



Consolidated Financial Statements of the

**CORPORATION OF THE
TOWNSHIP OF ST. CLAIR**

December 31, 2021

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MANAGEMENT'S REPORT

The management of the Corporation of the Township of St. Clair ("Township") is responsible for the integrity, objectivity and accuracy of the financial information in the accompanying consolidated financial statements.

The Consolidated financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in Note 1 to the consolidated financial statements.

To meet its responsibility, management maintains comprehensive financial and internal control systems designed to ensure the proper authorization of transactions, the safeguarding of assets and the integrity of the financial data. The Township employs highly qualified professional staff and deploys an organizational structure that effectively segregates responsibilities, and appropriately delegates authority and accountability.

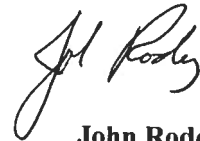
The Finance and Administration Committee, a sub-committee of Township Council ("Council"), reviews and approves the consolidated financial statements before they are submitted to Council.

The 2021 consolidated financial statements have been examined by Corporation of the Township of St. Clair's external auditors, MNP LLP, and their report precedes the consolidated financial statements.

Mooretown, Canada
August 8, 2022



George Lozon
Treasurer



John Rodey
Chief Administrative Officer

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of St. Clair:

Opinion

We have audited the financial statements of Township of St. Clair (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (net debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2021, and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Municipality in accordance with the ethical requirements that are relevant to our audit of the 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Municipality'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 Municipality'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 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 Municipality 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

London, Ontario
August 8, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

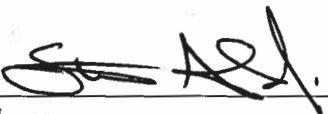
CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Consolidated Statement of Financial Position

As at December 31, 2021

| | 2021 | 2020 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| FINANCIAL ASSETS | | |
| Cash | \$ 5,653,261 | \$ 3,529,518 |
| Investments (Note 2) | 8,000,000 | 8,000,000 |
| Taxes receivable (Note 3) | 1,107,537 | 1,414,079 |
| Accounts receivable | 6,761,365 | 7,677,036 |
| Long-term receivables (Note 7) | 136,595 | 118,982 |
| TOTAL FINANCIAL ASSETS | 21,658,758 | 20,739,615 |
| LIABILITIES | | |
| Accounts payable and accrued charges | \$ 5,218,667 | \$ 3,765,341 |
| Deferred revenue - Schedule 1 | 2,073,044 | 1,359,601 |
| Other current liabilities | 201,934 | 201,934 |
| Post employment benefits (Note 8) | 1,862,966 | 1,878,966 |
| Net long-term liabilities (Note 9) | 8,481,733 | 9,896,802 |
| TOTAL LIABILITIES | 17,838,344 | 17,102,644 |
| TOTAL NET FINANCIAL ASSETS | 3,820,414 | 3,636,971 |
| Commitments (Note 14) | | |
| Significant event (Note 17) | | |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets - net - Schedule 2 | 226,292,369 | 221,146,843 |
| Prepaid expenses | 193,292 | 172,065 |
| Inventories of material and supplies | 246,694 | 228,692 |
| TOTAL NON-FINANCIAL ASSETS | 226,732,355 | 221,547,600 |
| ACCUMULATED SURPLUS - Schedule 3 | \$ 230,552,769 | \$ 225,184,571 |

Approved on behalf of Council:



Mayor



CAO



Treasurer

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Statement of Operations and Accumulated Surplus
For the Year ended December 31, 2021

| | Budget 2021 (Note 12) | Actual 2021 | Actual 2020 |
|---|-----------------------------|-----------------------|----------------|
| | \$ | \$ | \$ |
| REVENUES | | | |
| TAXATION AND USER CHARGES | | | |
| Net municipal taxation | \$ 15,203,328 | \$ 15,459,185 | \$ 15,137,619 |
| User charges | 13,935,714 | 13,636,391 | 14,602,806 |
| | 29,139,042 | 29,095,576 | 29,740,425 |
| GOVERNMENT TRANSFERS | | | |
| Province of Ontario | 2,438,395 | 2,551,267 | 3,799,087 |
| Federal grant | 511,690 | 997,777 | 711,086 |
| Other municipalities | 186,000 | 180,498 | 211,326 |
| | 3,136,085 | 3,729,542 | 4,721,499 |
| OTHER | | | |
| Investment income | 273,000 | 303,226 | 429,522 |
| Penalties and interest on taxes | 210,000 | 169,187 | 218,908 |
| Deferred revenue earned | 214,000 | 239,172 | 1,104,927 |
| Contributed tangible capital assets | 1,000,000 | 1,915,064 | 1,243,569 |
| Donations and other revenues | 1,109,500 | 428,506 | 158,269 |
| Loss on sale of land & assets | - | (246,388) | (701,694) |
| | 2,806,500 | 2,808,767 | 2,453,501 |
| TOTAL REVENUES | 35,081,627 | 35,633,885 | 36,915,425 |
| EXPENSES | | | |
| General government | 1,889,504 | 1,920,102 | 1,912,567 |
| Protection to persons and property | 5,135,276 | 5,240,953 | 5,097,553 |
| Transportation services | 5,998,200 | 5,237,382 | 5,691,042 |
| Environmental services | 10,085,254 | 10,509,230 | 10,397,085 |
| Health services | 43,424 | 31,391 | 46,231 |
| Social and family services | 17,000 | 19,915 | 22,203 |
| Recreation and cultural services | 5,514,180 | 5,119,323 | 4,588,891 |
| Planning and development | 2,293,254 | 1,585,237 | 2,798,777 |
| TOTAL EXPENSES | 30,976,092 | 29,663,533 | 30,554,349 |
| ANNUAL SURPLUS | 4,105,535 | 5,970,352 | 6,361,076 |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR | 225,184,571 | 225,184,571 | 215,296,429 |
| EQUITY (DECREASE) INCREASE IN LAWSS (Note 10) | - | (602,154) | 3,527,066 |
| ACCUMULATED SURPLUS, END OF YEAR | \$ 229,290,106 | \$ 230,552,769 | \$ 225,184,571 |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Statement of Change in Net Financial Assets (Debt)
For the Year ended December 31, 2021

| | Budget 2021 (Note 12) | 2021 Actual | 2020 Actual |
|---|-----------------------------|---------------------|---------------------|
| | \$ | \$ | \$ |
| ANNUAL SURPLUS | \$ 4,105,535 | \$ 5,970,352 | \$ 6,361,076 |
| Amortization of tangible capital assets | 3,038,889 | 6,158,044 | 5,827,358 |
| Acquisition of tangible capital assets | (15,969,607) | (10,207,522) | (10,218,268) |
| Contribution (donated) tangible capital assets | (1,000,000) | (1,915,064) | (1,243,569) |
| Share of LAWSS adjustment on tangible capital assets | 524,000 | 524,336 | (3,143,635) |
| Debture of Capital assets | 3,500,000 | - | - |
| Write down of tangible capital assets | - | - | 730,363 |
| Net book value on disposal of tangible capital assets | - | 294,680 | 16,186 |
| | | | |
| (Acquisition) of supplies inventories | (10,000) | (18,002) | (14,186) |
| (Acquisition) use of prepaid expenses | (10,000) | (21,227) | 8,640 |
| | | | |
| Change in LAWSS ownership | (602,000) | (602,154) | 3,527,066 |
| (DECREASE) INCREASE IN NET FINANCIAL (DEBT) ASSETS | (6,423,183) | 183,443 | 1,851,031 |
| NET FINANCIAL ASSETS, BEGINNING OF YEAR | 3,636,971 | 3,636,971 | 1,785,940 |
| NET FINANCIAL (DEBT) ASSETS, END OF YEAR | \$ (2,786,212) | \$ 3,820,414 | \$ 3,636,971 |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Statement of Cash Flows
Year ended December 31, 2021

