

Municipality of Chatham-Kent

Finance, Budget, Information Technology & Transformation

Financial Services

To: Mayor and Members of Council

From: Brock Priddle, CPA, CGA
Manager, Corporate Accounting

Date: July 8, 2021

Subject: 2020 Audited Financial Statements

Recommendation

It is recommended that:

1. The audited financial statements for the year ended December 31, 2020 be approved.

Background

Under section 286 of the Municipal Act, 2001, Finance is responsible for payments and collections, for record keeping, for investments and for providing Council with financial information. All financial statements are prepared by Municipal staff. The Auditor reviews these statements to ensure compliance with legislation, regulations and accounting standards.

Since its inception, the Municipality of Chatham-Kent has had its financial records and its financial control systems audited annually by an independent firm of external auditors appointed under contract by Council. The senior audit partner provides the opportunity to meet directly with the Audit Policy Committee in closed session at least annually, with Municipal staff absent, to obtain comments and instructions. In addition to the standard audit report, the auditor conducts extra tests and examinations based on the Audit Policy Committee's concerns. Results of the audit are shared directly with the Audit Policy Committee and ultimately the statements are approved by Council in this report.

As well as investigating specific Council concerns, the external auditors' objectives are to:

- Obtain assurance that the financial statements are free of material misstatement
- Evaluate the fairness of presentation of the financial statements in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) and the Chartered Professional Accountants of Canada (CPA Canada).
- Report to administration and to Council on:
 - significant internal control weaknesses
 - errors noted during the audit
 - any matters the auditor believes should be disclosed

Other statutory financial audits that can occur include:

- Canada Revenue Agency (CRA) audits of employer statutory remittances
- CRA audits of HST returns
- Ministry Program specific audits

The Municipality also engages HST/Retail Sales tax specialists for non-statutory audits to ensure the proper amount of federal and provincial sales tax is charged or claimed.

Copies of the draft audited financial statements are attached as Appendix A and a final signed version will be presented on the municipal website once approved by Council. A synopsis of the financial results will be published in local papers following acceptance of this report (section 295.1, Municipal Act).

Financial statement information is prepared using information from the Financial Information Return (FIR) which is a statutory report filed with the Ministry of Municipal Affairs and Housing annually. Copies of the FIR and financial statements are available on request, free of charge (section 295.2, Municipal Act).

Comments

The external auditor has concluded a review of the records of the Corporation and has issued an unqualified audit opinion on the basis of this review. This means that there were no significant internal financial control weaknesses or material errors noted during the audit.

Audit Policy Committee

The Audit Policy Committee met on June 28, 2021 with the Audit Partner from Deloitte and received the Year-End Communication Report detailing their findings. The committee reviewed the financial statements in detail and the minutes of the meeting are included in the Consent Agenda of the July 12 Council meeting. The committee passed the following motion:

That the Audit Policy Committee receive the 2020 Audited Financial Statements and recommend the approval of the statements to Council.

Reported 2020 results

The following are additional comments regarding the financial statements.

This excerpt from the Consolidated Statement of Operations and Accumulated Surplus (see page 4 of the attached financial statement) lists the total revenues, expenses, and the resulting excess revenues over expenses.

	2020	2019
Revenues	\$384,306,605	\$377,323,705
Expenses	\$337,363,461	\$339,845,761
Excess revenues over expenses before other items	\$46,943,144	\$37,477,944
Income from subsidiary	\$4,994,126	\$6,073,584
Excess revenues over expenses	\$51,937,270	\$43,551,528

The Municipal 2020 year-end cash basis surplus is \$3,767,954 (\$3,758,227 in 2019). Budget and Performance Services will provide in a separate 2020 final variance report where the surplus originated and recommendations on its use. This figure is included as part of the \$51,937,270 (\$43,551,528 in 2019) excess revenue over expenses reported on the Consolidated Statement of Operations and Accumulated Surplus. The \$51.9 million surplus (under the new accounting rules introduced in 2009) is calculated using accrual accounting, whereas the balanced budget is approved by Council on the cash required basis. Previous to 2009, under modified cash accounting, investments in bridges and roads etc. were written off immediately against in-year surpluses. Under accrual accounting, the cost of capital assets is to be written off against tax revenues over the useful life of the asset. Some of the assets have a useful life of 50+ years. This results in amortization expense much less than expensed over the cash requirements for replacement. For this reason there will usually be an annual surplus in the operating statement. The following table indicates the relation between the \$51.9 million accrual accounting surplus in the financial statements to the \$3.76 million surplus as per the balanced cash budget approved by Council during the 2020 budget deliberations.

	2020	2019
Accrual basis surplus as per Financial Statements	\$51,937,270	\$43,551,528
Adjustments:		
Amortization	\$42,835,856	\$40,576,958
Taxation, Grant, & Other	(\$31,855,145)	(\$16,793,592)
Long-term debt repayment	(\$9,577,435)	(\$10,074,827)
Income from subsidiary	(\$4,994,126)	(\$6,073,584)
Change in employee future benefits	\$2,368,956	\$2,090,553
Acquisition of tangible capital assets	(\$42,296,189)	(\$86,252,344)
Gain on sale of tangible capital assets	\$1,563,330	\$384,570
Proceeds on sale of tangible capital assets	\$531,794	\$371,247
Change in WIP tangible capital assets	(\$10,101,829)	\$23,983,239
Change in working capital	\$3,415,002	\$12,057,095
Change in interest accrual on LTD	(\$59,530)	(\$62,616)
Cash basis surplus as previously reported to Council	\$3,767,954	\$3,758,227

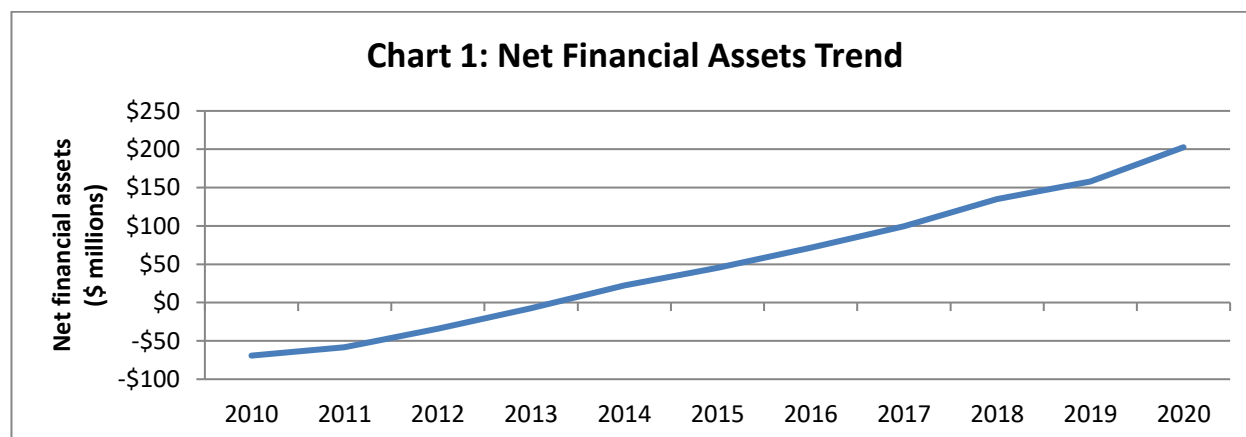
The attached consolidated municipal financial statements include the PUC (Water/Wastewater), the Library, Museums, Board of Health and Police Services Board, along with all other municipal services. Separate audits for the Public Health Division, Library and Children's Services programs were also prepared as required for their specific reporting purposes and are available upon request. One time special audits are done as required for grant or loan purposes. Municipal trust activities are audited separately. Entegrus Incorporated financial results are reflected in separate audited statements. The 2020 net income of these operations is reported on the Statement of Operations as "Income from Subsidiaries". The accumulated investment in this operation is reported as "Investment in Entegrus Inc." on the Statement of Financial Position.

The following excerpt from the Consolidated Statement of Financial Position (see page 3 of the attached financial statement) lists the total assets, liabilities, and the resulting accumulated surplus.

	2020	2019
Financial assets	\$401,783,891	\$357,603,084
Liabilities	\$199,199,820	\$199,640,366
Net financial assets	\$202,584,071	\$157,962,718
Non-financial assets	\$889,794,291	\$882,478,374
Accumulated surplus	\$1,092,378,362	\$1,040,441,092

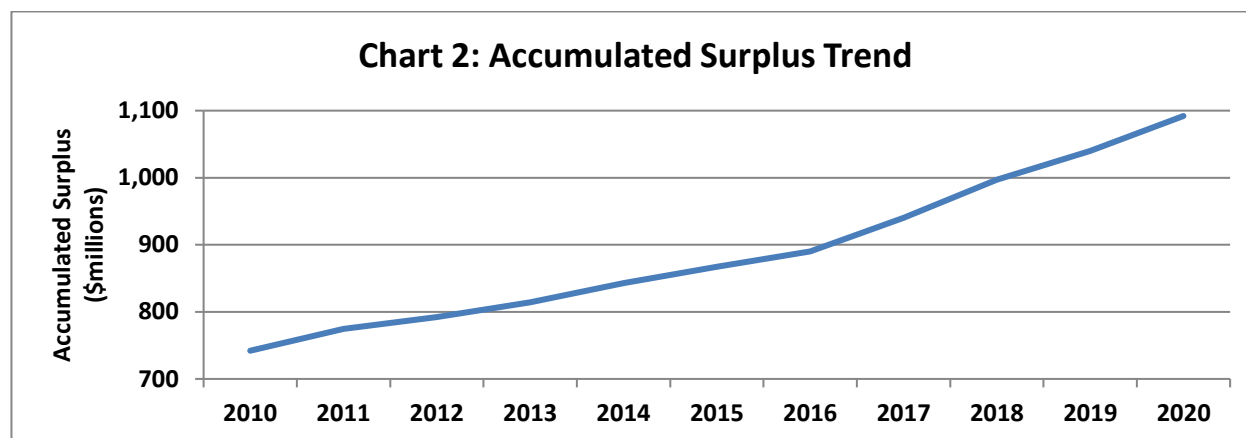
Net Financial Assets

An important indicator of a government's financial position is its net financial assets, calculated as the difference between its liabilities and financial assets. Net financial assets provides a measure of the future revenues required to pay for past transactions and events. The net financial assets condition of the Municipality has been steadily improving over the past few years as indicated in Chart 1 below, as it has risen from the low of a \$69 million net debt position in 2010 to a positive net financial assets position of \$202 million in 2020.



