

Consolidated financial statements of

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

December 31, 2018

The Corporation of the Municipality of Chatham-Kent

December 31, 2018

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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

Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of Chatham-Kent (the "Corporation"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2018, and the results of its operations, its accumulated surplus, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists.

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

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

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

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
July 23, 2019

The Corporation of the Municipality of Chatham-Kent

Consolidated statement of financial position
as at December 31, 2018

	2018	2017
	\$	\$
Financial assets		
Cash	149,638,631	142,787,368
Taxes receivable	5,888,974	9,687,020
Accounts receivable	32,269,072	42,067,714
Investments (Note 2)	30,000,000	-
Investment in Entegrus Inc (Note 3)	57,798,156	57,980,640
Note receivable from Entegrus Inc. (Notes 3,5)	23,523,326	23,523,326
Note receivable from 2351839 Ontario Limited (Notes 4,6)	4,875,000	4,800,000
Land held for resale	3,928,912	4,194,412
Other assets	521,823	476,303
Local improvements receivable (Note 13)	21,985,020	20,911,175
	330,428,914	306,427,958
Liabilities		
Accounts payable and accrued liabilities	41,295,684	42,471,059
Accrued interest (Note 12)	506,189	566,068
Accrued employee benefits (Note 8)	43,767,503	46,984,562
Deferred revenue (Note 10)	32,576,369	29,998,234
Deficiency in 2351839 Ontario Limited (Note 4)	676,960	507,541
Long-term liabilities (Note 11)	76,730,187	86,415,078
	195,552,892	206,942,542
Net financial assets	134,876,022	99,485,416
Non-financial assets		
Tangible capital assets (Note 14)	861,039,695	838,573,519
Inventory	541,874	1,002,908
Prepaid expenses	431,971	410,408
	862,013,540	839,986,835
Accumulated surplus (Note 15)	996,889,564	939,472,251

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, 2018

	2018	2018	2017
	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Taxation and user charges			
Property taxation (Note 16)	153,872,231	153,872,231	149,191,316
User charges	69,080,477	81,830,236	76,077,122
	222,952,708	235,702,467	225,268,438
Grants			
Government of Canada	9,553,774	9,907,570	8,615,322
Province of Ontario	122,341,202	114,984,256	109,404,644
	131,894,976	124,891,826	118,019,966
Other			
Investment income	2,662,959	5,253,983	3,731,732
Penalties and interest on taxes	1,560,000	1,721,877	1,425,955
Contributions from landowners and developers	496,094	433,879	484,544
Sale of land and equipment	82,140	605,222	613,987
Provincial offences administration	1,942,500	1,902,621	1,841,680
Other	807,363	1,398,562	5,544,913
Gain on disposal of tangible capital assets	-	515,148	505,247
	7,551,056	11,831,292	14,148,058
Total revenue	362,398,740	372,425,585	357,436,462
Expenses			
General government	9,422,637	8,155,095	6,815,651
Protection of persons and property	58,358,593	58,023,903	58,249,176
Transportation services	45,580,890	50,210,826	52,045,989
Environmental services	49,029,844	47,722,147	49,116,648
Health services	25,874,559	25,075,449	24,490,447
Social and family services	98,365,538	87,636,610	83,669,889
Social housing	16,429,756	13,502,208	14,781,975
Recreation and cultural services	24,425,233	23,615,900	23,954,416
Planning and development	4,296,158	4,770,057	4,618,332
Total expenses	331,783,208	318,712,195	317,742,523
Excess revenues over expenses before other items	30,615,532	53,713,390	39,693,939
Other items			
Income from subsidiaries	3,960,000	3,703,923	9,638,992
Excess of revenues over expenses	34,575,532	57,417,313	49,332,931
Accumulated surplus, beginning of year	939,472,251	939,472,251	890,139,320
Accumulated surplus, end of year	974,047,783	996,889,564	939,472,251