| | Actual 2021 | Actual 2020 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Cash provided by (used in) | | |
| OPERATING ACTIVITIES | | |
| Annual surplus | \$ 5,970,352 | \$ 6,361,076 |
| ITEMS NOT INVOLVING CASH | | |
| Amortization of tangible capital assets | 6,158,044 | 5,827,358 |
| Loss on disposal of tangible capital assets | 294,680 | 16,186 |
| Write down of tangible capital assets | - | 730,363 |
| Donated tangible capital assets | (1,915,064) | (1,243,569) |
| Unfunded liabilities for benefits | (16,000) | (18,363) |
| CHANGES IN WORKING CAPITAL | | |
| Prepaid expenses | (21,227) | 8,640 |
| Inventories of material and supplies | (18,002) | (14,186) |
| Deferred revenue | 713,443 | (1,201,081) |
| Taxes receivable | 306,542 | 88,710 |
| Accounts receivable | 915,671 | (2,870,998) |
| Accounts payable & and accrued charges | 1,453,326 | 233,205 |
| Other Current liabilities | - | (1,725) |
| Net change in cash from operating activities | 13,841,765 | 7,915,616 |
| CAPITAL ACTIVITIES | | |
| Cash used to acquire tangible capital assets | (10,207,522) | (10,218,268) |
| Share of LAWSS adjustment on tangible capital assets | 524,336 | (3,143,635) |
| Net change in cash from capital activities | (9,683,186) | (13,361,903) |
| INVESTING ACTIVITIES | | |
| Decrease (increase) in long-term receivables | (17,613) | 32,448 |
| Increase in investment | - | (2,000,000) |
| Equity increase (decrease) in LAWSS due to change in ownership | (602,154) | 3,527,066 |
| Net change in cash from investment activities | (619,767) | 1,559,514 |
| FINANCING ACTIVITIES | | |
| Debt repayment | (1,415,069) | (1,372,552) |
| Net change in cash from financing activities | (1,415,069) | (1,372,552) |
| NET CHANGE IN CASH | 2,123,743 | (5,259,325) |
| CASH, BEGINNING OF YEAR | 3,529,518 | 8,788,843 |
| CASH, END OF YEAR | \$ 5,653,261 | \$ 3,529,518 |
| Cash paid for interest | \$ 335,507 | \$ 378,023 |
| Cash received from interest | 438,575 | 378,566 |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

The Corporation of the Township of St. Clair (the “Township”) was amalgamated in 2001 as a municipality under the Province of Ontario and operates under the provision of the Municipal Act, 2001.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Township are the representation of management and have been prepared in accordance with Canadian Public Sector Accounting Standards (“PSAS”) as defined in the CPA Canada Public Sector Accounting Handbook. Significant aspects of the accounting policies are as follows.

(a) (i) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures for all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenditures have been eliminated on consolidation.

The following Boards controlled by Council have been consolidated:

Brigden Community Hall
Courtright Community Hall
Moore Township Museum
Port Lambton Athletic Field Board
Port Lambton Community Centre
Sombra Athletic Field Board
Sombra Community Centre
Sombra Township Museum
Wilkesport Community Centre

(ii) Joint Local Board

The Lambton Area Water Supply System (here after referred to as “LAWSS”) has been consolidated on a proportionate equity basis based upon the water flow of the Township in proportion to the entire flows provided by the joint board for the previous year. Under the proportionate equity basis, the Township’s pro rata share of each of the assets, liabilities, revenues, and expenditures of the board are consolidated with similar items in the Township’s consolidated financial statements. For 2021, the Township’s share of the System was 29.18% (2020 – 29.78%). Material inter-organizational transaction and balances have been eliminated.

(iii) Accounting for county and school board transactions

The taxation, other revenues, expenditures, assets, and liabilities with respect to the operations of the school boards and the County of Lambton are not reflected in the municipal fund balances of these consolidated financial statements.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iv) *Trust Funds*

Trust funds and their related operations administered by the Township are not consolidated but are reported separately on the Trust Funds' Statement of Continuity and Financial Position.

(b) *Basis of accounting*

(i) *Accrual accounting*

The accrual basis of accounting recognizes revenues in the period in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and the creation of legal obligation to pay.

(ii) *Investments*

All of the investments are carried at amortized cost using the effective interest rate method. Council has the intention to hold investments until maturity.

(iii) *Non-financial assets*

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(iv) *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 the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

| Asset | Useful Life – Years |
|-------------------------------------|----------------------------|
| Land Improvements | 10 - 25 |
| Buildings and building improvements | 5 - 50 |
| Machinery and equipment | 5 - 50 |
| Linear assets | 10 - 90 |

Amortization for non-infrastructure assets is calculated for six months if purchased before July. Assets purchased after July 1st are not amortized until the following year. For infrastructure assets amortization will be recorded in the year following acquisition. Assets under construction are not amortized until the asset is available for productive use.

(a) *Contribution of tangible capital assets*

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

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Notes to the Consolidated Financial Statements
Year ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Works of art and cultural and historical assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(c) Inventories of materials and supplies

Inventories held for consumption are recorded at the lower of cost or replacement value.

(v) *Financial instruments*

(i) *Measurement of financial instruments*

The Township initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Township subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, investments, and long-term receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued charges, other current liabilities, and net long-term liabilities.

(ii) *Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the Consolidated Statement of Operations. The write down reflects the difference between the carrying amount and the higher of:

- a) the present value of the cash flows expected to be generated by the asset or group of assets;
- b) the amount that could be realized by selling the assets or group of assets;
- c) the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the event occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the Consolidated Statement of Operations up to the amount of the previously recognized impairment.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Notes to the Consolidated Financial Statements
Year ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(vi) *Revenue recognition*

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessments. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time the tax billings are issued.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

User Charges and other revenues are recognized when related goods or services are provided, and collectability is reasonably assured. Tangible capital assets received as contributions are recorded at their fair value at date of receipt and that fair value is recorded as revenues.

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

Investment income earned on surplus funds is recognized when earned.

(vii) *Deferred revenues*

The Township receives development charges and sub-divider contributions under the authority of provincial legislation and municipal bylaws. These funds, by their nature, are restricted in their use and, until applied to specific capital works, are recorded as deferred revenue. These amounts will be recognized as revenue in the fiscal year they are expended.