Accumulated Surplus

Accumulated Surplus includes Net Financial Assets (Debt) plus Non-Financial Assets such as capital assets, inventory and prepaid expenses. Chatham-Kent's Accumulated Surplus at December 31, 2020 was \$1,092,378,362. The accumulated surplus is the primary indicator of resources available to the Municipality to provide future services. This figure consists of the net investments in tangible capital assets, the investment in Entegrus Inc., accumulated fund balances, and reserves, less amounts to be recovered in the future. Note 14 (see page 21 of the attached financial statement) lists the various allocations of surplus. Chart 2 below indicates the trend in the accumulated surplus.



Some of the significant items included in the accumulated surplus are detailed below.

Invested in tangible capital assets is the net investment in tangible capital assets of the Municipality less any outstanding debt related to this investment. The following excerpt from Note 13 (see page 20 of the attached financial statement) lists the net book value of Chatham-Kent's assets.

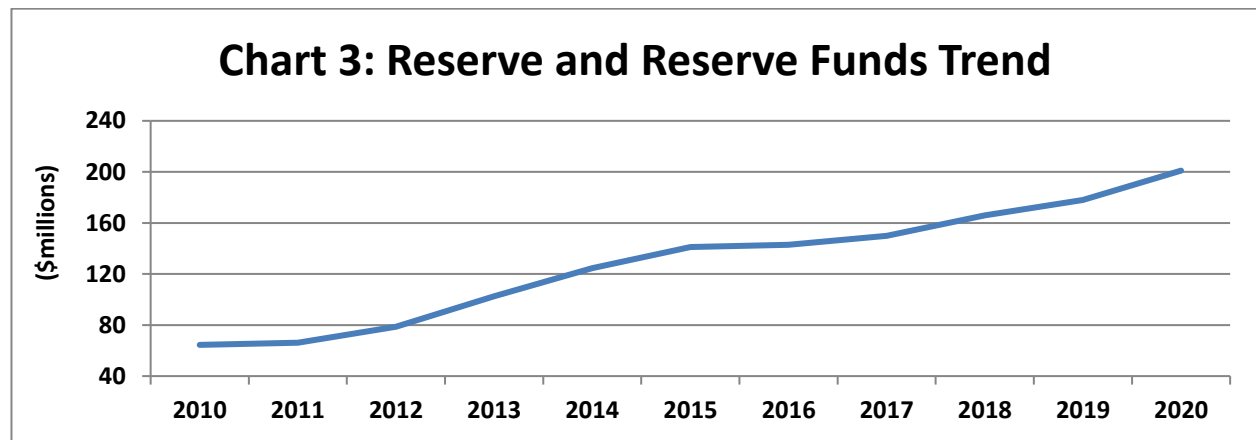
	2020	2019
Land and land improvements	\$51,359,492	\$52,125,687
Buildings	\$115,143,640	\$118,228,230
Equipment	\$44,352,753	\$45,997,244
Vehicles	\$35,056,201	\$35,812,703
Underground Linear	\$212,521,302	\$217,340,098
Plants and facilities	\$34,290,384	\$34,862,200
Bridges	\$161,313,530	\$152,779,616
Transportation	\$187,199,015	\$186,655,724
Other assets	\$1,957,838	\$2,027,443
	\$843,194,155	\$845,828,945
Assets under construction	\$46,248,910	\$36,147,082
Total tangible capital assets	\$889,443,065	\$881,976,027

Entegrus Inc., net equity is represented by the Municipality's share of Retained Earnings plus the value of the shares and long-term note payable to the Municipality for consideration of the original transfer of net assets to Entegrus¹.

¹ The value placed on Entegrus securities is based on cost and may not reflect market values.

	2020	2019
Service Revenue	\$190,308,740	\$171,861,534
Cost of Power	\$164,686,359	\$146,578,756
Gross Margin	\$25,622,381	\$25,282,778
Operating Income	\$31,246,803	\$30,853,005
Net Earnings (100%)	\$4,058,694	\$5,661,863
Retained Earnings (End of Year)	\$30,879,989	\$29,861,360
Dividends Paid to C-K	\$4,146,622	\$4,075,129
Dividends Paid to Corix Utilities	\$460,345	\$452,408
Dividends Paid to St. Thomas Energy	\$1,193,032	\$1,172,463

Reserves and Reserve Funds are the reserve balances at year-end. Chart 3 below indicates the trend with total Reserves and Reserve Funds. See Appendix B for a more detailed breakdown. Reserve balances include amounts encumbered.



Unfunded are for items that are not required to be funded by current accounting regulations, but represent a future cost to the Municipality that financial statement readers should be aware of, and are required to be reported by PSAB regulations. The required disclosures include:

- Post-employment benefits such as life insurance and medical benefits that will be incurred and will potentially be due at some future time. The discount rate used by the actuarial consultant in determining the net present value of future benefits was 2.25% (3.00% in 2019)
- Estimated future liabilities as provided by Workplace Safety & Insurance Board
- Staff vacation credits that have been earned but not taken at year-end
- Interest on long-term debt accrued but not paid by year-end

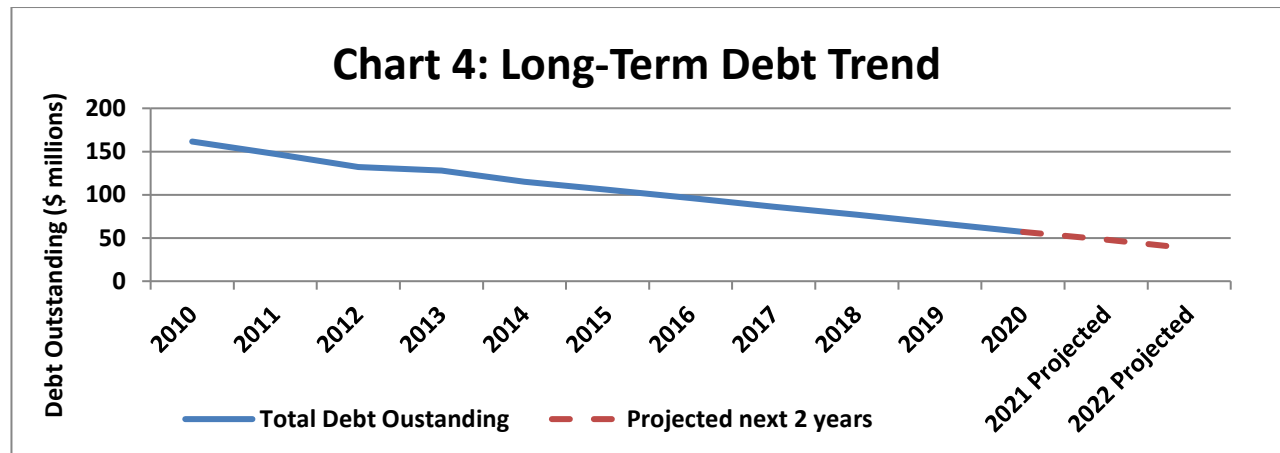
A detailed breakdown of these future obligations to be funded by tax dollars is found below:

	2020	2019
Employee future benefits	\$42,258,312	\$40,110,196
WSIB obligation	\$1,343,667	\$1,499,759
Vacation pay	\$4,625,032	\$4,248,100
Total unfunded employee future benefits	\$48,227,011	\$45,858,055
Interest on long-term liabilities	\$384,044	\$443,573

The Municipality provides funding for these liabilities through the budget process in the year of disbursement.

Long Term Liabilities

Net long-term liabilities are the balances of debentures outstanding. Notes 10 and 11 (see pages 18 and 19 of the financial statement attachment) provide details of the long-term liabilities. The debt trend is indicated in Chart 4 below, and as Council has not approved any current or future projects with debt funding, two further years of reductions are indicated.



The debenture detail is provided in Figure 1 below. There was no new debt issued in 2020 (\$0 in 2019). The “Funded By” columns identify the sources of future funding to service the debt payments. The tax funded obligation is currently approximately \$10.1 million.

Figure 1 Chatham-Kent Long Term Debt as at December 31, 2020

				Funded by:				
Debt Issue #	Rate %	Term	Total		PUC rates	PUC locals	Mun. Tax	Mun. Other
Debt Issued by the Municipality of Chatham-Kent								
2004-02	2.73	20	43,400,000	(A)	43,400,000			
2005-01	4.94	20	43,000,000	(B)			13,299,000	29,701,000
2005-02	2.53	20	22,128,742	(C)	22,128,742			
2007-01	2.52	20	2,800,000	(D)	2,800,000			
2007-02	4.94	20	5,170,000	(E)				5,170,000
2010-01	4.22	10	12,533,100	(F)			12,533,100	
2010-02	4.88	20	24,244,728	(G)	24,244,728			
2010-03	2	20	2,000,000	(H)	2,000,000			
2013-01	3.91	20	7,978,000	(I)			7,978,000	
Subtotal			163,254,570		94,573,470	0	33,810,100	34,871,000
Less Principal amounts repaid by								
	31-Dec-20		-107,558,564		-60,736,069	0	-23,748,759	-23,073,736
Chatham-Kent Issued Debt Outstanding at Dec 31, 2020			\$55,696,006		\$33,837,401	\$0	\$10,061,341	\$11,797,264
Other Debt assumed by Chatham-Kent								
Social Housing download								
31-Dec-20	Various	Various	1,381,920	(J)				1,381,920
Total Debt Outstanding Dec 31, 2020			\$57,077,925		\$33,837,401	\$0	\$10,061,341	\$13,179,184

(A) OMEIFA Debenture: Water \$17,725,000, Wastewater \$25,675,000

(B) OSIFA Debenture: Riverview Gardens \$40,300,000 33% tax funded, Bloomfield Business Park \$2,700,000

(C) OMEIFA Debenture: Water \$19,253,236, Wastewater \$2,875,506

(D) OMEIFA Debenture: Wastewater \$2,800,000

(E) OSIFA Debenture: Social Housing – Wallaceburg Housing Corporation purchase \$5,170,000

(F) OSIFA Debenture: Bridges \$10,533,100, Lifecycle Roads \$1,700,000, Lifecycle Buildings \$300,000

(G) OSIFA Debenture: Water \$9,200,151, Wastewater 15,044,577

(H) Federation of Canadian Municipalities Debenture \$2,000,000

(I) OILC Debenture: John D. Bradley Convention Centre \$7,645,000, Social Housing - Riverview Terrace \$333,000

(J) Debt came with the Social Housing units on transfer to the Municipality from the Province in 2001.