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, 2018

	2018	2017
	\$	\$
Excess of revenues over expense:	57,417,313	49,332,931
Acquisition of tangible capital asset:	(30,247,743)	(53,149,381)
Increase in tangible capital assets construction in progress	(32,155,361)	(6,224,744)
Amortization of tangible capital asset:	39,322,821	37,928,036
Gain on sale of tangible capital asset:	(515,148)	(505,247)
Proceeds of sale of tangible capital asset:	1,129,251	1,117,177
Change in inventory	461,034	(409,145)
Change in prepaid:	(21,560)	(169,748)
Change in net financial asset:	35,390,606	27,919,878
Net financial assets, beginning of year	99,485,416	71,565,538
Net financial assets, end of year	134,876,022	99,485,416

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, 2018

	2018	2017
	\$	\$
Operating transactions		
Excess of revenues over expenses	57,417,313	49,332,931
Items not involving cash		
Amortization	39,322,821	37,928,036
Gain on sale of tangible capital assets	(515,148)	(505,247)
Income from subsidiaries	(3,703,923)	(9,638,992)
Change in taxes receivable	3,798,046	320,447
Change in accounts receivable	9,798,642	(5,675,366)
Change in land held for resale	265,500	299,607
Change in other assets	(45,520)	(124,085)
Change in local improvements receivable	(1,073,845)	2,144,277
Change in accounts payable and accrued liabilities	(1,175,375)	11,709,736
Change in obligations to be funded from future revenues	(3,276,938)	2,677,905
Change in inventory	461,034	(409,145)
Decrease in prepaid expenses	(21,560)	(169,751)
Deferred revenue	2,578,135	1,854,609
	103,829,182	89,744,961
Financing transactions		
New note issued	(75,000)	-
Long-term debt repayment	(9,684,891)	(9,777,716)
	(9,759,891)	(9,777,716)
Capital transactions		
Acquisition of tangible capital assets	(62,403,105)	(59,374,125)
Proceeds of sale of tangible capital assets	1,129,251	1,117,177
	(61,273,854)	(58,256,948)
Investing transactions		
Dividends received from Entegrus Inc.	4,055,826	2,880,000
Investment in Entegus	-	(7,740,000)
Investment in principal protected notes (Note 2)	(30,000,000)	-
	(25,944,174)	(4,860,000)
Net increase in cash	6,851,263	16,850,298
Cash, beginning of year	142,787,368	125,937,071
Cash, end of year	149,638,631	142,787,368

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, 2018

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, 2018

1. Significant accounting policies (continued)

Tangible capital assets

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

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

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

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

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

Land held for resale

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

Government transfers

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

Tax revenue

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

Investment income

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

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, 2018

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. Investments

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

Investment income earned on available current funds, reserves and reserve funds (other than obligatory 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 the respective deferred revenue balances.

Investments held by the Municipality amounted to \$30,000,000 (2017 - \$nil). The investments are comprised of Principal Protected Notes with maturity dates ranging from September 8, 2020 to September 8, 2025. The underlying financial asset has a fair market value of \$28,585,760 (2017 - \$nil), if sold today it will result in a loss, however since these notes are principally protected the loss is limited if the investment is held to maturity.

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:

Former name

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

Amended name

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

The 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, 2018

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.

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

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

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

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2018

3. Investment in Entegrus Inc. (continued)

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

	2018	2017
	\$	\$
Financial position		
Assets		
Current	34,636,403	30,474,520
Capital	134,643,406	95,645,806
Other	33,109,699	19,877,001
Total assets	202,389,508	145,997,327
Liabilities		
Current	38,676,066	46,350,015
Notes payable to Municipality of Chatham-Kent	23,523,326	23,523,326
Other	42,770,895	11,719,559
Total liabilities	104,970,287	81,592,900
Equity		
Share capital	52,161,260	35,482,150
Share Premium	16,571,469	-
Hedging Reserve	(899,502)	-
Retained earnings	28,745,649	27,200,392
Total equity	96,578,876	62,682,542
Regulatory		
Regulatory credit balances	840,345	1,721,885
Total liabilities equity and regulatory	202,389,508	145,997,327