(viii) *Accumulated surplus*

Accumulated surplus represents the Corporation's net economic resources. It is an amount by which all assets (financial and non-financial) exceed liabilities. An accumulated surplus indicates that the Corporation has net resources (financial and physical) that can be used to provide future services. An accumulated deficit means that liabilities are greater than assets.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ix) *Use of Estimates*

The preparation of financial statements in conformity with the Chartered Professional Accountants of Canada Public Sector Accounting Handbook requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from the estimates. Estimates are used with accounting for items such as accrued receivables, accrued liabilities, post-retirement benefits and tangible capital assets.

(x) *Post retirement benefits*

The Township provides certain benefits which will require funding in future periods. These benefits include life insurance, extended health and dental benefits for retirees.

The costs of life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, insurance and health care cost trends, long-term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

2. INVESTMENTS

The investments are comprised of four cashable term guaranteed investment certificates in the amount of \$2,000,000 each recorded at cost with interest rates ranging from 2.62% to 2.90% and maturing between March 7, 2022, and December 5, 2022.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

3. TAXES RECEIVABLE

As of December 31, 2021, the taxes receivable are as follows

| | <u>2021</u> | <u>2020</u> |
|------------------------|------------------|------------------|
| Taxes receivable | 974,604 | 1,245,539 |
| Penalties and interest | 132,933 | 168,540 |
| | <u>1,107,537</u> | <u>1,414,079</u> |

4. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF LAMBTON

Further to note 1(a)(iii), the taxation, other revenues and requisitions for the school boards and the County of Lambton are comprised of the following:

| | School Boards | County of Lambton |
|---|------------------|-------------------|
| Taxation | 7,096,059 | 11,738,517 |
| Add: Share of payments-in-lieu of taxes | 29,393 | 265,419 |
| Less: Share of write offs | (83,068) | (129,935) |
| Total amount transferred | 7,042,384 | 11,874,001 |

5. TRUST FUNDS

The Bradshaw Cemetery Trust Fund, Water Well Contamination Deposits Trust Fund and the St. Clair River Trail Trust Fund are administered by the Township. The total fund balance amounting to \$360,484 on December 31, 2021 (2020 - \$338,038) has not been included in the Consolidated Statement of Financial Position nor have its operations been included in the Consolidated Statement of Operations.

6. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 93 (2020 – 80) 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. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS for 2021 was \$989,480 (2020 - \$973,755). The contribution rate for 2021 was 9.0% to 15.8% depending on age and income level (2020 – 9.0% to 15.8%).

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

6. PENSION AGREEMENTS (CONTINUED)

The last available report for the OMERS plan was December 31, 2021. At that time the plan reported actuarial fund deficit \$3.13 billion (2020 - \$3.21 billion actuarial deficit), and actuarial value adjustment of net assets of \$3.06 surplus (2020 - \$4.44 for net loss) for a net deficit \$.69 billion (2020 - \$7.65 deficit). Ongoing adequacy of the current contribution rates will need to be monitored as declines in the financial markets may lead to increased future funding requirements.

7. LONG-TERM RECEIVABLES

The Township has self financed ratepayers capital drainage projects in amount of \$57,777 payable over five years bearing interest rates ranging from of 6.00% to 6.75%.

The Township has the following loans receivable:

- A loan in the amount of \$4,778 to the residents on Fawn Island for the parking lot financed as a special area rate over five years bearing an interest rate of 3%.
- A loan in the amount of \$11,296 to residents of Froomfield for sanitary lateral connections financed by a ten year interest free payment plan.
- A loan in the amount of \$62,744 to the Sombra Athletic Association for multi sports pad financed by a five year interest free payment plan.

Repayments of principal are summarized as follows:

| | |
|------------------|----------------|
| 2022 | 56,722 |
| 2023 | 33,658 |
| 2024 | 21,520 |
| 2025 | 19,308 |
| 2026 | 1,478 |
| Subsequent years | 3,909 |
| Total | <u>136,595</u> |

8. POST EMPLOYMENT BENEFITS

The Township sponsors a defined benefit plan for retirement benefits other than pensions for all employees. The plan provides extended health and dental benefits to employees who have a minimum of 10 years of service and are a minimum age of 55. These employees may retire with the Township paying the dental and health benefits to the age of 65 and share 50% of the cost to the age of 70 for union and non union employees.

Actuarial valuations for accounting purposes are performed using the projected benefit method, pro-rated on services.

The most recent actuarial report was prepared as at December 31, 2021, with projections into December 31, 2023.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

8. POST EMPLOYMENT BENEFITS (CONTINUED)

The actuarial valuation was based on several assumptions about future events, such as inflation rates, medical inflation rates, wage increases, employee turnover and mortality rates. The assumptions used reflect management's best estimates.

Assumptions used are as follows:

- a) a discount factor of 2.75% (2020 - 3.75%)
- b) an annual increase in health and dental care cost of 3.5% (2020- 3.5%)
- c) rate of compensation increase of 3.0% (2020 – 3.0%)
- d) in addition to the annual increase, inflation of 3.0% (2020 – 3.0%)
- e) an employee is presumed to retire at the later of age 60 and their current age plus one year
- f) It is assumed that 70% of union retirees who reach age 65 will remain in the program for which the cost is split 50%.

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|----------------|----------------|
| Current period benefit cost | 75,775 | 73,036 |
| Amortization of actuarial gain/loss | (6,793) | (6,793) |
| Interest | 66,772 | 67,154 |
| Total expense for the year | 135,754 | 133,397 |

| | <u>2021</u> | <u>2020</u> |
|--|------------------|------------------|
| Accrued benefit as of January 1 | 1,878,966 | 1,897,329 |
| Expense in period | 135,754 | 133,397 |
| Employer contribution | (151,754) | (151,760) |
| Projected accrued benefit as of December 31 | 1,862,966 | 1,878,966 |

| | <u>2021</u> | <u>2020</u> |
|--|------------------|------------------|
| Benefit obligation as of December 31 | 1,878,966 | 1,818,577 |
| Unamortized gains (loss) | (16,000) | 60,389 |
| Projected accrued benefit as of December 31 | 1,862,966 | 1,878,966 |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Notes to the Consolidated Financial Statements
Year ended December 31, 2021

9. NET LONG-TERM LIABILITIES

- (a) The principal payments of the long-term liabilities reported in (a) of this note are summarized as follows:

| | <u>2021</u> | <u>2020</u> |
|--|------------------|-------------|
| Long-term debt to the Corporation of the County of Lambton at interest of 2.70 % maturing December 31, 2022 | 108,321 | 213,763 |
| Long-term debt issued with Federation of Canadian Municipalities rate of 3.65% maturing November 2029 | 924,040 | 1,021,859 |
| Long-term debt issued with Infrastructure Ontario at an interest rate of 2.77% maturing January 2023 | 420,213 | 690,876 |
| Long-term debt issued with Infrastructure Ontario at an interest rate of 4.69% maturing November 2029 | 512,743 | 564,475 |
| Long-term debt issued with Infrastructure Ontario at an interest rate of 4.84% maturing March 2026 | 242,288 | 289,408 |
| Long-term debt issued with Canada Mortgage and Housing Corporation at an interest rate of 3.91% maturing June 2030 | 4,632,383 | 5,055,196 |
| Long-term debt issued with Infrastructure Ontario at an interest rate of 2.01% maturing May 2025 | 1,306,105 | 1,662,790 |
| Long-term debt issued with Infrastructure Ontario at an interest rate of 2.22% maturing December 2026 | 335,640 | 398,435 |
| Total long-term liabilities, end of year | 8,481,733 | 9,896,802 |