A component of social housing costs are tax funded. The debt is held by Provincial agencies.

Development Charges Act

Under section 43 of the Development Charges Act, 1997, the Treasurer is required to give Council a statement of activity for the Development Charges Reserve Fund. Figure 2 below is a summary of the fund activity.

Figure 2 Development Charges Reserve Fund						
	2020			2019		
	Roads	Water	Sewer	Roads	Water	Sewer
Opening Balance	\$0	\$0	\$0	\$0	\$0	\$0
Contribution from developers	\$0	\$1,014,335	\$660,980	\$0	\$583,817	\$470,478
Interest Earned	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	\$0	\$1,014,335	\$660,980	\$0	\$583,817	\$470,478
Use of funds:						
Investment in Capital	<u>\$0</u>	<u>\$1,014,335</u>	<u>\$660,980</u>	<u>\$0</u>	<u>\$583,817</u>	<u>\$470,478</u>
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0

Budget Figures

Budget figures provided as part of the Consolidated Statement of Operations and Accumulated Surplus (see page 4 of the financial statement attachment) do not reflect the balanced 2020 Budget as approved by Council for the following reasons:

- Capital projects benefiting and assessed to landowners and developers, such as water, wastewater, drainage and sidewalks / curb and gutters are not part of the annual budget process and are shown as a local improvement receivable on the Statement of Financial Position
- Capital projects for industrial lands are not part of the budget process and are shown as land held for resale in the Statement of Financial Position
- Under PSAB standards, transfers to/from reserves/capital are not considered as a source of expense/revenue for Municipal activities and are not included in the financial statement budget
- Amortization expense is not included in the Council approved budget as it does not require cash, but is included on the financial statement budget
- Cash raised for the purpose of building or improving tangible capital assets is included as revenue in the Council approved budget and the expenditure of building the asset is included as well. However, in the financial statements, only the revenue budgets (taxes, user fees, grants) are included as the expenditure is an asset amortized over the life of the asset.

Public Utilities Commission

PUC operations are integrated into those of the Municipality. Its activities are audited along with municipal operations. Separate financial statements are prepared and presented annually to the Commission. A summary cash basis statement for 2020 is presented below along with the 2019 comparison.

As at December 31	Water		Wastewater	
	2020	2019	2020	2019
Revenues	\$30,079,813	\$27,209,255	\$22,723,991	\$21,109,692
Expenditures	\$26,131,782	\$24,880,669	\$20,347,349	\$18,774,641
Net Income	\$3,948,031	\$2,328,586	\$2,376,642	\$2,335,051
Reserve Fund Balance (End of Year)	\$1,908,815	\$1,369,616	\$13,700,890	\$12,749,677

Municipal Leasing

Under regulation 266/02 of the Municipal Act, Council established a financial leasing policy by which the Treasurer shall report annually to Council the impact on municipal finances of financial leases.

Financial leases are a form of indebtedness that if material, can impact on the municipal annual debt repayment limit.

Under the leasing policy:

Section 1. Any lease or cumulative group of leases that exceeds a term of one year that is entered into by the Municipality, being in effect at any one time, shall be considered material if collectively all leasing payments incurred in any calendar year exceeds 2% of the Municipal Annual Debt Repayment Limit as determined by the Treasurer.

Once the 2% limit has been exceeded all leases subsequently entered into by the Municipality shall be considered material.

Section 3. Leasing done for any of the following reasons with a lease term exceeding, or expected to exceed, one year shall be considered a "reportable" lease for the purpose of this policy:

- Capital items leased as a form of financing
- Like equipment with a leased value exceeding \$10,000 annually
- Goods or services only available through lease where collectively lease payments exceed \$20,000 annually
- Leases entered into following a buy versus lease analysis for any property and for any amount

Where, in the opinion of the Treasurer, a lease meets the criteria under this policy as “reportable” or, where the Chief Legal Officer considers a lease reportable for any other reason, Council reports which deal with leasing shall be reviewed and commented on, in the body of the report, by the Treasurer and (as appropriate) by the Chief Legal Officer.

<u>Materiality Calculations</u>	
Annual Debt Limit (December 31, 2020)	² \$49,195,970
2% of this limit (established by policy)	\$983,919
Financial Lease Payments 2020	
Fleet	\$238,551
Copiers	<u>\$155,132</u>
Total	\$393,683

The Municipality does not often use financial leases, as the cost of other forms of indebtedness is more advantageous. Because 2020 financial lease payments are less than 2% of the annual repayment limit established by the Province under regulation 403/02, the value of the leases is not considered material under the financial leasing policy and therefore, will not be deducted from the municipal annual repayment limit for 2020.

Areas of Strategic Focus and Critical Success Factors

The recommendation in this report supports the following areas of strategic focus:

- ☒ **Economic Prosperity:**
Chatham-Kent is an innovative and thriving community with a diversified economy
- ☐ **A Healthy and Safe Community:**
Chatham-Kent is a healthy and safe community with sustainable population growth
- ☐ **People and Culture:**
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community
- ☐ **Environmental Sustainability:**
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendation in this report supports the following critical success factors:

² 2018 Annual Debt Limit Calculation (Effective January 1, 2020)

1 Gross Debt Charges		
	Principal	\$10,240,544
	Interest	\$3,476,040
	Subtotal	\$13,716,584
2 OCWA		-
3 Long term commitments		-
4 Debt Charges for Lease Purchases		-
5 SUBTOTAL DEBT CHARGES		\$13,716,584
6 Debt Charges for Utilities		-
7 Downtown Revitalization Loans		-
8 Tile Drainage & Shoreline Assistance		\$696,501
9 SUBTOTAL TO BE EXCLUDED		-
10 NET DEBT CHARGES		\$13,020,083

11 Total Revenue Fund Revenues	\$375,614,360
13 Drainage/shoreline fees	\$116,515
14 Donated TCA	-
15 Grants from other governments	
Ontario	\$114,984,256
Canada	\$9,907,570
Other Municipalities, other items	\$1,307,928
Total Grants from Governments	\$126,199,754
16 Deferred Revenue Earned (Development Charges)	\$433,879
Amounts to be deducted from revenue	\$126,750,148
17 Net Revenue Fund	\$248,864,212
18 25% of net revenue fund	\$62,216,053
19 Annual Repayment Limit	\$49,195,970

At 4% interest, the Municipality has the capacity to borrow an additional \$669 million with repayment amortized over 20 years.

- ☒ Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- ☐ Open, Transparent and Effective Governance:
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- ☐ Has the potential to support all areas of strategic focus & critical success factors
- ☐ Neutral issues (does not support negatively or positively)

Consultation

Prior to finalization of the published statements, all departments reviewed their respective areas. The external auditor has concluded a review of the records of the Corporation and has issued an unqualified audit opinion on the basis of this review. This means that there were no significant internal financial control weaknesses or material errors noted during the audit. The Audit Policy Committee has reviewed the statements.

Financial Implications

The accumulated Municipal surplus of \$3,767,954 will be addressed in a separate Budget & Performance Services report to Council. The cost of the external audit is part of the approved annual budget.

The audit is performed annually in accordance with Section 296 of the Municipal Act. As part of this review, the Auditor:

- Reviewed the accounts and transactions of the Municipality and expressed an opinion.
- Performed duties as required under the Municipal Act and as directed by Council.

A new Request for Proposal for Auditing Services was issued in 2018 with Deloitte LLP. being the successful submission for a period covering 2018 to 2022.

Prepared by:

Reviewed by:

Brock Priddle, CPA, CGA
Manager, Corporate Accounting

Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Reviewed by:

Gord Quinton, MBA, CPA, CGA
Chief Financial Officer, Treasurer

Attachments: App A – Consolidated Financial Statements-Municipality of Chatham-Kent
App B – Chatham-Kent Summary of Reserves

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Consolidated financial statements of

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

December 31, 2020

The Corporation of the Municipality of Chatham-Kent

December 31, 2020

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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, 2020, and the Consolidated statement 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, 2020 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.