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2018

3. Investment in Entegrus Inc. (continued)

	2018	2017
	\$	\$
Financial activities		
Revenue	161,591,895	133,196,642
Expenses	155,730,133	130,266,715
	5,861,762	2,929,927
Payment in lieu of taxes	960,446	(646,852)
Net movement in regulatory balances, net of tax	(1,174,367)	(917,234)
Remeasurement of employee benefits	(666,649)	(419,351)
Unrealized gain on investment	425,075	(4,998,000)
Dividends paid	5,673,000	3,200,000
Change in retained earnings	644,257	6,711,364
Municipality of Chatham-Kent's investment represented by:		
Investment in shares of Entegrus	31,595,798	31,595,798
Accumulated profit less dividends received	26,202,358	25,573,942
	57,798,156	57,169,740
Corix Utilities' investment represented by:		
Investment in shares of Entegrus	3,886,352	3,886,352
Accumulated profit less dividends received	1,696,291	715,962
	5,582,643	4,602,314
St. Thomas Energy Inc. investment represented by:		
Investment in shares of Entegrus	16,679,110	-
Accumulated profit less dividends received	(52,503)	-
	16,626,607	-

(a) Equity in Entegrus Inc.

	2018	2017
	\$	\$
Balance, beginning of year	81,503,966	67,723,738
Changes during the year		
Investment in shares of Entegrus	-	7,740,000
Net earnings for the year	3,873,342	8,920,228
Dividends paid	(4,055,826)	(2,880,000)
Balance, end of year	81,321,482	81,503,966
	2018	2017
	\$	\$
Investment in Entegrus Inc.	57,798,156	57,980,640
Notes receivable from Entegrus Inc.	23,523,326	23,523,326
Balance, end of year	81,321,482	81,503,966

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2018

3. Investment in Entegrus Inc. (continued)

(b) Related party transactions and balances

The following summarizes the Municipality's related party transactions and balances with Entegrus for the year ended December 31, 2018 and December 31, 2017:

	2018	2017
	\$	\$
Transactions		
Revenue		
Administrative services	569,912	558,736
Asset management	-	54,153
Interest on promissory note	1,067,959	1,067,959
Expenses		
Energy purchases (at commercial rates)	5,860,611	5,680,455
Billing and collection services - water/wastewater	2,302,546	2,300,974
Streetlight maintenance	249,171	171,307
Balances		
Amounts due from Entegrus Inc.		
Promissory note receivable	23,523,326	23,523,326
Accounts receivable	13,831,173	23,667,835

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2018

4. Investment in 2351839 Ontario Limited

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

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

	2018	2017
	\$	\$
Financial position		
Assets		
Current	41,609	35,590
Capital	4,461,931	4,461,931
Total assets	4,503,540	4,497,521
Liabilities		
Current	305,499	205,061
Note payable to Municipality of Chatham-Kent	4,875,000	4,800,000
Total liabilities	5,180,499	5,005,061
Equity		
Share capital	1	1
Deficit	(676,960)	(507,541)
Total deficit	(676,959)	(507,540)
Total liabilities and equity	4,503,540	4,497,521
Financial activities		
Revenue	4,619	37,092
Expenses	174,038	129,228
	(169,419)	(92,136)
Payment in lieu of taxes	-	-
Dividends paid	-	-
Change in retained earnings	(169,419)	(92,136)
Municipality of Chatham-Kent's investment represented by:		
Balance, beginning of year	(507,541)	(415,405)
Changes during year		
Investment in shares of company	-	-
Net Loss for the year	(169,419)	(92,136)
Dividends Paid	-	-
Balance, end of year	(676,960)	(507,541)