- (b) The principal payments of the long-term liabilities reported in (a) of this note are summarized as follows:

From general municipal revenues:

| | |
|---------------------|------------------|
| 2022 | 1,479,003 |
| 2023 | 1,249,163 |
| 2024 | 1,143,078 |
| 2025 | 966,117 |
| 2026 | 794,323 |
| 2027 and thereafter | 2,850,049 |
| | <u>8,481,733</u> |

- (c) The long-term liabilities in (a) issued in the name of the Township have received approval of the Ontario Municipal Board for those approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt payment limit prescribed by the Ministry of Municipal Affairs.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

9. NET LONG-TERM LIABILITIES (CONTINUED)

- (d) The Township is contingently liable for long-term liabilities issued by the Province of Ontario with respect to tile drainage and shoreline property assistance loans. The total amount outstanding as at December 31, 2021 is \$179,919 (2020 - \$180,080) bearing interest at 6% with maturity ranging from 2022 to 2029. These liabilities are not recorded on the Consolidated Statement of Financial Position.
- (e) The charges for long-term liabilities assumed by individuals, regarding tile drainage and shoreline property assistance loans are not reflected in these consolidated financial statements.
- (f) Total interest charges on net long-term debt reported on the Consolidated Statement of Operations are \$309,219 (2020 - \$372,309). The long-term liabilities bear interest at rates ranging from 2.01% to 4.84%.
- (g) In lieu of providing refundable deposits for planning development and site plan agreements, the Township also allows applicants to provide an irrevocable letter of credit, the provision of which permits the Township to withdraw a set amount of funds from the applicant's account. Funds are not exchanged at the time of entering irrevocable letters of credit and the letters of credit are terminated upon the required completion of set development milestones. As such, these amounts are not recorded in the financial statements. As at December 31, 2021, the Township held irrevocable letters of credit in the amount of \$4,160,397.

10. JOINT LOCAL BOARD CONSOLIDATION - LAWSS

The following summarizes the financial position and operations of Lambton Area Water Supply System (LAWSS) which has been reported in these consolidated financial statements using the proportionate consolidation method.

The consolidated financial statements include the Township's 29.18% (2020 – 29.78%) proportionate interest as follows:

| | <u>2021</u> | <u>2020</u> |
|-------------------------|-------------------|-------------|
| Cash | 3,981,352 | 3,770,441 |
| Accounts receivable | 271,764 | 175,127 |
| Accounts payable | (243,113) | (83,210) |
| | 4,010,003 | 3,862,358 |
| Tangible capital assets | 26,236,618 | 26,024,561 |
| Accumulated surplus | 30,246,621 | 29,886,919 |
| | | |
| Total revenues | 3,039,167 | 2,979,441 |
| Total expenses | 2,077,311 | 2,080,619 |
| Annual surplus | 961,856 | 898,822 |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

11. EXPENDITURE BY OBJECT

Total expenditures for the year reported on the Consolidated Statement of Operations are as follows:

| | <u>2021</u> | <u>2020</u> |
|-----------------------------|-------------------|-------------------|
| Wages and employee benefits | 8,652,050 | 8,280,353 |
| Materials | 6,463,790 | 6,577,349 |
| Contracted services | 8,053,094 | 9,461,376 |
| Rent and other charges | 27,334 | 15,656 |
| Amortization | 6,158,045 | 5,827,358 |
| Interest on long-term debt | 309,220 | 392,257 |
| | <u>29,663,533</u> | <u>30,554,349</u> |

12. BUDGET DATA

Budget data presented in these consolidated financial statements are based upon the 2021 operating and capital budgets approved by Council and actual for consolidated entities. The chart below reconciles the approved budget figures reported in these consolidated financial statements. The Township approved budget a net general expense includes amortization expense in the amount of \$4,172,535.

| | Township Approved Budget | PSAB Adjustment for Consolidated Entities | Budget per Financial Statements |
|--------------------------|--------------------------------|---|---------------------------------------|
| General Revenues | 34,938,627 | 143,000 | 35,081,627 |
| General Expenses | (30,766,092) | (210,000) | (30,976,092) |
| Annual Surplus (Deficit) | <u>4,172,535</u> | <u>(67,000)</u> | <u>4,105,535</u> |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

13. SEGMENT INFORMATION

The Corporation of the Township of St. Clair is a diversified Township and provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in segment information. Segmented information is presented on Schedule 6 through 9.

Inter-segment transfers are priced on a historical cost basis.

The nature of those segments and the activities they encompass are as follows.

General Government

The departments within general government are responsible for the general management and control of the Township, including by-laws, adopting administrative policy, levying taxes, and providing administrative services. They also ensure that quality services are provided to the community and that the services are aligned with Council approved actions.

Protection Services

Protection is comprised of police services, fire protection, building department and animal control. The Police protection is provided by the Ontario Provincial Police (OPP) through a joint contract with nine other municipalities within Lambton County. The contract is administrated by the Lambton Group Police Services Board of which St. Clair is a member. The fire department is responsible to provide fire suppression services, fire prevention programs, training and education related to prevention, detection, or extinguishment of fires. The building department is responsible for permit processing and building inspection. The animal control department is responsible to providing a licensing system for dogs. By-Law enforcement is contracted with the administration provided by St. Clair Staff.

Transportation Services

Transportation includes the delivery of municipal public works services related to the planning, development and maintenance of the municipality's infrastructure including roads, bridges, storm drains, sidewalks, streetlights, traffic signals and winter control.

Environmental Services

Environmental Services consist of providing sanitary and storm sewer, water, waste collection and disposal, and recycling services.

Recreation and Cultural Services

This service area provides services meant to improve the health and development of the Township's citizens. The Township is responsible for the development, provision and maintenance of the Moore Sports Complex, Community Halls, as well as parks and recreation (including a golf course). The Township has five libraries administered by the County of Lambton and two Museum Boards.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

13. SEGMENT INFORMATION (CONTINUED)

Planning and Development

The County of Lambton Planning Department provides guidance and recommendation to Council, the Committee of Adjustment, and staff members on all planning issues. The administration of all planning application is dealt with by municipal staff. The Township has a number of drains under its management and control. The drains are created and maintained pursuant to the Municipal Drainage Act and require an extensive amount of administration and supervision. The Township administers industrial park sales for land it owns in the industrial park. The Township also has three campgrounds.

14. COMMITMENTS

a) Recycling Services

The Township has entered into an agreement with Emterra Environmental for recycling services commencing July 1, 2019 at an annual cost of \$536,924 including HST. The contract expires June 30, 2023.

b) Waste Collection Services

The Township has entered into agreements with Waste Management of Canada Corporation for waste collection services commencing July 1, 2019 at an annual cost of \$818,604 including HST. The contracts expire June 30, 2023.

c) Wastewater Facilities Operations, Maintenance & Management

The Township has entered into an agreement with Operations Management International Canada, Inc. for wastewater facilities operations, maintenance and management commencing December 2011 at an annual cost of \$327,964 including HST. Beginning June 1, 2021, the contract has increased to an annual cost of \$480,791 including HST. The contract expires May 31, 2022.