The Corporation of the Municipality of Chatham-Kent

Consolidated statement of financial position as at December 31, 2020

	2020	2019
	\$	\$
Financial assets		
Cash	171,168,086	170,136,046
Taxes receivable	8,196,661	4,134,898
Accounts receivable	44,147,569	38,712,286
Investments (Note 2)	66,225,362	30,970,604
Investment in Entegrus Inc. (Note 3)	59,967,156	59,238,902
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
Land held for resale	3,202,012	3,428,912
Other assets	719,880	571,202
Local improvements receivable (Note 12)	24,633,839	22,011,908
	401,783,891	357,603,084
Liabilities		
Accounts payable and accrued liabilities	43,895,262	43,641,352
Accrued interest (Note 11)	384,044	443,573
Accrued employee benefits (Note 7)	48,227,011	45,858,055
Deferred revenue (Note 9)	49,615,578	42,922,775
Deficiency in 2351839 Ontario Limited (Note 4)	-	119,251
Long-term liabilities (Note 10)	57,077,925	66,655,360
	199,199,820	199,640,366
Net financial assets	202,584,071	157,962,718
Non-financial assets		
Tangible capital assets (Note 13)	889,443,065	881,976,027
Inventory	90,491	100,464
Prepaid expenses	260,735	401,883
	889,794,291	882,478,374
Accumulated surplus (Note 14)	1,092,378,362	1,040,441,092

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 for the year ended December 31, 2020

	2020 Budget (Note 21) \$	2020 Actual \$	2019 Actual \$
Revenues			
Taxation and user charges			
Property taxation (Note 15)	168,521,426	164,434,351	159,997,309
User charges	73,878,144	78,995,023	79,190,954
	242,399,570	243,429,374	239,188,263
Government transfers			
Government of Canada	9,200,631	8,447,445	7,092,822
Province of Ontario	118,632,877	124,617,369	118,305,746
	127,833,508	133,064,814	125,398,568
Other			
Investment income	2,851,000	3,826,281	6,376,043
Penalties and interest on taxes	1,200,000	1,237,878	1,337,722
Contributions from landowners and developers	-	1,675,315	1,054,295
Sale of land and equipment	90,609	261,819	718,548
Provincial offences administration (Note 17)	1,977,500	1,363,177	2,345,894
Other	790,571	1,011,277	1,288,942
Loss on disposal of tangible capital assets	-	(1,563,330)	(384,570)
	6,909,680	7,812,417	12,736,874
Total revenue	377,142,758	384,306,605	377,323,705
Expenses			
General government	10,354,758	3,054,864	5,725,967
Protection of persons and property	62,603,853	69,389,003	61,037,404
Transportation services	53,189,742	55,580,459	53,561,718
Environmental services	54,105,276	52,884,696	54,747,129
Health services	27,217,879	24,213,278	26,577,302
Social and family services	95,437,904	84,718,772	91,420,130
Social housing	14,625,271	14,242,511	15,062,654
Recreation and cultural services	25,293,974	21,296,596	26,084,555
Planning and development	6,022,327	11,983,282	5,628,902
Total expenses	348,850,984	337,363,461	339,845,761
Excess revenues over expenses before other items	28,291,774	46,943,144	37,477,944
Other items			
Income from subsidiaries	4,050,000	4,994,126	6,073,584
Excess of revenues over expenses	32,341,774	51,937,270	43,551,528
Accumulated surplus, beginning of year	996,889,564	1,040,441,092	996,889,564
Accumulated surplus, end of year	1,029,231,338	1,092,378,362	1,040,441,092

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 for the year ended December 31, 2020

	2020	2019
	\$	\$
Excess of revenues over expenses	51,937,270	43,551,528
Acquisition of tangible capital assets	-42,296,189	-86,252,344
(Increase) decrease in assets under construction	-10,101,829	23,983,239
Amortization of tangible capital assets	42,835,856	40,576,958
Loss on sale of tangible capital assets	1,563,330	384,570
Proceeds of sale of tangible capital assets	531,794	371,247
Change in inventory	9,973	441,410
Change in prepaids	141,148	30,088
Change in net financial assets	44,621,353	23,086,696
Net financial assets, beginning of year	157,962,718	134,876,022
Net financial assets, end of year	202,584,071	157,962,718

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 for the year ended December 31, 2020

	2020	2019
	Actual	Actual
	\$	\$
Operating transactions		
Excess of revenues over expenses	51,937,270	43,551,528
Items not involving cash		
Amortization	42,835,856	40,576,958
Loss on sale of tangible capital assets	1,563,330	384,570
Income from subsidiaries	(4,994,126)	(6,073,584)
Change in Taxes Receivable	(4,061,763)	1,754,076
Change in Accounts Receivable	(5,435,283)	(6,443,214)
Change in Land Held for Resale	226,900	500,000
Change in Other Assets	(148,678)	(49,379)
Change in Local Improvements Receivable	(2,621,931)	(26,888)
Change in Accounts Payable and Accrued Liabilities	253,910	2,345,668
Change in obligations to be funded from future revenues	2,309,427	2,027,936
Decrease in inventory	9,973	441,410
Decrease in prepaid expenses	141,148	30,088
Deferred revenue	6,692,802	10,346,406
	88,708,835	89,365,575
Financing transactions		
Long-term debt repayment	(9,577,435)	(10,074,827)
	(9,577,435)	(10,074,827)
Capital transactions		
Acquisition of tangible capital assets	(52,398,018)	(62,269,105)
Proceeds of sale of tangible capital assets	531,794	371,247
	(51,866,224)	(61,897,858)
Investing transaction		
Dividends received from Entegrus Inc.	4,146,622	4,075,129
Note receivable from 2351839 Ontario Limited	4,875,000	-
Investments	(35,254,758)	(970,604)
	(26,233,136)	3,104,525
Net increase in cash	1,032,040	20,497,415
Cash, beginning of year	170,136,046	149,638,631
Cash, end of year	171,168,086	170,136,046

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, 2020

1. Significant accounting policies

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

Basis of consolidation

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

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

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

Subsidiaries

Entegrus Inc. and 2351839 Ontario Limited are accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Municipality, and inter-organizational transactions and balances are not eliminated.

Accounting for school board transactions

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

In addition, the expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements except to the extent that any overlevies are reported on the Consolidated statement of financial position as "other current liabilities".

Trust Funds

Trust funds and their related operations administered by the Municipality amounting to \$6,399,513 (2019 – 6,199,873) are not consolidated.

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, 2020

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 are also recorded as revenue.

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

Land held for resale

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

Government transfers

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

Tax revenue

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

Investment income

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

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

1. Significant accounting policies (continued)

Management estimates

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

Employee future benefit obligations

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

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

2. Investments

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

Investments held by the Municipality amounted to \$66,225,362 in 2020 (\$30,970,604 in 2019). The investments are comprised of Principally Guaranteed Pooled Investments with CIBC. The market value of these investments at December 31, 2020 amounted to \$67,515,816 (\$30,370,200 in 2019).

3. Investment in Entegrus Inc.

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

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

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

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

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

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

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

3. Investment in Entegrus Inc. (continued)

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 following table provides condensed supplementary consolidated financial information for Entegrus and its subsidiaries for the year ended December 31, 2020:

	2020	2019
	\$	\$
Financial position		
Assets		
Current	36,945,062	41,377,412
Capital	155,414,655	147,200,198
Other	34,208,932	29,855,156
Total assets	226,568,649	218,432,766
Liabilities		
Current	42,079,939	43,947,502
Notes payable to Municipality of Chatham-Kent	23,523,326	23,523,326
Other	64,566,798	53,374,778
Total liabilities	130,170,063	120,845,606
Equity		
Share capital	52,161,260	52,161,260
Share Premium	16,571,469	16,571,469
Hedging Reserve	(4,738,477)	(1,978,542)
Retained earnings	30,879,989	29,861,360
Total equity	94,874,241	96,615,547
Regulatory		
Regulatory credit balances	1,524,345	971,613
Total regulatory	1,524,345	971,613
Total liabilities equity and regulatory	226,568,649	218,432,766

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

3. Investment in Entegrus Inc. (continued)

	2020	2019
	\$	\$
Financial activities		
Revenue	195,933,162	177,431,761
Expenses	188,872,997	170,666,817
	7,060,165	6,764,944
Provision for taxes	595,340	408,330
Net movement in regulatory balances, net of tax	(568,658)	(822,892)
Remeasurement of employee benefits	154,129	72,620
Unrealized gain on investment	60,725	365,983
Dividends paid	5,800,000	5,700,000
Change in retained earnings	1,018,629	1,040,903
Municipality of Chatham-Kent's investment represented by:		
Investment in shares of Entegrus	31,595,798	31,595,798
Accumulated profit less dividends received	28,371,358	27,643,104
	59,967,156	59,238,902
Corix Utilities' investment represented by:		
Investment in shares of Entegrus	3,886,352	3,886,352
Accumulated profit less dividends received	1,937,087	1,856,238
	5,823,439	5,742,590
St. Thomas Energy Inc. investment represented by:		
Investment in shares of Entegrus	16,679,110	16,679,110
Accumulated profit less dividends received	571,544	362,017
	17,250,654	17,041,127

(a) Equity in Entegrus Inc.