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2018

4. Investment in 2351839 Ontario Limited (continued)

(a) Equity in WDC Rail

	2018	2017
	\$	\$
Balance, beginning of year	492,459	584,595
Changes during the year		
Investment in the Company		
Note receivable issued to the Company		
Net loss for the year	(169,419)	(92,136)
Balance, end of year	323,040	492,459
	2018	2017
	\$	\$
Investment in the Company	(676,960)	(507,541)
Notes receivable from the Company	4,875,000	4,800,000
Balance, end of year	4,198,040	4,292,459

(b) Related party transactions and balances

The following summarizes the Municipality's related party transactions with WDC Rail for the year ended December 31, 2018 and December 31, 2017:

	2018	2017
	\$	\$
Transactions		
Revenue		
Interest on promissory note	100,594	68,000
Drainage Assessments	4,098	1,972
Expenses		
Easements	-	-
Balances		
Amounts due from the Company		
Promissory note receivable	4,875,000	4,800,000
Accounts receivable	302,491	201,897

5. Note receivable from Entegrus Inc.

Note receivable is due from Entegrus Inc. with no set repayment terms and interest payable monthly at 4.54%. The Municipality received an interest payment in the current year of \$1,067,959 (2017 - \$1,067,959).

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2018

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 (2018 Prime – 1.45%). The Municipality recorded revenue for interest in the current year of \$100,594 (2017 - \$68,000).

7. Trust funds

Trust funds administered by the Municipality amounting to \$6,022,703 (2017 - \$5,237,590) 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:

	2018	2017
	\$	\$
Employee future benefits	38,082,356	35,873,476
Workplace safety and insurance obligations	1,729,866	7,358,381
Vested sick leave	58,081	58,081
Vacation credits	3,897,200	3,694,624
	43,767,503	46,984,562

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, 2018 of \$38,082,356 (2017 - \$35,873,476) was determined by actuarial valuation using a discount rate of 3.75% (2017 – 3.5%). A comprehensive actuarial valuation of the future liability for employee future benefits was conducted as at December 31, 2018. The next required valuation will be as of December 31, 2021.

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

	2018	2017
	\$	\$
Accrued benefit liability as at January 1, 2018	35,873,476	33,424,938
Expense for the period	3,378,209	3,589,325
Benefits paid during the period	(1,169,329)	(1,140,787)
Estimated accrued benefit liability as at December 31, 2018	38,082,356	35,873,476

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2018

8. Accrued employee benefits (continued)

The main actuarial assumptions employed for the valuation are as follows:

(i) General inflation

Future inflation levels, as measured by changes in the Consumers Price Index ("CPI"), were assumed to be 2.5% in 2018 and thereafter.

(ii) Interest (discount) rate

The present value as at December 31, 2018 of the future benefits was determined using a discount rate of 3.75%. The expense for the year ended December 31, 2017, was determined using a discount rate of 3.25%.

(iii) Health costs

Drug costs were assumed to increase at 6.5% per year grading down to 4% over 7 years.

(iv) Dental costs

Dental costs were assumed to increase at 4% annually.

(b) Workplace safety and insurance obligations

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

For the period of January 1, 2001 to December 31, 2009, the Municipality was a Schedule II employer for most of its divisions. The estimated future liability relating to WSIB for this time period amounted to \$1,729,866 (2017 - \$7,358,381) and an accrual has been recorded for 2018. 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 \$2,432,562 (2017 - \$2,480,357). 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 (2017 - \$58,081) at the end of the year and is reported as an accrued liability on the Consolidated statement of financial position. An amount of \$0 (2017 - \$0) was paid to employees who left the Municipality's employment during the current year.