15. FINANCIAL INSTRUMENTS AND RISKS

Unless otherwise noted it is management's opinion that the Township is not exposed to significant risks. There have been no changes in the Township's risk exposures from the prior year.

Credit risk

The Township is exposed to credit risk through its cash, trade and other receivables, loans receivable and long-term receivables. There is a possibility of non-collection of its trade and other receivables. The majority of the Township's receivables are from rate payers and government entities. The Township mitigates its exposure to credit loss by placing its cash with major financial institutions.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

15. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Township will not be able to meet its obligations as they become due. The Township manages this risk by establishing budgets and funding plans to fund its expenses and debt payments.

Interest rate risk

Interest rate risk is the risk of potential loss caused by fluctuations in fair value of cashflow of financial instruments due to the changes in market interest rates. The Township is exposed to this risk through its interest-bearing investments. The Township manages this risk through investing in fixed-rate securities of short to medium term maturity and plans to hold the securities to maturity.

16. BANK INDEBTEDNESS

An operating line of credit was available by way of bank overdraft in the amount of \$5,000,000 as of December 31, 2021 (\$5,000,000 as at December 31, 2020). Amounts obtained under this credit are due on demand and bear interest at bank's prime rate less 0.75%, calculated and paid monthly. The amount drawn on this line as of December 31, 2021 is \$Nil (2020 -\$Nil).

17. SIGNIFICANT EVENT

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Township as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Consolidated Schedule of Deferred Revenues

Year ended December 31, 2021

Schedule 1

| | Balance, End of 2021 | Increase in Deferred Revenues | | | Decreases in Deferred Revenues | | | Balance, End of 2021 |
|--|-------------------------|-------------------------------|--------------------|------------------|--------------------------------|----------------------------|------------------|-------------------------|
| | | Interest | Other Increases | Total | To Operations | To Capital Acquisitions | Total | |
| Legislative deferred revenues | | | | | | | | |
| Payments-in-lieu of park land | 17,727 | 1,825 | 4,934 | 6,759 | 17,907 | - | 17,907 | 6,579 |
| Development charges | 580,205 | 12,419 | 350,956 | 363,375 | 3,447 | 221,265 | 224,712 | 718,868 |
| AMO Gas Tax | 130,630 | 4,083 | 876,203 | 880,286 | - | 841,127 | 841,127 | 169,789 |
| Non-legislative deferred revenues | 631,039 | - | 2,581,238 | 2,581,238 | 890,959 | 1,143,510 | 2,034,469 | 1,177,808 |
| Total for 2021 | \$ 1,359,601 | 18,327 | 3,813,331 | 3,831,658 | 912,313 | 2,205,902 | 3,118,215 | \$ 2,073,044 |

| | Balance, Beginning of 2020 | Increase in Deferred Revenues | | | Decreases in Deferred Revenues | | | Balance, End of 2020 |
|--|-------------------------------|-------------------------------|--------------------|----------------|--------------------------------|----------------------------|------------------|-------------------------|
| | | Interest | Other Increases | Total | To Operations | To Capital Acquisitions | Total | |
| Legislative deferred revenues | | | | | | | | |
| Payments-in-lieu of park land | 100,833 | 1,232 | 13,886 | 15,118 | - | 98,224 | 98,224 | 17,727 |
| Development charges | 679,674 | 13,091 | 123,733 | 136,824 | 18,819 | 217,474 | 236,293 | 580,205 |
| AMO Gas Tax | 483,881 | 8,662 | 427,316 | 435,978 | - | 789,229 | 789,229 | 130,630 |
| Non-legislative deferred revenues | 1,296,294 | - | 245,377 | 245,377 | 910,632 | - | 910,632 | 631,039 |
| Total for 2020 | \$ 2,560,682 | 22,985 | 810,312 | 833,297 | 929,451 | 1,104,927 | 2,034,378 | \$ 1,359,601 |

Consolidated Schedule of Tangible Capital Assets
Year ended December 31, 2020

Schedule 2

| | General | | | | | Infrastructure | | | Work in Progress | Total 2020 |
|--|------------------|-------------------|-------------------|-------------------------|------------------|--------------------------|--------------------|-------------------|------------------|-----------------------|
| | Land | Land Improvements | Buildings | Machinery and Equipment | Vehicles | Transportation and Storm | Water | Wastewater | | |
| COST | | | | | | | | | | |
| Balance, beginning of year | 7,089,223 | 7,400,990 | 16,593,627 | 3,847,329 | 9,188,445 | 87,589,820 | 124,637,709 | 62,114,002 | 1,000,588 | 319,461,733 |
| Add: Share in LAWSS Adjustment | - | - | - | - | - | - | 4,932,145 | - | - | 4,932,145 |
| Add: Additions during the year | - | 1,229,539 | 519,050 | 301,793 | 1,129,508 | 5,453,105 | 1,390,406 | 129,389 | 65,478 | 10,218,268 |
| Less: Disposals during the year | - | 36,063 | - | 41,285 | 582,250 | 113,915 | 19,872 | 14,600 | - | 807,985 |
| Less: Write down for the year | - | - | - | - | - | 447,366 | 875,809 | 71,513 | - | 1,394,688 |
| Add (less) transfer of capital assets | - | 159,212 | - | - | - | (21,158) | - | (138,054) | - | - |
| Other Contribution from Developer | - | - | - | - | - | 713,241 | 227,721 | 302,607 | - | 1,243,569 |
| BALANCE, END OF YEAR | 7,089,223 | 8,753,678 | 17,112,677 | 4,107,837 | 9,735,703 | 93,173,727 | 130,292,300 | 62,321,831 | 1,066,066 | 333,653,042 |
| ACCUMULATED AMORTIZATION | | | | | | | | | | |
| Balance, beginning of year | - | 3,054,560 | 7,020,441 | 1,798,504 | 3,205,771 | 39,639,962 | 38,906,523 | 12,720,694 | - | 106,346,455 |
| Add: Share in LAWSS Adjustment | - | - | - | - | - | - | 1,788,510 | - | - | 1,788,510 |
| Add: Amortization during the year | - | 259,982 | 470,638 | 237,504 | 394,033 | 1,820,906 | 1,591,078 | 1,053,217 | - | 5,827,358 |
| Less: Accumulated amortization on disposals | - | 36,063 | - | 27,451 | 582,251 | 116,378 | 15,932 | 13,724 | - | 791,799 |
| Less: Write down for the year | - | - | - | - | - | 254,632 | 375,770 | 33,923 | - | 664,325 |
| Add (less) transfer of capital assets | - | 39,243 | - | - | - | (33,107) | - | (6,136) | - | - |
| BALANCE, END OF YEAR | - | 3,317,722 | 7,491,079 | 2,008,557 | 3,017,553 | 41,056,751 | 41,894,409 | 13,720,128 | - | 112,506,199 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | 7,089,223 | 5,435,956 | 9,621,598 | 2,099,280 | 6,718,150 | 52,116,976 | 88,397,891 | 48,601,703 | 1,066,066 | \$ 221,146,843 |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Consolidated Schedule of Tangible Capital Assets