	2020	2019
	\$	\$
Balance, beginning of year	82,762,228	81,321,482
Changes during the year		
Adjustment for prior year		696,568
Net earnings for the year	4,874,876	4,819,307
Dividends paid	(4,146,622)	(4,075,129)
Balance, end of year	83,490,482	82,762,228
	2020	2019
	\$	\$
Investment in Entegrus Inc.	59,967,156	59,238,902
Notes receivable from Entegrus Inc.	23,523,326	23,523,326
Balance, end of year	83,490,482	82,762,228

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

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, 2020 and December 31, 2019:

	2020	2019
	\$	\$
Transactions		
Revenue		
Administrative services	592,936	581,308
Interest on promissory note	1,067,964	1,067,964
Expenses		
Energy purchases (at commercial rates)	5,456,387	6,132,790
Billing and collection services - water/wastewater	2,168,201	2,305,728
Streetlight maintenance	238,166	237,486
Balances		
Amounts due from Entegrus Inc.		
Promissory note receivable	23,523,326	23,523,326
Accounts receivable	19,139,746	15,713,942

4. Investment in 2351839 Ontario Limited

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

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

	2020	2019
	\$	\$
Financial position		
Assets		
Current	-	-
Capital	-	-
Total assets	-	-
Liabilities		
Current	-	119,250
Note payable to Municipality of Chatham-Kent	-	-
Total liabilities	-	119,250
Equity		
Share capital	-	1
Deficit	-	(119,251)
Total deficit	-	(119,250)
Total liabilities and equity	-	-

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

4. Investment in 2351839 Ontario Limited (continued)

	2020	2019
	\$	\$
Financial activities		
Revenue	119,251	774,470
Expenses	-	216,761
	119,251	557,709
Change in retained earnings	119,251	557,709
Municipality of Chatham-Kent's investment represented by:		
Balance, beginning of year	(119,251)	(676,960)
Changes during year		
Investment in shares of company		
Net gain (loss) for the year	119,251	557,709
Balance, end of year	-	(119,251)

(a) Equity in WDC Rail

	2020	2019
	\$	\$
Investment in the Company	-	(119,251)
Notes receivable from the Company	-	4,875,000
Balance, end of year	-	4,755,749

(b) Related party transactions and balances

The following summarizes the Municipality's related party transactions with WDC Rail for the year ended December 31, 2020 and December 31, 2019:

	2020	2019
	\$	\$
Transactions		
Revenue		
Interest on promissory note	-	121,875
Drainage Assessments	-	2,302
Balances		
Amounts due from the Company		
Promissory note receivable	-	4,875,000
Accounts receivable	-	424,366

5. Note receivable from Entegrus Inc.

Note receivable is due from Entegrus Inc. with no set repayment terms and interest payable monthly at 4.54%. The Municipality received an interest payment in the current year of \$1,067,964 (2019 - \$1,067,964).

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

6. Note receivable from 2351839 Ontario Limited

Note receivable was 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. The Municipality recorded revenue for interest in the current year of \$0 (2019 - \$121,875).

The assets in 2351839 Ontario Limited have been sold and the outstanding debts paid to the Municipality.

7. Accrued employee benefits

The Municipality has accrued employee benefits as follows:

	2020	2019
	\$	\$
Employee future benefits	42,258,312	40,110,196
Workplace safety and insurance obligations	1,343,667	1,499,759
Vested sick leave	-	58,081
Vacation credits	4,625,032	4,190,019
	48,227,011	45,858,055

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, 2020 of \$42,258,312 (2019 - \$40,110,196) was determined by actuarial valuation using a discount rate of 2.25% (2019 - 3.00%). 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:

	2020	2019
	\$	\$
Accrued benefit liability as at January 1, 2020	40,110,196	38,082,357
Expense for the period	3,642,300	3,450,717
Benefits paid during the period	(1,494,184)	(1,422,878)
Estimated accrued benefit liability as at December 31, 2020	42,258,312	40,110,196

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, 2020 of the future benefits was determined using a discount rate of 2.25%. The expense for the year ended December 31, 2019, was determined using a discount rate of 3.00%.

(iii) Health costs

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

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

7. Accrued employee benefits (continued)

(a) Employee future benefits (continued)

(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 \$1,343,667 (2019 - \$1,499,759) and an accrual has been recorded for 2020. 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 \$2,241,942 (2019 - \$2,293,096). 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 \$0 (2019 - \$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 (2019 - \$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, 2020 is \$4,625,032 (2019 - \$4,190,019) and is reported as an accrued liability on the Consolidated statement of financial position.

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

8. Pension agreement

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer plan, on behalf of 1397 (2019 - 1351) 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 2020 calendar year at rates ranging from 9.0% to 15.8% (2019 - 9.0% to 15.8%) depending on the member's designated retirement age and level of earnings. The amount contributed to OMERS for 2020 was \$10,278,003 (2019 - \$9,623,163) for current service and this is included on the Consolidated statement of operations and accumulated surplus. As at December 31, 2020 the OMERS plan is in a deficit of \$3.2 Billion (2019 - \$3.4 Billion), which will be addressed through temporary contribution rate increases, benefit reductions, and investment returns.

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

9. Deferred revenue - obligatory reserve funds

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

The balances in the obligatory reserve funds and other deferred revenue for the Municipality are summarized in the following two chart for the year ended Dec 31-2020 and Dec 31-2019 respectively:

2020	Balance at 31-Dec-19	Inflow	Revenue Earned	Balance at 31-Dec-20
	\$	\$	\$	\$
For building code act	3,328,455	922,765	-	4,251,220
For parkland purposes	145,524	48,550	-	194,074
For Federal gas tax	25,045,516	6,461,928	4,887,351	26,620,093
For Provincial gas tax	4,720,818	1,026,216	1,413,457	4,333,577
Deferred revenue - obligatory reserve funds	33,240,313	8,459,459	6,300,808	35,398,964
Other deferred revenue				
Deferred taxes	1,050,245	14,333,956	13,541,510	1,842,691
Deferred grants	2,864,227	4,575,902	4,837,252	2,602,877
Other	5,767,990	11,596,523	7,593,467	9,771,046
Total deferred revenue	42,922,775	38,965,840	32,273,037	49,615,578
2019	Balance at 31-Dec-18	Inflow	Revenue Earned	Balance at 31-Dec-19
	\$	\$	\$	\$
For building code act	2,596,192	732,263	-	3,328,455
For parkland purposes	118,465	27,059	-	145,524
For Federal gas tax	15,859,604	13,327,544	4,141,632	25,045,516
For Provincial gas tax	4,738,311	1,079,391	1,096,884	4,720,818
Deferred revenue - obligatory reserve funds	23,312,572	15,166,257	5,238,516	33,240,313
Other deferred revenue				
Deferred taxes	1,307,276	7,155,057	7,412,088	1,050,245
Deferred grants	3,310,305	4,928,166	5,374,244	2,864,227
Other	4,647,532	8,668,828	7,548,370	5,767,990
Total deferred revenue	32,577,685	35,918,308	25,573,218	42,922,775

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

10. Net long-term liabilities

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

	2020	2019
	\$	\$
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.	58,729,415	68,248,940
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.	(1,651,490)	(1,593,580)
Net long-term liabilities at the end of the year	57,077,925	66,655,360

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

	2021 to 2025	2026 to 2030	2031 and thereafter
	\$	\$	\$
From general municipal revenue	6,118,658	2,319,473	1,623,210
From benefiting landowners	12,368,659	810,524	-
From benefiting water ratepayers	12,671,449	2,900,078	-
From benefiting wastewater ratepayers	12,684,593	5,581,281	-
	43,843,359	11,611,356	1,623,210

- (c) Included in the principal amount in a) is \$4,026,879 (2019 - \$4,752,761) related to the Non-Profit Social Housing division.
- (d) All net long-term liabilities on the Consolidated statement of financial position are payable in Canadian dollars.
- (e) The long-term liabilities listed in a) were issued in the name of the Municipality or former municipalities approved by Council and have received approval of the Ontario Municipal Board prior to January 1, 1993. Those issues approved by Council after December 31, 1992 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (f) The municipal long-term liabilities listed in a) are repayable at rates ranging from 2.0% to 8.1%, and the tile drainage and shoreline property assistance loans are repayable at rates up to 6%.

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

11. Charges for net long-term liabilities

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

	2020	2019
	\$	\$
Beginning balance	66,655,360	76,730,187
Principal payments	(9,577,435)	(10,074,827)
Ending balance	57,077,925	66,655,360

Net interest payments related to long-term liabilities in the current year were \$2,598,090 (2019 - \$3,005,136) 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 \$384,044 (2019 - \$443,573) and is reported as an accrued liability on the Consolidated statement of financial position.

12. Local improvements receivable

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

	2020	2019
	\$	\$
Local improvements receivable for capital projects on tax roll		
Wastewater	357,994	436,246
Water	753,601	902,729
Drainage	23,397,079	20,494,004
Other	125,165	178,929
	24,633,839	22,011,908

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

13. Tangible capital assets

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

	2020	2019
	\$	\$
Land and land improvements	51,359,492	52,125,687
Buildings	115,143,640	118,228,230
Equipment	44,352,753	45,997,244
Vehicles	35,056,201	35,812,703
Underground linear	212,521,302	217,340,098
Plants and facilities	34,290,384	34,862,200
Bridges	161,313,530	152,779,616
Transportation	187,199,015	186,655,724
Other assets	1,957,838	2,027,443
	843,194,155	845,828,945
Assets under construction	46,248,910	36,147,082
	889,443,065	881,976,027

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, 2020

14. Accumulated surplus

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

	2020	2019
	\$	\$
Surplus		
Invested in tangible capital assets	849,653,080	820,274,466
Entegrus, net equity	83,490,482	82,762,228
WDC Rail	-	(119,251)
Prelevies for benefitting landowners	103,056	76,222
Other	6,009,486	5,444,719
Obligations to be funded from future years	(970,481)	(1,315,713)
Unfunded		
Employee future benefits, workplace safety and vacation	(45,843,222)	(44,331,395)
Accrued interest on long-term liabilities	(384,044)	(443,573)
Accrued Environmental Liability	(200,000)	(200,000)
	891,858,357	862,147,703
Surplus allocated to reserves		
For acquisition of tangible capital assets	105,794,920	93,132,324
For public liability insurance	3,905,794	3,493,067
For various programs, facilities	64,491,280	59,862,722
For strategic and community development	8,538,728	5,604,947
For water	1,908,815	1,369,616
For wastewater	13,700,890	12,749,675
	198,340,427	176,212,351
Surplus allocated to reserve funds		
For community investment	1,937,162	1,847,072
For parking purposes	242,416	233,966
	2,179,578	2,081,038
Total accumulated surplus	1,092,378,362	1,040,441,092

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

15. Taxation revenue

a) Taxation collected on behalf of school boards

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

	2020	2019
	\$	\$
Taxation	27,635,395	28,680,788
Requisitions	(27,635,395)	(28,680,788)
Net levy for the year	-	-

Included in accounts receivable are levies owing from the school board totaling \$1,167,030 (2019 \$2,163 in levies were owing from the school board and included in accounts payable were \$20,754 owing to the school board).

b) Taxation revenue by major tax class

2020	Taxes - own purpose	Payments in lieu	Supplementary taxes	Rebates & Write-offs	2020 Total
	\$	\$	\$	\$	\$
Residential	103,250,699	579,305	932,272	(1,744,404)	103,017,872
Multi-Residential	6,185,099	-	3,398	(33,407)	6,155,090
Commercial	29,508,987	2,381,984	119,888	(2,884,510)	29,126,349
Industrial	6,151,157	5,739	151,832	(291,547)	6,017,181
Pipelines	2,554,278	-	95,612	(437)	2,649,453
Landfill	233,880	-	-	-	233,880
Farmlands	16,213,412	3,701	9,080	257,143	16,483,336
Managed Forests	10,832	-	-	10	10,842
Other	396,727	680,400	12,560	(339,759)	749,928
Capping program	(74,877)	-	-	65,297	(9,580)
Total tax revenue	164,430,194	3,651,129	1,324,642	(4,971,614)	164,434,351

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

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

16. Self-insurance

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

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

The Municipality has made a provision for a reserve for self-insurance which as at December 31, 2020 amounted to \$5,766,861 (2019 - \$5,066,379) and is reported on the Consolidated statement of financial position under reserves. The provision for the year of \$1,209,079 (2019 - \$1,209,079) less claims settled \$327,377 (2019 - \$347,928) 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 \$181,220 (2019 - \$90,829) have been transferred to/from the reserve.