(d) Vacation credits

Under the provisions of certain employee vacation plans, some vacation credits are earned as at December 31 but are generally unavailable for use until a later date. In addition, the provisions of certain plans allow the accumulation of vacation credits for use in future periods. The approximate value of these credits as at December 31, 2018 is \$3,897,200 (2017 - \$3,694,624) 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, 2018

9. Pension agreement

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer plan, on behalf of 1352 (2017 - 1348) 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 2018 calendar year at rates ranging from 9.0% to 15.8% (2017 - 9.0% to 15.8%) depending on the member's designated retirement age and level of earnings. The amount contributed to OMERS for 2018 was \$9,500,603 (2017 - \$9,186,200) for current service and this is included on the Consolidated Statement of Operations and Accumulated Surplus. As at December 31, 2018 the OMERS plan is in a deficit of \$4.2 Billion (2017 - \$5.4 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:

	2018	2017
	\$	\$
For building code act	2,596,193	1,791,543
For parkland purposes	118,465	112,505
For Federal gas tax	15,859,604	16,102,266
For Provincial gas tax	4,738,311	4,624,166
Deferred revenue - obligatory reserve funds	23,312,573	22,630,480
Other deferred revenue		
Deferred taxes	1,307,276	1,085,226
Deferred grants	3,310,305	3,471,084
Other	4,646,215	2,811,444
Total deferred revenue	32,576,369	29,998,234

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2018

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:

	2018	2017
	\$	\$
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.	78,643,445	88,801,289
Of the long-term liabilities shown above, the Municipality is contingently liable for long-term liabilities with respect to tile drainage and shoreline property assistance loans. The responsibility for payment of principal and interest charges has been assumed by individual landowners.	(1,913,258)	(2,386,211)
Net long-term liabilities at the end of the year	76,730,187	86,415,078

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

	2019 to 2023	2024 to 2028	2029 and thereafter
	\$	\$	\$
From general municipal revenue	8,292,286	3,652,930	2,605,196
From benefiting landowners	13,159,260	5,082,944	-
From benefiting water ratepayers	13,026,230	6,484,891	1,037,386
From benefiting wastewater ratepayers	13,461,412	7,993,587	1,934,064
	47,939,188	23,214,352	5,576,646

- (c) Included in the principal amount in a) is \$5,559,682 (2017 - \$6,320,697) 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%.

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2018

12. Charges for net long-term liabilities

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

	2018	2017
	\$	\$
Beginning balance	86,415,078	96,192,794
Principal payments	(9,684,891)	(9,777,716)
Ending balance	76,730,187	86,415,078

Net interest payments related to long-term liabilities in the current year were \$3,395,071 (2017 - \$3,768,649) 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 \$506,189 (2017 - \$566,068) 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.

	2018	2017
	\$	\$
Local improvements receivable for capital projects on tax roll		
Wastewater	503,743	568,259
Water	1,137,712	1,390,924
Drainage	20,198,319	18,775,346
Other	145,246	176,646
	21,985,020	20,911,175

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2018

14. Tangible capital assets

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

	2018	2017
	\$	\$
Land and land improvements	52,186,168	52,962,228
Buildings	120,390,951	123,382,857
Equipment	47,136,682	49,618,339
Vehicles	30,227,609	28,603,809
Underground linear	207,452,500	212,992,520
Plants and facilities	25,523,958	26,911,278
Bridges	136,553,631	134,260,809
Transportation	179,215,627	179,527,453
Other assets	2,222,253	2,339,270
	800,909,379	810,598,564
Assets under construction	60,130,316	27,974,955
	861,039,695	838,573,519

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, 2018

15. Accumulated surplus

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

	2018	2017
	\$	\$
Surplus		
Invested in tangible capital assets	787,332,204	760,153,788
Entegrus, net equity	81,321,482	81,503,966
WDC Rail	(676,960)	(507,542)
Business Improvement Area	-	-
Prelevies for benefitting landowners	109,170	133,504
Other	6,342,937	3,925,463
Obligations to be funded from future years	(1,582,803)	(9,490,447)
Unfunded		
Employee future benefits, workplace safety and vacation	(42,059,289)	(45,059,214)
Accrued interest on long-term liabilities	(506,189)	(566,068)
Accrued Environmental Liability	(200,000)	(500,000)
	830,080,552	789,593,449
Surplus allocated to reserves		
For acquisition of capital assets	68,698,490	63,967,106
For public liability insurance	2,968,476	2,780,470
For various programs, facilities	61,205,141	55,185,842
For strategic and community development	9,173,950	9,350,675
For water	5,722,336	5,269,858
For wastewater	10,617,692	5,821,204
	158,386,084	142,375,155
Surplus allocated to reserve funds		
For community investment	8,197,411	7,286,580
For parking purposes	225,516	217,066
	8,422,927	7,503,646
Total accumulated surplus	996,889,564	939,472,251