Year ended December 31, 2021

Schedule 2

| | General | | Infrastructure | | | | | Work in Progress | Total 2021 | |
|--|------------------|-------------------|-------------------|-------------------------|------------------|--------------------------|--------------------|-------------------|------------------|-----------------------|
| | Land | Land Improvements | Buildings | Machinery and Equipment | Vehicles | Transportation and Storm | Water | | | Wastewater |
| COST | | | | | | | | | | |
| Balance, beginning of year | 7,089,223 | 8,753,678 | 17,112,677 | 4,107,837 | 9,735,703 | 93,173,727 | 130,292,300 | 62,321,831 | 1,066,066 | 333,653,042 |
| Less: Share in LAWSS Adjustment | - | - | - | - | - | - | (831,782) | - | - | (831,782) |
| Add: Additions during the year | - | 1,216,646 | 1,048,744 | 1,235,641 | 136,920 | 2,533,661 | 2,135,873 | 139,390 | 1,760,647 | 10,207,522 |
| Less: Disposals during the year | - | - | - | 346,355 | 64,185 | 564,697 | 152,748 | 4,266 | - | 1,132,251 |
| Other Contribution from Developer | - | - | - | - | - | 1,033,639 | 256,709 | 624,716 | - | 1,915,064 |
| BALANCE, END OF YEAR | 7,089,223 | 9,970,324 | 18,161,421 | 4,997,123 | 9,808,438 | 96,176,330 | 131,700,352 | 63,081,671 | 2,826,713 | \$ 343,811,595 |
| ACCUMULATED AMORTIZATION | | | | | | | | | | |
| Balance, beginning of year | - | 3,317,722 | 7,491,079 | 2,008,557 | 3,017,553 | 41,056,751 | 41,894,409 | 13,720,128 | - | 112,506,199 |
| Less: Share in LAWSS Adjustment | - | - | - | - | - | - | (307,446) | - | - | (307,446) |
| Add: Amortization during the year | - | 322,950 | 491,677 | 253,895 | 404,585 | 1,943,578 | 1,570,284 | 1,171,075 | - | 6,158,044 |
| Less: Accumulated amortization on disposals | - | - | - | 228,349 | 64,185 | 433,556 | 111,102 | 379 | - | 837,571 |
| BALANCE, END OF YEAR | - | 3,640,672 | 7,982,756 | 2,034,103 | 3,357,953 | 42,566,773 | 43,046,145 | 14,890,824 | - | \$ 117,519,226 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | 7,089,223 | 6,329,652 | 10,178,665 | 2,963,020 | 6,450,485 | 53,609,557 | 88,654,207 | 48,190,847 | 2,826,713 | \$ 226,292,369 |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Consolidated Schedule of Accumulated Surplus

Year Ended December 31, 2021

Schedule 3

| | 2021 | 2020 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| Reserves | | |
| Working Capital | \$ 643,500 | \$ 643,500 |
| Election | 40,036 | 26,378 |
| Safe restart | 282,198 | 183,661 |
| General operating reserve | 1,641,941 | 1,118,153 |
| Capital expenditures | 6,505,099 | 6,325,060 |
| Water distribution | 7,053,170 | 6,527,145 |
| Water distribution LAWSS | 4,010,003 | 3,862,358 |
| Sanitary Sewage system | 1,008,018 | 1,153,555 |
| Uncollectible taxes | 127,209 | 124,715 |
| Moore Industrial Park | 987,482 | 1,250,524 |
| St. Clair Parkway | 453,913 | 118,907 |
| Total Reserves | 22,752,569 | 21,333,956 |
| Surplus | | |
| Invested in tangible capital assets General | \$ 86,434,244 | \$ 80,304,264 |
| Invested in tangible capital assets LAWSS | 26,236,618 | 26,024,562 |
| Invested in tangible capital assets Water | 62,641,755 | 62,577,088 |
| Invested in tangible capital assets Sanitary | 42,498,021 | 42,344,128 |
| Local Boards | 219,501 | 210,556 |
| Unfunded Post employment benefits | (1,862,966) | (1,878,966) |
| Deficit | (8,366,973) | (5,731,017) |
| Total Surplus | 207,800,200 | 203,850,615 |
| ACCUMULATED SURPLUS | \$ 230,552,769 | \$ 225,184,571 |

**MOORE MUSEUM
CORPORATION OF THE TOWNSHIP OF ST. CLAIR**

Statement of Revenue & Expenditures

Year ended December 31, 2021

Schedule 4

| | 2021 Budget (Unaudited) | 2021 Actual | 2020 Budget (Unaudited) | 2020 Actual |
|---|--|------------------------|--|------------------------|
| | \$ | \$ | \$ | \$ |
| Revenues | | | | |
| Ministry of Culture, Tourism and Recreation | | | | |
| Operating grant | \$ 17,340 | \$ 23,317 | \$ 17,340 | \$ 17,340 |
| Other Federal grants | 22,457 | 22,012 | 2,940 | 21,022 |
| Museum revenue | | | | |
| Admissions, proceeds and donations | 4,550 | 9,210 | 20,000 | 20,037 |
| Net sales | 500 | 399 | 2,000 | 311 |
| Municipal contribution | 303,003 | 207,252 | 304,199 | 224,795 |
| | 347,850 | 262,190 | 346,479 | 283,505 |
| Expenditures | | | | |
| Advertising | \$ 2,230 | \$ 1,395 | \$ 5,975 | \$ 856 |
| Amortization | 6,264 | 16,144 | 6,264 | 15,442 |
| Building Maintenance | 13,000 | 15,119 | 10,920 | 11,577 |
| Capital expenditures | 43,580 | 4,706 | 49,763 | 17,971 |
| Gift Shop | 500 | 770 | 1,700 | 72 |
| Ground maintenance | 13,500 | 13,648 | 13,500 | 11,721 |
| Insurance | 4,581 | 4,789 | 4,000 | 4,090 |
| Janitorial service and supplies | 1,600 | 800 | 1,600 | 1,290 |
| Membership | 600 | 627 | 600 | 520 |
| Mileage | 600 | 81 | 800 | 51 |
| Office and miscellaneous | 9,800 | 10,733 | 9,600 | 9,480 |
| Postage and deliver | 500 | 331 | 750 | 198 |
| Salaries, wages and benefits | 227,410 | 176,502 | 219,112 | 194,326 |
| Seminars, education and training | 1,400 | | 1,400 | 180 |
| Supplies | 11,885 | 9,224 | 10,095 | 8,368 |
| Utilities | 10,400 | 7,321 | 10,400 | 7,363 |
| | 347,850 | 262,190 | 346,479 | 283,505 |
| Excess (deficiency) of revenues over expenditures | - | - | - | - |