17. 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 2020 were \$1,363,177 (2019 - \$2,345,894) and net revenue was (\$49,328) (2019 - \$744,126).

18. Segmented information

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

The services included in each segment are as follows:

General government

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

Protection of persons and property

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

Transportation services

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

Environmental services

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

Health services

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

Social and family services

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

Social housing

Social housing provides for a variety of housing services.

The Corporation of the Municipality of Chatham-Kent

Notes to the consolidated financial statements December 31, 2020

18. Segmented information (continued)

Recreation and cultural services

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

Planning and development services

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

Water and wastewater services

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

Other items and corporations

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

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:

	\$
2021	20,390,373
2022	4,352,665
2023	1,405,652
2024	429,572
2025	165,039
2026	184,933
2027	165,039
2028	-
	<u>27,093,273</u>

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

	\$
2021	3,000,000
	<u>3,000,000</u>

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, 2020

21. Contingent liabilities

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

Draft

The Corporation of the Municipality of Chatham-Kent

Consolidated schedule of tangible capital assets
year ended December 31, 2020

as at December 31, 2020	Land and land improvements	Buildings	Equipment	Vehicles	Underground linear	Plants and facilities	Bridges	Transportation	Other assets	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$
Municipal											
Cost											
Balance, beginning of the year	60,137,590	159,062,974	40,896,799	61,149,455	122,918,569	3,272,370	224,742,044	470,285,037	4,384,692	1,146,849,530	1,096,023,265
Add: Additions during the year	1,073,060	3,293,482	2,576,307	3,281,186	748,028	-	12,257,691	14,826,069	492,790	38,548,612	64,848,216
Less: Disposals during the year	790,815	719,876	967,229	1,965,769	-	-	719,546	3,030,328	689,540	8,883,103	14,021,950
Balance, end of the year	60,419,835	161,636,579	42,505,877	62,464,872	123,666,597	3,272,370	236,280,189	482,080,778	4,187,942	1,176,515,039	1,146,849,531
Accumulated amortization											
Balance, beginning of the year	14,921,370	73,347,444	24,660,061	26,118,617	62,406,544	1,919,948	71,962,428	283,629,313	2,357,249	561,322,974	544,164,616
Add: Amortization for the year	1,048,440	3,689,034	3,169,945	3,899,097	2,178,717	61,215	3,417,077	14,282,778	562,395	32,308,697	30,424,492
Less: Accumulated amortization on dis	-	159,225	707,105	1,796,782	-	-	412,846	3,030,328	689,540	6,795,826	13,266,134
Balance, end of the year	15,969,810	76,877,253	27,122,901	28,220,932	64,585,261	1,981,163	74,966,659	294,881,763	2,230,104	586,835,845	561,322,974
Net book value of municipal assets	44,450,025	84,759,326	15,382,976	34,243,940	59,081,336	1,291,207	161,313,530	187,199,015	1,957,838	589,679,194	585,526,557
Waterworks											
Cost											
Balance, beginning of the year	2,232,112	25,692,984	35,479,107	704,275	173,076,582	40,457,920	-	-	-	277,642,980	262,888,248
Add: Additions during the year	-	-	709,314	77,858	503,735	724,991	-	-	-	2,015,898	14,807,148
Less: Disposals during the year	-	-	18,833	(2,219)	-	-	-	-	-	16,614	52,415
Balance, end of the year	2,232,112	25,692,984	36,169,588	784,352	173,580,317	41,182,911	-	-	-	279,642,264	277,642,980
Accumulated amortization											
Balance, beginning of the year	-	15,592,380	19,935,630	427,560	65,686,946	15,231,758	-	-	-	116,874,274	111,978,513
Add: Amortization for the year	-	556,231	1,189,225	48,015	2,365,358	1,078,970	-	-	-	5,237,800	4,948,176
Less: Accumulated amortization on dis	-	-	14,125	21,070	-	-	-	-	-	35,195	52,415
Balance, end of the year	-	16,148,611	21,110,730	454,505	68,052,304	16,310,728	-	-	-	122,076,880	116,874,274
Net book value of waterworks assets	2,232,112	9,544,373	15,058,858	329,847	105,528,013	24,872,183	-	-	-	157,565,384	160,768,706
Wastewater											
Cost											
Balance, beginning of the year	4,677,355	60,138,637	44,327,459	910,119	98,059,740	16,869,236	-	-	-	224,982,546	218,440,356
Add: Additions during the year	-	-	1,137,741	77,117	191,908	324,915	-	-	-	1,731,681	6,596,975
Less: Disposals during the year	-	-	12,555	23,289	-	-	-	-	-	35,844	54,786
Balance, end of the year	4,677,355	60,138,637	45,452,645	963,947	98,251,648	17,194,151	-	-	-	226,678,383	224,982,545
Accumulated amortization											
Balance, beginning of the year	-	37,726,541	30,110,430	404,969	48,621,303	8,585,620	-	-	-	125,448,863	120,299,361
Add: Amortization for the year	-	1,572,155	1,440,712	76,564	1,718,392	481,537	-	-	-	5,289,361	5,204,288
Less: Accumulated Amortization on Dis	-	-	9,416	-	-	-	-	-	-	9,416	54,786
Balance, end of the year	-	39,298,696	31,541,726	481,533	50,339,695	9,067,157	-	-	-	130,728,807	125,448,863
Net book value of wastewater assets	4,677,355	20,839,941	13,910,919	482,414	47,911,953	8,126,994	-	-	-	95,949,576	99,533,682
Assets under construction	-	-	-	-	-	-	-	-	-	46,248,910	36,147,082
Total value of tangible capital assets	51,359,492	115,143,639	44,352,753	35,056,201	212,521,302	34,290,384	161,313,530	187,199,015	1,957,838	889,443,065	881,976,027

The Corporation of the Municipality of Chatham-Kent

Consolidated schedule of segment disclosure
year ended December 31, 2019

as at December 31, 2020	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	2020 Consolidated	2019 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues														
Taxation	(14,187)	66,965,513	41,838,226	9,962,276	6,365,235	6,896,971	7,959,680	18,695,489	9,999,666	-	-	(4,234,518)	164,434,351	159,997,309
User charges	1,119,396	367,065	982,993	5,202,732	775,168	8,277,161	2,962,981	2,201,527	871,277	51,601,432	4,633,291	-	78,995,023	79,190,954
Government transfers	1,949,655	2,056,425	12,759,241	575,499	17,072,875	69,544,640	3,319,850	399,580	1,112,339	128,898	24,145,812	-	133,064,814	125,398,568
Other	-	-	-	-	-	-	-	-	-	-	12,806,544	-	12,806,544	18,810,459
	3,054,864	69,389,003	55,580,460	15,740,507	24,213,278	84,718,772	14,242,511	21,296,596	11,983,282	51,730,330	41,585,647	(4,234,518)	389,300,732	383,397,290
Expenses														
Salaries and benefits	19,804,739	49,786,086	10,909,350	2,404,411	7,000,744	34,969,299	2,251,648	8,394,510	3,263,550	9,235,993	-	-	148,020,330	145,802,500
Goods and services	13,658,557	6,037,637	17,696,510	10,010,623	13,522,907	14,823,027	5,241,135	5,509,036	1,930,443	13,435,098	-	-	101,864,973	106,973,076
Interest	337	-	13,741	-	-	685,581	250,771	224,721	135,896	1,317,478	-	-	2,628,525	3,047,956
Transfers (to) from other segments	(31,177,082)	8,703,186	7,161,440	1,170,515	2,963,240	4,160,577	129,547	3,853,298	651,031	2,384,248	-	-	-	-
External transfers	-	2,071,297	-	-	-	28,766,800	5,801,413	203,963	6,733,634	-	-	-	43,577,107	43,829,841
Amortization	1,074,271	2,910,051	20,072,522	2,154,958	705,161	1,313,488	567,997	3,227,481	31,008	10,778,919	-	-	42,835,856	40,576,958
Loss (gain) on disposal of tangible capital assets	(305,958)	(119,254)	(273,103)	-	21,226	-	-	(116,413)	(762,280)	(7,547)	-	-	(1,563,329)	(384,570)
	3,054,864	69,389,003	55,580,460	15,740,507	24,213,278	84,718,772	14,242,511	21,296,596	11,983,282	37,144,189	-	-	337,363,462	339,845,761
Net surplus	-	-	-	-	-	-	-	-	-	14,586,141	41,585,647	(4,234,518)	51,937,270	43,551,529