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2018

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:

	2018	2017
	\$	\$
Taxation	28,470,716	27,867,702
Requisitions	(28,470,716)	(27,867,702)
Net levy for the year	-	-

Included in accounts payable are levies owing to the school board totaling \$325,981 (2017 - 406,621 in levies were owing from the school board). Taxation revenue by major tax class

2018	Taxes - own purpose	Payments in lieu	Supplementary taxes	Rebates & Write-offs	2018 Total
	\$	\$	\$	\$	\$
Residential	96,348,221	599,007	724,987	(1,056,750)	96,615,465
Multi-Residential	5,945,406	-	46,866	(19,756)	5,972,516
Commercial	27,353,861	2,163,333	334,730	(1,746,793)	28,105,131
Industrial	5,842,633	5,252	167,383	(86,208)	5,929,061
Pipelines	1,698,238	-	886,646	(214)	2,584,670
Landfill	193,409	-	-	-	193,409
Farmlands	13,538,218	5,536	36,143	109,356	13,689,253
Managed Forests	6,705	-	-	-	6,705
Other	396,346	578,535	47,966	(125,487)	897,359
Capping program	(233,888)	-	-	112,549	(121,339)
Total tax revenue	151,089,149	3,351,664	2,244,721	(2,813,303)	153,872,231

2017	Taxes - own purpose	Payments in lieu	Supplementary taxes	Rebates & Write-offs	2017 Total
	\$	\$	\$	\$	\$
Residential	94,995,533	752,647	515,213	(1,343,893)	94,919,500
Multi-Residential	5,794,754	-	15,480	(130,401)	5,679,833
Commercial	26,587,654	2,195,118	458,805	(1,638,401)	27,603,176
Industrial	5,876,169	5,322	72,030	(98,828)	5,854,693
Pipelines	1,672,471	-	10,900	-	1,683,371
Landfill	186,401	-	-	-	186,401
Farmlands	12,177,227	5,082	245,020	223,415	12,650,744
Managed Forests	6,107	-	-	-	6,107
Other	397,886	635,710	16,640	(340,047)	710,189
Capping program	(268,635)	-	-	165,936	(102,699)
Total tax revenue	147,425,567	3,593,879	1,334,088	(3,162,219)	149,191,316

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2018

17. Self-insurance

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

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

The Municipality has made a provision for a reserve for self-insurance which as at December 31, 2018 amounted to \$4,296,057 (2017 - \$3,919,962) and is reported on the consolidated statement of financial position under reserves. The provision for the year of \$1,309,079 (2017 - \$1,309,223) less claims settled \$714,765 (2017 - \$1,010,103) has been reported as an expenditure on the Consolidated statement of operations and accumulated surplus.

Other Operating Surpluses/Deficits, related to insurance, in the amount of \$218,219 (2017 - \$70,061) have been transferred to/from the reserve.

18. Provincial offences administration

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

The Ministry of the Attorney General requires the following disclosure of all municipal partners administering Provincial Offences Administration. The gross revenues collected at the Provincial Offences Court in 2018 were \$1,902,621 (2017 - \$1,841,680) and net revenue was \$356,205 (2017 - \$350,847).

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.

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2018

19. Segmented information (continued)

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.

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.