**SOMBRA MUSEUM
CORPORATION OF THE TOWNSHIP OF ST. CLAIR**

Statement of Operations and Accumulated Surplus

For the year ended December 31, 2021

Schedule 5

| | 2021 Budget (Unaudited) | 2021 Actual | 2020 Budget (Unaudited) | 2020 Actual |
|--|--|------------------------|--|------------------------|
| | \$ | \$ | \$ | \$ |
| Revenues | | | | |
| Ministry of Culture, Tourism and Recreation | \$ 5,000 | \$ 3,771 | \$ 2,946 | \$ 2,946 |
| Federal Grant | 5,000 | 8,918 | 8,005 | 19,307 |
| Museum revenue | | | | |
| Admissions, membership, proceeds and donations | 7,650 | 2,050 | 5,150 | 9,157 |
| Events | 2,000 | 381 | 2,000 | 420 |
| Interest Income | 1,100 | 1,026 | 600 | 837 |
| Municipal contribution | 75,650 | 86,161 | 78,424 | 81,826 |
| | 96,400 | 102,307 | 97,125 | 114,493 |
| Expenditures | | | | |
| Wages & Benefit | \$ 46,800 | \$ 54,247 | \$ 42,584 | \$ 64,884 |
| Advertising and membership | 1,200 | 869 | 1,700 | 1,224 |
| Amortization | 12,600 | 13,585 | 12,588 | 13,585 |
| Capital | | | 5,000 | 5,000 |
| Events | 6,100 | 2,017 | 1,900 | 1,777 |
| Utilities, Security and telephone | 12,700 | 11,703 | 11,700 | 10,251 |
| Insurance | 2,800 | 3,847 | 2,753 | 3,159 |
| Office Supplies & Exhibits | 4,300 | 1,534 | 3,200 | 2,482 |
| Maintenance and supplies | 9,900 | 4,152 | 15,100 | 7,377 |
| Seminars & Miscellaneous | - | - | 600 | - |
| | 96,400 | 91,954 | 97,125 | 109,739 |
| Excess of revenues over expenditures | - | 10,353 | - | 4,754 |
| Surplus balance, beginning of year | 47,595 | 47,595 | 42,841 | 42,841 |
| Surplus balance, end of year | 47,595 | 57,948 | 42,841 | 47,595 |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Schedule of Segment Disclosure - Operating Revenues
Year ended December 31, 2020

Schedule 8

| | Taxation | User Charges | Government Transfers | Developer Contributions | Deferred Revenues | Gain (Loss) on Sales of assets | Other | Total 2020 |
|--|-------------------|-------------------|----------------------|-------------------------|-------------------|--------------------------------|----------------|-------------------|
| General Government | 15,137,619 | 106,817 | 1,118,139 | - | - | - | 762,577 | 17,125,152 |
| Fire | - | 4,465 | 5,292 | - | 93,400 | 20,350 | 20,352 | 143,859 |
| Police | - | - | 167,226 | - | - | - | - | 167,226 |
| Other Protection Services | - | 308,978 | 2,292 | - | - | (13,084) | - | 298,186 |
| Total Protection Services | - | 313,443 | 174,810 | - | 93,400 | 7,266 | 20,352 | 609,271 |
| Transportation Services | - | 967,830 | 2,974,105 | 713,241 | 904,229 | (48,269) | - | 5,511,136 |
| Water | - | 5,619,963 | - | 227,721 | - | (503,979) | - | 5,343,705 |
| Waste Water | - | 2,929,366 | 15,000 | 302,607 | - | (38,465) | - | 3,208,508 |
| Storm Systems | - | 17,981 | - | - | - | (133,997) | - | (116,016) |
| Solid Waste & diversion | - | 813,288 | 117,648 | - | - | - | - | 930,936 |
| Total Environmental Services | - | 9,380,598 | 132,648 | 530,328 | - | (676,441) | - | 9,367,133 |
| Parks and Recreation | - | 56,350 | 7,710 | - | 98,224 | 15,000 | 2,000 | 179,284 |
| Recreational Facilities | - | 332,977 | - | - | 9,074 | - | - | 342,051 |
| Golf Course | - | 1,083,646 | 22,297 | - | - | 750 | 2,000 | 1,108,693 |
| Museum | - | 5,104 | 64,614 | - | - | - | 19,770 | 89,488 |
| Total Recreation and Culture Services | - | 1,478,077 | 94,621 | - | 107,298 | 15,750 | 23,770 | 1,719,516 |
| Planning and Zoning | - | 112,217 | - | - | - | - | - | 112,217 |
| Commercial and Industrial | - | - | - | - | - | - | - | - |
| Campgrounds | - | 488,539 | 15,849 | - | - | - | - | 504,388 |
| Agriculture and Reforestation | - | 1,755,285 | 211,327 | - | - | - | - | 1,966,612 |
| Total Planning and Development | - | 2,356,041 | 227,176 | - | - | - | - | 2,583,217 |
| Total Revenues | 15,137,619 | 14,602,806 | 4,721,499 | 1,243,569 | 1,104,927 | (701,694) | 806,699 | 36,915,425 |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Schedule of Segment Disclosure - Operating Expenses
Year ended December 31, 2020

Schedule 9

| | Wages & Benefits | Material | Contracted Services | Rent & Finance Charges | Amortization | Inter functional Transfers | Total 2020 |
|--|---------------------|------------------|------------------------|---------------------------|------------------|-------------------------------|-------------------|
| General Government | 1,268,239 | 745,121 | 59,039 | 3,511 | 89,079 | (252,423) | 1,912,566 |
| Fire | 952,168 | 625,604 | 41,696 | 59,010 | 515,706 | 83,478 | 2,277,662 |
| Police | - | 21,431 | 2,252,169 | 13,921 | 43,980 | (21,212) | 2,310,289 |
| Other Protection Services | 107,538 | 30,391 | 355,984 | - | 5,477 | 10,213 | 509,603 |
| Total Protection Services | 1,059,706 | 677,426 | 2,649,849 | 72,931 | 565,163 | 72,479 | 5,097,554 |
| Transportation Services | 2,359,754 | 1,840,289 | 1,147,917 | 35,052 | 1,758,518 | (1,450,488) | 5,691,042 |
| Water | 324,270 | 258,293 | 1,499,442 | 19,948 | 1,591,078 | 880,816 | 4,573,847 |
| Waste Water | 252,615 | 934,125 | 757,781 | 272,707 | 1,053,217 | 500,473 | 3,770,918 |
| Storm Systems | 75,578 | 153,507 | 164,910 | - | 217,405 | 178,207 | 789,607 |
| Solid Waste & diversion | 19 | 102,298 | 1,119,837 | - | 834 | 39,725 | 1,262,713 |
| Total Environmental Services | 652,482 | 1,448,223 | 3,541,970 | 292,655 | 2,862,534 | 1,599,221 | 10,397,085 |
| Health Services | - | 18,004 | 10,053 | - | 13,350 | 4,824 | 46,231 |
| Social and Family Services | - | 20,829 | - | - | - | 1,374 | 22,203 |
| Parks and Recreation | 492,332 | 310,215 | 100,193 | 824 | 191,726 | (76,058) | 1,019,232 |
| Recreational Facilities | 1,084,854 | 817,600 | 5,499 | 2,940 | 211,790 | (40,641) | 2,082,042 |
| Golf Course | 524,618 | 430,849 | 15,098 | - | 84,468 | 20,357 | 1,075,390 |
| Libraries | 9,074 | 14,978 | - | - | 4,110 | 10,434 | 38,596 |
| Museum | 259,211 | 60,458 | 3,680 | - | 29,027 | 21,255 | 373,631 |
| Total Recreation and Culture services | 2,370,089 | 1,634,100 | 124,470 | 3,764 | 521,121 | (64,653) | 4,588,891 |
| Planning and Zoning | 100,100 | 11,831 | 13,981 | - | - | 7,428 | 133,340 |
| Commercial and Industrial | 68,004 | 9,445 | - | - | 1,534 | 26,404 | 105,387 |
| Campgrounds | 225,833 | 154,138 | 4,651 | - | 16,059 | 18,834 | 419,515 |
| Agriculture and Reforestation | 176,146 | 17,943 | 1,909,446 | - | - | 37,000 | 2,140,535 |
| Total Planning and development | 570,083 | 193,357 | 1,928,078 | - | 17,593 | 89,666 | 2,798,777 |
| Total Expenses | 8,280,353 | 6,577,349 | 9,461,376 | 407,913 | 5,827,358 | - | 30,554,349 |
| Annual Surplus | | | | | | | 6,361,076 |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Schedule of Segment Disclosure - Operating Revenues
Year ended December 31, 2021