CHATHAM-KENT SUMMARY OF RESERVES

As At December 31, 2020

		Actuals Dec 31 2020	Actuals Dec 31 2019
Per Audited Financial Statements			
	Reserves - General	(106,803,488.23)	(101,579,670.75)
	Reserves - Lifecycle	(18,047,503.27)	(18,677,940.89)
	Reserves - Lifeamp	(73,489,435.29)	(55,954,741.21)
	Reserve Funds	(2,179,578.42)	(2,081,038.22)
	Deferred Revenue - Obligatory Reserve Funds	(35,398,963.42)	(33,240,313.16)
		<u>(235,918,969)</u>	<u>(211,533,704)</u>
Details			
	Assigned	(193,119,606.64)	(171,654,124.34)
	Mandated	(42,799,361.99)	(39,879,579.89)
		<u>(235,918,969)</u>	<u>(211,533,704)</u>

MANDATED:

<u>Dept</u>	<u>Division</u>	<u>Details</u>		
CD	Building Code Act	BUILDING CODE ACT RESERVE FUND	(4,251,221.04)	(3,328,455.56)
CD	Planning Services	RES MUNIC LEADERSHIP-BRWNSFLD	(531,507.07)	(479,257.07)
CHS	Child Care & Early Years	RES CS MITIGATION GRANT	(3,795,785.89)	(3,747,375.55)
CHS	Housing Services	RES SH MIN FINANCE PLN-WALLACE	(493,935.45)	(514,526.52)
CHS	Housing Services	RES SOC HOUSING IAH	(40,627.82)	(88,266.26)
CHS	Housing Services	RES SOC HOUS DOOR LIFECYCLE	-	(62,700.00)
IES	Engineering, Transportation Services	FEDERAL GAS TAX RESERVE FUND	(26,620,092.76)	(25,045,516.07)
IES	Engineering, Transportation Services	PROVINCIAL GAS TAX RESERVE FUND	(4,333,576.18)	(4,720,817.69)
IES	Engineering, Transportation Services	RES OCIF (ONTARIO COMMUNITY INFRASTRUCTURE FUND)	(850,223.92)	-
IES	Engineering, Transportation Services	RES TRANSIT	(4,787.03)	(281,444.03)
IES	Engineering, Transportation Services	RES TRANSIT (CHAT CONV)	(1,592,706.21)	(1,359,487.17)
IES	Planning Act	PARKLAND RESERVE FUND	(194,073.44)	(145,523.84)
IES	Rec Facilities - Wheatley	RES REC-WHEATLEY POOL	(24,542.54)	(32,042.54)
POL	Police Services	RES POLICE SERVICE BOARD	(66,282.64)	(74,167.59)

TOTAL MANDATED: - **42,799,362** - **39,879,580****RESERVE FUNDS & ASSIGNED GENERAL:**

<u>Dept</u>	<u>Division</u>	<u>Details</u>		
IES	Parking	PARKING RESERVE FUND	(242,416.24)	(233,966.24)
NON	Community Investment Fund	COMMUNITY INVESTMENT RESERVE FUND	(1,937,162.18)	(1,847,071.98)
CAO	Fire Services	RES FIRE HEALTH CARE	(202,703.46)	(150,398.38)
CAO	Land Ambulance	RES AMBULANCE GENERAL	(698,441.87)	(698,441.87)
CAO	Land Ambulance	RES AMB OPERATIONS CK/PROV	(192,324.22)	(192,324.22)
CAO	Partnership Development and PMO	RES COMMUNITY PARTNERSHIPS	(149,641.44)	(149,641.44)
CAO	Strategic Planning	RES STRATEGIC PLANNING	(95,352.00)	(95,352.00)
CD	Economic Development Services	RES ECIP (Employment Community Improvement Plan)	(485,950.00)	(250,000.00)
CD	Legal Services	RES INSURANCE RISK	(3,905,793.81)	(3,493,066.83)
CD	Planning Services	RES SPECIAL PROJECTS PLANNING	-	-
CD	Planning Services	RES COMMUNITY IMPROVEMENT	(677,749.88)	(677,323.65)
CHS	Child Care & Early Years	RES CHILDREN'S SERVICES	-	-
CHS	Community Attraction & Leisure Services	RES RECREATION SPECIAL POP.	(94,994.67)	(83,278.67)
CHS	Community Attraction & Leisure Services	RES RECREATION COMMUNITY PROG.	(121,128.17)	(70,248.97)
CHS	Community Attraction & Leisure Services	RES CAPITOL IMPROVEMENT FUND	(199,523.78)	(289,479.78)
CHS	Community Attraction & Leisure Services	RES THEATRE IMPROVEMENT FUND	(2,924.74)	(179,629.69)
CHS	Community Attraction and Leisure Services	RES CULTURE ACTION TEAMS	(17,561.44)	(17,561.44)
CHS	Community Attraction and Leisure Services	RES TOURISM	(572,747.19)	(484,662.50)
CHS	Employment & Social Services	RES OW CORPORATE INITIATIVES	(3,556,567.97)	(3,757,667.99)
CHS	Employment & Social Services	RES OW FUTURE ECONOMIC DWTURN	(6,889,581.62)	(5,659,295.76)
CHS	Public Health	RES MUNICIPAL CHS	(980,474.15)	(661,069.76)
CHS	Seniors Services	RES SENIOR SERV OPERATIONAL	(1,554,697.72)	(1,505,823.84)
CHS	Seniors Services	RES SENIORS CNTR CONTINGENCY	(79,069.39)	(79,069.39)
CHS	Seniors Services	RES SENIOR SERVICES WSIB	(740,102.42)	(731,497.68)
CHS	Housing Services	RES HOUSING SERV OPERATIONS	(6,945,572.27)	(6,189,233.23)
CHS	Housing Services	CK AFFORDABLE HOUSING RESERVE	(2,582,589.43)	(2,280,233.39)

CS	Municipal Governance	RES ANIMAL SHELTER FAC. MAINT.	(101,017.19)	(40,419.68)
FBITT	Budget , Performance Services	RES OPERATING BUDGET CONTINGEN	-	-
FBITT	Financial Services	RES PROPERTY DISPOSITION	(655,489.74)	(673,612.54)
FBITT	Information Technology & Transformation	RES ERP PROJECT DELTA	(796,069.61)	(1,033,814.43)
IES	Drainage, Asset, Waste Management	RES RECYCLING WDO	(1,837,528.42)	(1,587,759.31)
IES	Drainage, Asset, Waste Management	RES HAUL ROUTE ROAD MTCE	(27,098.00)	(12,074.44)
IES	Engineering, Transportation Services	RES DMAF (Disaster Mitigation and Adaptation Fund)	(12,815,143.77)	(1,623,169.20)
IES	Engineering, Transportation Services	RES INFRASTRUCTURE BACKLOG	-	-
IES	Public Works	RES FUEL PRICE FLUCTUATION	(700,000.00)	-
IES	Public Works	RES PW WINTER CONTROL	(2,631,762.58)	(2,648,162.94)
IES	Public Works	RES GRASS CUTTING TENDER	-	-
IES	Public Works	RES LED LIGHTING	(447,448.92)	(447,448.92)
IES	Public Works	RES KENT CONDO 12 U5 CH PW GAR	-	(117,636.23)
IES	Public Works	RES ROAD SIDE ASSESSMENT	(1,137,222.23)	1,753,331.00
IES	Rec Facilities & Parks and Open Spaces	RES CLEARVILLE PARK	(275,685.54)	(228,084.54)
IES	Rec Facilities & Parks and Open Spaces	RES CASO RAIL TRAIL	(61,223.76)	(510,423.76)
IES	Rec Facilities & Parks and Open Spaces	RES COLUMBARIA	(330,893.29)	(256,736.70)
IES	Rec Facilities & Parks and Open Spaces	RES EMERALD ASH BORER	(162,037.17)	(162,037.17)
IES	Rec Facilities & Parks and Open Spaces	RES MULTIPURPOSE SPORT COMPLEX	-	(18,500,000.00)
MAY	Office of the Mayor/ Council	RES MAYOR END OF SERVICE	(7,500.00)	(5,000.00)
NON	All Depts	RES GREEN ENERGY INITIATIVES	(625,133.68)	(625,133.68)
NON	All Depts	RES ENERGY PRICE FLUCTUATION	(903,903.97)	(523,653.97)
NON	Community	RES TOGETHER CK	(435,318.24)	-
NON	Community	RES TREE DONATIONS	(22,191.27)	-
NON	Encumbrances	RES ENCUMBRANCES	(1,480,435.25)	(2,801,138.68)
NON	In camera	RES CLOSED CORP SICK PROVISION	(1,087,053.54)	(989,845.09)
NON	In camera	RES CLOSED CLAIMS FLUCTUATION	-	-
NON	In camera	RES CLOSED EMPL AND LAB REL	(12,305,743.69)	(10,222,224.17)
NON	In camera	RES CLOSED FIRE PRESUMPTIVE	(750,000.00)	(750,000.00)
NON	In camera	RES CLOSED SEVR FRUSTR(2YR)	(1,632,263.35)	(1,451,736.22)
NON	In camera	RES CLOSED CORP SEVR (SUN)	(1,150,784.00)	(1,037,461.00)
NON	In camera	RES CLOSED WORKPLACE INVEST	(150,448.90)	(214,479.47)
NON	Strategic Development	RES STRATEGIC DEVELOPMENT	(4,548,527.59)	(1,903,372.60)
NON	Strategic	RES COMMUNITY SUPPORT	(2,050,000.00)	(2,050,000.00)
NON	Strategic	RES WDC RAIL	(119,252.00)	(1,050,000.00)
NON	WSIB Risk Reserve	RES WORKERS COMP MUNICIPAL	(585,506.60)	(643,993.45)
POL	Police Services	RES POLICE MANDATORY ISSUES	(104,181.72)	(104,181.72)
POL	Police Services	RES POLICE LITIGATION	(952,511.95)	(742,103.37)
POL	Police Services	RES POLICE IT LIFECYCLE	(674,660.85)	(670,947.25)
POL	Police Services	RES POLICE COMMUNICATION CENTR	(285,895.63)	(285,895.63)
POL	Police Services	RES POLICE BUSINESS PLAN	(192,916.09)	(224,753.03)
POL	Police Services	RES POLICE ISSUES	(31,239.00)	(18,073.00)
POL	Police Services	RES POLICE QM LIFECYCLE	(164,764.52)	(148,852.52)
POL	Police Services	RES POLICE HEALTH CARE	(728,628.47)	(574,503.80)
POL	Police Services	RES POL 911 EVOLUTION NETWORK	(412.96)	(412.96)
POL	Police Services	RES POLICE HEALTH BENEFITS	(80,000.00)	-
PUC	Wastewater		(13,700,889.87)	(12,749,676.86)
PUC	Water		(1,908,814.66)	(1,369,616.21)
ASSIGNED LIFEAMP & LIFECYCLE:				
CAO	Fire Services	RES LIFEAMP FIRE EQUIPMENT	78,480.00	-
CAO	Land Ambulance	RES LIFECYCLE AMB EQUIPMENT	(942,581.39)	(751,129.96)
CAO	Land Ambulance	RES LIFECYCLE AMB STATIONS	(429,405.09)	(373,516.60)
CAO	Partnership Development & PMO	RES CORPORATE WEB LIFECYCLE	(33,334.00)	-
CHS	Employment & Social Services	RES LIFEAMP OW COMPUTERS	(848,104.22)	(875,604.22)
CHS	Seniors Services	RES LIFEAMP SEN SERV CAP HOMES	(1,249,679.58)	(1,428,233.22)
CHS	Seniors Services	RES LIFEAMP RVG EQUIPMENT	(250,000.00)	-
CS	Municipal Governance	RES LIFEAMP ELECTION	(380,830.10)	(263,466.10)
CS	Municipal Governance	RES LIFECYCLE CUSTOMER SERVICES SURVEY	(15,000.00)	-
FBITT	Information Technology & Transformation	RES ITS CK LIFEAMP WORKSTN	(1,426,502.72)	(1,204,527.45)
FBITT	Information Technology & Transformation	RES ITS LIFEAMP GIS SYSTEMS	(740,343.11)	(720,430.15)
FBITT	Information Technology & Transformation	RES ITS LIFEAMP COPY/PRINT EQP	(589,143.89)	(524,341.89)
FBITT	Information Technology & Transformation	RES ITS LIFEAMP SERVER/STORAGE	(2,247,788.78)	(1,910,690.78)

