796</b>	<b>308,496</b>	<b>41,947,081</b>	<b>7,286,728</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,305,035</b>	<b>100,548,178</b>
<b>Net book value of wastewater assets</b>	<b>4,677,355</b>	<b>28,780,704</b>	<b>16,480,408</b>	<b>279,966</b>	<b>52,011,743</b>	<b>2,734,777</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104,964,952</b>	<b>107,845,858</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>17,677,405</b>	<b>18,536,605</b>
<b>Total value of tangible capital assets</b>	<b>53,188,104</b>	<b>131,749,130</b>	<b>51,004,844</b>	<b>24,928,577</b>	<b>215,320,300</b>	<b>23,413,112</b>	<b>122,162,654</b>	<b>177,097,508</b>	<b>3,082,439</b>	<b>819,624,072</b>	<b>818,562,651</b>

# The Corporation of the Municipality of Chatham-Kent

Consolidated schedule of segment disclosure  
year ended December 31, 2015

	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	2015 Consolidated	2014 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>														
Taxation	3,615,849	54,624,785	41,545,678	7,859,679	7,660,885	15,620,234	6,424,275	18,443,972	3,360,436	-	-	(19,162,862)	139,992,931	141,146,179
Sales of service	285,928	633,774	1,108,496	4,260,278	878,807	7,814,791	2,447,283	4,628,048	816,707	36,992,995	4,920,984	-	64,788,091	65,318,405
Government transfers	39,889	1,549,419	6,142,395	-	14,595,641	61,855,353	3,717,266	592,345	731,369	724	18,332,400	-	107,556,801	115,338,470
Other	-	-	-	-	-	-	-	-	-	-	15,146,225	-	15,146,225	13,039,620
	3,941,666	56,807,978	48,796,569	12,119,957	23,135,333	85,290,378	12,588,824	23,664,365	4,908,512	36,993,719	38,399,609	(19,162,862)	327,484,048	334,842,674
<b>Expenses</b>														
Salaries and benefits	17,711,452	43,715,986	10,268,521	1,881,191	8,821,614	30,467,283	1,698,561	10,210,559	2,752,870	7,001,308	-	-	134,529,342	134,374,181
Goods and services	12,737,909	3,424,782	15,154,098	7,286,985	11,422,772	5,647,913	2,925,803	6,200,389	1,071,158	12,176,215	-	-	78,048,024	83,106,650
Interest	6,783	-	320,881	-	(101)	1,236,110	497,092	281,594	246,137	2,025,952	-	-	4,614,448	5,114,001
Transfers (to) from other segments	(27,234,537)	6,945,855	6,367,779	887,658	2,112,451	5,879,422	(369,032)	3,093,052	495,696	1,821,656	-	-	-	-
External transfers	-	784,176	1,000	-	265,500	40,629,310	7,283,892	724,445	315,983	-	-	-	50,004,306	47,544,042
Amortization	721,881	2,084,273	16,408,828	2,064,123	523,122	1,430,340	534,247	3,126,250	26,668	9,667,615	-	-	36,587,347	36,595,291
Loss (gain) on disposal of tangible capital assets	(1,822)	(147,094)	275,462	-	(10,025)	-	18,261	28,076	-	(12,469)	-	-	150,389	27,696
	3,941,666	56,807,978	48,796,569	12,119,957	23,135,333	85,290,378	12,588,824	23,664,365	4,908,512	32,680,277	-	-	303,933,856	306,761,861
<b>Net surplus</b>	-	-	-	-	-	-	-	-	-	4,313,442	38,399,609	(19,162,862)	23,550,192	28,080,813