Schedule 6

| | Taxation | User Charges | Government Transfers | Developer Contributions | Deferred Revenues | Gain (Loss) on Sales of assets | Other | Total 2021 |
|--|-------------------|-------------------|----------------------|-------------------------|-------------------|--------------------------------|----------------|-------------------|
| General Government | 15,459,185 | 117,270 | 1,195,943 | - | - | - | 486,711 | 17,259,109 |
| Fire | - | 2,886 | 11,525 | - | 40,000 | (118,006) | 23,197 | (40,398) |
| Police | - | - | 104,161 | - | - | - | - | 104,161 |
| Other Protection Services | - | 197,842 | 54,287 | - | - | - | - | 252,129 |
| Total Protection Services | - | 200,728 | 169,973 | - | 40,000 | (118,006) | 23,197 | 315,892 |
| Transportation Services | - | 540,167 | 1,917,090 | 1,033,639 | - | (126,841) | - | 3,364,055 |
| Water | - | 5,687,245 | - | 256,709 | - | (41,647) | 32,096 | 5,934,403 |
| Waste Water | - | 2,988,122 | (438) | 624,716 | - | (3,887) | - | 3,608,513 |
| Storm Systems | - | 12,205 | - | - | - | (417) | - | 11,788 |
| Solid Waste & diversion | - | 1,088,899 | 134,655 | - | - | - | - | 1,223,554 |
| Total Environmental Services | - | 9,776,471 | 134,217 | 881,425 | - | (45,951) | 32,096 | 10,778,258 |
| Parks and Recreation | - | 42,490 | 11,973 | - | 17,907 | 24,410 | 96,559 | 193,339 |
| Recreational Facilities | - | 173,462 | - | - | 181,265 | - | 150,735 | 505,462 |
| Golf Course | - | 1,503,239 | 20,977 | - | - | 20,000 | 104,000 | 1,648,216 |
| Museum | - | 4,418 | 72,895 | - | - | - | 7,621 | 84,934 |
| Total Recreation and Culture Services | - | 1,723,609 | 105,845 | - | 199,172 | 44,410 | 358,915 | 2,431,951 |
| Planning and Zoning | - | 64,165 | - | - | - | - | - | 64,165 |
| Commercial and Industrial | - | - | - | - | - | - | - | - |
| Campgrounds | - | 736,593 | 17,960 | - | - | - | - | 754,553 |
| Agriculture and Reforestation | - | 477,388 | 188,514 | - | - | - | - | 665,902 |
| Total Planning and Development | - | 1,278,146 | 206,474 | - | - | - | - | 1,484,620 |
| Total Revenues | 15,459,185 | 13,636,391 | 3,729,542 | 1,915,064 | 239,172 | (246,388) | 900,919 | 35,633,885 |

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Schedule of Segment Disclosure - Operating Expenses
Year ended December 31, 2021

Schedule 7

| | Wages & Benefits | Material | Contracted Services | Rent & Finance Charges | Amortization | Inter functional Transfers | Total 2021 |
|--|---------------------|------------------|------------------------|---------------------------|------------------|-------------------------------|-------------------|
| General Government | 1,390,783 | 622,714 | 63,054 | 4,475 | 99,753 | (260,678) | 1,920,101 |
| Fire | 984,458 | 716,887 | 65,028 | 47,939 | 549,195 | 90,254 | 2,453,761 |
| Police | - | 19,304 | 2,241,806 | 12,739 | 43,980 | (21,876) | 2,295,953 |
| Other Protection Services | 98,058 | 26,891 | 353,792 | - | 3,683 | 8,815 | 491,239 |
| Total Protection Services | 1,082,516 | 763,082 | 2,660,626 | 60,678 | 596,858 | 77,193 | 5,240,953 |
| Transportation Services | 2,275,640 | 1,744,207 | 784,574 | 26,355 | 1,867,800 | (1,461,194) | 5,237,382 |
| Water | 393,955 | 282,505 | 1,573,373 | - | 1,570,285 | 967,796 | 4,787,914 |
| Waste Water | 253,492 | 778,252 | 809,847 | 226,394 | 1,171,075 | 435,502 | 3,674,562 |
| Storm Systems | 56,550 | 112,146 | 129,867 | - | 228,939 | 185,014 | 712,516 |
| Solid Waste & diversion | 639 | 81,285 | 1,209,806 | - | 834 | 41,674 | 1,334,238 |
| Total Environmental Services | 704,636 | 1,254,188 | 3,722,893 | 226,394 | 2,971,133 | 1,629,986 | 10,509,230 |
| Health Services | - | 7,797 | 6,416 | - | 13,350 | 3,829 | 31,392 |
| Social and Family Services | - | 19,321 | - | - | - | 594 | 19,915 |
| Parks and Recreation | 529,712 | 339,442 | 129,275 | 15,693 | 233,846 | (108,086) | 1,139,882 |
| Recreational Facilities | 1,176,703 | 710,094 | 3,135 | 2,959 | 224,057 | (39,411) | 2,077,537 |
| Golf Course | 673,883 | 666,388 | 31,585 | - | 99,684 | 23,240 | 1,494,780 |
| Libraries | - | 21,791 | - | - | 4,242 | 19,804 | 45,837 |
| Museum | 233,101 | 77,268 | 678 | - | 29,729 | 20,511 | 361,287 |
| Total Recreation and Culture services | 2,613,399 | 1,814,983 | 164,673 | 18,652 | 591,558 | (83,942) | 5,119,323 |
| Planning and Zoning | 101,529 | 31,354 | 9,245 | - | - | 10,440 | 152,568 |
| Commercial and Industrial | 68,004 | 5,672 | - | - | 1,534 | 20,029 | 95,239 |
| Campgrounds | 266,472 | 189,176 | 12,301 | - | 16,059 | 26,743 | 510,751 |
| Agriculture and Reforestation | 149,071 | 11,296 | 629,312 | - | - | 37,000 | 826,679 |
| Total Planning and development | 585,076 | 237,498 | 650,858 | - | 17,593 | 94,212 | 1,585,237 |
| Total Expenses | 8,652,050 | 6,463,790 | 8,053,094 | 336,554 | 6,158,045 | - | 29,663,533 |
| Annual Surplus | | | | | | | 5,970,352 |