FBITT	Information Technology & Transformation	RES ITS LIFEAMP COMP SOFTWARE	(4,832,440.33)	(4,414,259.93)
FBITT	Information Technology & Transformation	RES ITS LIFEAMP COMP NETWORK	(4,431,278.76)	(3,929,775.76)
FBITT	Information Technology & Transformation	RES LIFEAMP ITS APPLICATIONS	(1,112,030.61)	(986,471.30)
FBITT	Information Technology & Transformation	RES LIFEAMP ITS CORP TECH BUS	(166,457.09)	(140,207.09)
FBITT	Information Technology & Transformation	RES ITS LIFEAMP GIS DATA	(99,851.58)	(90,634.58)
FBITT	Information Technology & Transformation	RES ITS STRATEGIC PLAN	(354,425.59)	(383,873.38)
FBITT	Information Technology & Transformation	RES ITS WEB	(304,253.72)	(304,253.72)
FBITT	Information Technology & Transformation	RES ITS TELECOMMUNICATIONS	(746,545.65)	(646,545.65)
FBITT	Information Technology & Transformation	RES ITS PUC LIFECY WORKSTN	(118,779.00)	(102,586.00)
IES	Drainage, Asset, Waste Management	RES LIFEAMP BUILDINGS	(8,014,846.07)	(6,348,124.53)
IES	Drainage, Asset, Waste Management	RES FACILITY REPLACEMENT	(588,800.00)	-
IES	Engineering, Transportation Services	RES LIFEAMP TRAFFIC SIGNAL	(540,382.82)	(300,789.25)
IES	Engineering, Transportation Services	RES LIFEAMP TRAFFIC PRK EQP	(45,000.00)	(30,000.00)
IES	Engineering, Transportation Services	RES LIFEAMP PAVED ROADS	(1,600,409.37)	(1,843,244.21)
IES	Engineering, Transportation Services	RES LIFEAMP BRIDGES	(15,168,463.21)	(10,091,361.74)
IES	Engineering, Transportation Services	RES LIFEAMP CULVERTS	(3,023,255.68)	(2,426,562.35)
IES	Engineering, Transportation Services	RES LIFEAMP SIDEWALKS	(196,812.76)	(166,195.76)
IES	Engineering, Transportation Services	RES LIFEAMP TRANS ASSETS	(44,000.00)	(27,000.00)
IES	Engineering, Transportation Services	RES LIFEAMP WISH CENTRE	(973,389.77)	(827,442.61)
IES	Engineering, Transportation Services	RES LIFEAMP STORM SWR COLLECT	(4,777,257.08)	(3,933,788.70)
IES	Engineering, Transportation Services	RES LIFEAMP PARKING LOTS	(342,739.55)	(283,673.12)
IES	Engineering, Transportation Services	RES CONVENTION CENTRE	(113,792.90)	10,714.84
IES	Engineering, Transportation Services	RES LIFECY AM/FM ENGINEERING	(83,062.54)	(83,062.54)
IES	Engineering, Transportation Services	RES LIFECYCLE CAPITAL BUD	(14,459,940.55)	(15,838,469.38)
IES	Engineering, Transportation Services	FLT RES TRANSIT	-	-
IES	Engineering, Transportation Services	RES LIFEAMP TRAFFIC OPTICOM	(8,000.00)	-
IES	Fleet Management	RES LIFEAMP FLEET SHOP EQPT	(306,453.85)	(271,967.85)
IES	Fleet Management	FLT RES AMBULANCES	(90,143.30)	(189,819.15)
IES	Fleet Management	FLT RES MUNICIPAL FLEET	(4,186,846.12)	(1,814,622.36)
IES	Fleet Management	FLT RES POLICE	(1,185,213.95)	(968,657.22)
IES	Housing Services Management	RES LIFEAMP SOC HOUSING BLDGS	(968,032.78)	(325,821.49)
IES	Public Works	RES LIFEAMP GRAVEL ROADS	(160,454.74)	(108,872.99)
IES	Public Works	RES LIFEAMP RAIL CROSSINGS	(1,499,561.43)	(438,033.43)
IES	Public Works	RES LIFEAMP STREETLIGHT POLES	(456,859.02)	(436,403.94)
IES	Public Works	RES LIFEAMP PUBLIC WORK EQUIPM	-	-
IES	Public Works	RES LIFEAMP RD SFTY/GUIDE RAIL	(1,598,459.43)	(1,339,274.75)
IES	Public Works	RES LIFEAMP 401 CORRIDOR	(80,000.00)	(60,000.00)
IES	Public Works	RES LIFEAMP AIRPORT	(169,959.21)	(90,528.21)
IES	Public Works	RES LIFEAMP CURB & GUTTER	(62,486.82)	(31,361.75)
IES	Public Works	RES LIFEAMP STORM PUMP STN	(410,000.00)	(215,000.00)
IES	Public Works	RES LIFEAMP STORM SEWERS TDS	(600,000.00)	(395,000.00)
IES	Public Works	RES LIFEAMP STORM SWR COMB/SEP	(434,951.98)	(165,842.92)
IES	Public Works	RES LIFEAMP STORM WTR MGMT	(431,000.00)	(173,000.00)
IES	Public Works	RES LIFEAMP STREETLIGHTS	(85,000.00)	(35,000.00)
IES	Public Works	RES LIFEAMP MITCHELL BAY MARIN	(100,000.00)	-
IES	Public Works	RES GRAVEL PIT	(0.51)	(0.51)
IES	Public Works	RES LIFECYCLE WIND FARMS	(347,003.22)	(297,003.22)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP PLAYGROUND EQUIP	(631,604.62)	(617,657.88)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP PARKS	(1,142,861.04)	(1,294,383.54)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP OUTDOOR POOLS	(355,184.01)	(339,855.40)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP TRAILS	(645,107.79)	(459,520.80)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP CEMETERY	(272,595.60)	(178,919.61)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP TRAILS - CAPITAL	(342,004.73)	(469,277.73)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP HALLS - REC FAC	(93,559.00)	(65,706.00)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP PARKS - REC FAC	(619,731.00)	(288,803.67)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP POOLS BLDG REPL	(60,000.00)	(30,000.00)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP SPLASHPADS MNT	(15,000.00)	(10,000.00)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP SPORT FIELDS	(220,000.00)	(125,000.00)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP ARENAS	(696,358.73)	(777,351.23)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP INDOOR POOLS	(46,660.77)	(64,459.80)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP COMMUNITY HALLS	(289,263.12)	(301,595.13)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP SPLASHPADS	(208,589.89)	(190,300.00)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP ARENAS (REPL)	(301,216.00)	(65,414.00)
IES	Rec Facilities & Parks and Open Spaces	RES LIFEAMP PARKS & REC BUILD	-	-
IES	Rec Facilities & Parks and Open Spaces	RES LIFECY FIT PARKS	(148,066.00)	(148,066.00)
IES	Rec Facilities & Parks and Open Spaces	RES LIFECY REFORESTATION	(446,262.39)	(360,614.39)
IES	Rec Facilities & Parks and Open Spaces	RES LIFECYCLE ARENA(NEW BUILD)	(610,000.00)	(250,000.00)
POL	Police Services	RES LIFEAMP POLICE EQUIPMENT	-	-
TOTAL ASSIGNED:			- 193,119,607	- 171,654,124