20. Commitments

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

	\$
2019	19,902,373
2020	19,055,689
2021	17,662,043
2022	1,626,457
2023	1,043,763
2024	179,433
2025	159,539
2026	179,433
2027	159,539
	59,968,270

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

	\$
2019	3,236,316
2020	325,000
	3,561,316

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements
December 31, 2018

21. Budget figures

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

22. Contingent Liabilities

From time to time, 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, 2018

	Land and land improvements	Buildings	Equipment	Vehicles	Underground linear	Plants and facilities	Bridges	Transportation	Other assets	Total 2018	Total 2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Municipal											
Cost											
Balance, beginning of the year	58,955,598	152,832,409	37,839,885	54,442,690	114,947,959	3,272,370	201,477,191	444,528,160	6,764,128	1,075,060,390	1,046,105,906
Add: Additions during the year	264,848	2,751,093	1,715,468	5,332,991	320,590	-	5,306,663	12,468,419	531,286	28,691,357	39,905,189
Less: Disposals during the year	52,119	66,374	360,199	3,301,379	-	-	279,650	2,525,729	1,143,032	7,728,481	10,950,702
Balance, end of the year	59,168,327	155,517,128	39,195,154	56,474,302	115,268,549	3,272,370	206,504,205	454,470,849	6,152,381	1,096,023,265	1,075,060,394
Accumulated amortization											
Balance, beginning of the year	12,902,841	66,249,820	19,581,624	26,494,357	58,262,156	1,763,174	67,216,382	265,000,706	4,424,858	521,895,919	503,763,108
Add: Amortization for the year	998,106	3,571,485	2,957,898	3,410,949	2,069,290	81,237	2,933,516	12,712,290	648,303	29,383,075	28,471,583
Less: Accumulated amortization on disposals	9,321	54,041	315,773	2,935,113	-	-	199,324	2,457,774	1,143,032	7,114,379	10,338,772
Balance, end of the year	13,891,626	69,767,265	22,223,749	26,970,194	60,331,446	1,844,411	69,950,574	275,255,222	3,930,128	544,164,616	521,895,919
Net book value of municipal assets	45,276,701	85,749,863	16,971,405	29,504,108	54,937,102	1,427,959	136,553,631	179,215,627	2,222,253	551,858,649	553,164,474
Waterworks											
Cost											
Balance, beginning of the year	2,232,112	25,692,984	33,168,829	712,746	167,524,780	32,584,398	-	-	-	261,915,850	254,403,493
Add: Additions during the year	-	-	1,018,192	37,896	-	-	-	-	-	1,056,088	7,617,678
Less: Disposals during the year	-	-	7,735	75,955	-	-	-	-	-	83,690	105,321
Balance, end of the year	2,232,112	25,692,984	34,179,286	674,687	167,524,780	32,584,398	-	-	-	262,888,247	261,915,850
Accumulated amortization											
Balance, beginning of the year	-	14,476,634	17,770,021	448,590	61,122,774	13,367,607	-	-	-	107,185,626	102,733,256
Add: Amortization for the year	-	559,514	1,057,474	69,907	2,282,086	907,595	-	-	-	4,876,577	4,557,691
Less: Accumulated amortization on disposals	-	-	7,735	75,955	-	-	-	-	-	83,690	105,321
Balance, end of the year	-	15,036,149	18,819,760	442,542	63,404,860	14,275,202	-	-	-	111,978,513	107,185,626
Net book value of waterworks assets	2,232,112	10,656,836	15,359,526	232,145	104,119,920	18,309,196	-	-	-	150,909,734	154,730,223
Wastewater											
Cost											
Balance, beginning of the year	4,677,355	60,138,637	43,315,777	806,782	95,170,563	13,893,335	-	-	-	218,002,449	212,397,039
Add: Additions during the year	-	-	194,733	138,287	167,279	-	-	-	-	500,299	5,626,514
Less: Disposals during the year	-	-	5,157	57,235	-	-	-	-	-	62,392	21,104
Balance, end of the year	4,677,355	60,138,637	43,505,354	887,833	95,337,842	13,893,335	-	-	-	218,440,356	218,002,449
Accumulated amortization											
Balance, beginning of the year	-	34,554,719	27,354,508	415,462	45,265,851	7,708,044	-	-	-	115,298,584	110,420,923
Add: Amortization for the year	-	1,599,666	1,350,252	38,251	1,676,513	398,488	-	-	-	5,063,169	4,898,764
Less: Accumulated Amortization on Disposals	-	-	5,157	57,235	-	-	-	-	-	62,392	21,104
Balance, end of the year	-	36,154,385	28,699,603	396,477	46,942,364	8,106,532	-	-	-	120,299,361	115,298,584
Net book value of wastewater assets	4,677,355	23,984,252	14,805,751	491,356	48,395,478	5,786,803	-	-	-	98,140,996	102,703,865
Assets under construction	-	-	-	-	-	-	-	-	-	60,130,316	27,974,955
Total value of tangible capital assets	52,186,168	120,390,951	47,136,682	30,227,609	207,452,500	25,523,958	136,553,631	179,215,627	2,222,253	861,039,695	838,573,519

The Corporation of the Municipality of Chatham-Kent

Consolidated schedule of segment disclosure
year ended December 31, 2018

	General government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Social housing	Recreation and cultural services	Planning and development services	Water and wastewater services	Other items and corporations	Eliminations	2018 Consolidated	2017 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues														
Taxation	7,329,375	55,115,483	34,850,140	9,358,203	8,818,147	12,062,217	7,573,603	17,203,529	2,364,809	-	-	(803,275)	153,872,231	149,191,316
Sales of service	813,587	615,688	2,484,562	4,458,579	852,022	8,376,312	2,603,045	5,624,760	964,324	49,783,476	5,253,881	-	81,830,236	76,077,122
Government transfers	1,481	1,825,375	12,951,163	-	15,440,616	67,192,780	3,333,215	749,206	1,440,924	1,097,066	20,860,000	-	124,891,826	118,019,966
Other	-	-	-	-	-	-	-	-	-	-	15,020,072	-	15,020,072	23,281,803
	8,144,443	57,556,546	50,285,865	13,816,782	25,110,785	87,631,309	13,509,863	23,577,495	4,770,057	50,880,542	41,133,953	(803,275)	375,614,365	366,570,207
Expenses														
Salaries and benefits	18,980,192	43,787,872	10,342,521	2,028,158	8,677,260	32,238,945	2,108,910	10,253,857	2,552,323	7,791,337	-	-	138,761,375	137,772,693
Goods and services	15,339,457	3,443,950	15,654,316	8,820,174	12,845,403	13,420,044	4,071,630	6,303,072	1,459,261	12,157,215	-	-	93,514,522	92,293,361
Interest	3,263	-	133,019	-	-	934,044	343,133	248,463	203,428	1,610,690	-	-	3,476,040	3,631,667
Transfers (to) from other segments	(27,077,749)	7,111,774	6,194,392	898,957	2,661,428	4,174,745	97,518	3,257,932	526,383	2,154,620	-	-	-	-
External transfers	-	170,102	-	-	185,000	35,583,415	6,369,710	327,327	1,890	-	-	-	43,637,444	46,116,766
Amortization	909,937	2,510,205	17,886,578	2,069,493	706,358	1,285,417	511,307	3,225,249	26,772	10,191,503	-	-	39,322,819	37,928,036
Loss (gain) on disposal of tangible capital assets	(10,657)	(467,357)	75,039	-	35,336	(5,301)	7,655	(38,405)	-	(111,458)	-	-	(515,148)	(505,247)
	8,144,443	57,556,546	50,285,865	13,816,782	25,110,785	87,631,309	13,509,863	23,577,495	4,770,057	33,793,907	-	-	318,197,052	317,237,276
Net surplus	-	-	-	-	-	-	-	-	-	17,086,635	41,133,953	(803,275)	57,417,313	49,332,931