



*Consolidated Financial Statements of the*

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

*December 31, 2018*

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Financial Statements**  
**Year ended December 31, 2018**

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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 2018 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  
July 15, 2019



**Charles Quenneville**  
Treasurer



**John Rodey**  
Chief Administrative Officer

## Independent Auditor's Report

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

### Opinion

We have audited the consolidated financial statements of Corporation of the Township of St. Clair, (the "Township") which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2018, and the results of its operations 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 Consolidated Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 consolidated 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 consolidated 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 Township'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 Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Township 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

July 15, 2019

*MNP LLP*

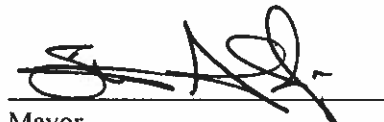
Chartered Professional Accountants

Licensed Public Accountants

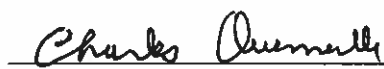
**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2018**

	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	\$ 12,709,897	\$ 8,779,148
Taxes receivable (Note 2)	1,466,604	1,718,014
Accounts receivable	4,348,694	5,108,794
Long-term receivables (Note 6)	141,057	120,125
<b>TOTAL FINANCIAL ASSETS</b>	<b>18,666,252</b>	<b>15,726,081</b>
<b>LIABILITIES</b>		
Accounts payable and accrued charges	\$ 3,850,869	\$ 3,795,767
Deferred revenue - Schedule 1	908,625	1,202,724
Other current liabilities	203,659	201,391
Post employment benefits (Note 7)	1,874,982	1,841,041
Net long-term liabilities (Note 8)	11,393,579	12,109,935
<b>TOTAL LIABILITIES</b>	<b>18,231,714</b>	<b>19,150,858</b>
<b>TOTAL NET FINANCIAL ASSETS (DEBT)</b>	<b>434,538</b>	<b>(3,424,777)</b>
Commitments (Note 13)		
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net - Schedule 2	208,687,539	206,636,695
Prepaid expenses	142,890	153,441
Inventories of material and supplies	183,151	107,493
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>209,013,580</b>	<b>206,897,629</b>
<b>ACCUMULATED SURPLUS - Schedule 3</b>	<b>\$ 209,448,118</b>	<b>\$ 203,472,852</b>

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, 2018**

	Budget 2018 (Note 11)	Actual 2018	Actual 2017
	\$	\$	\$
<b>REVENUES</b>			
<b>TAXATION AND USER CHARGES</b>			
Net municipal taxation	\$ 13,665,570	\$ 14,092,244	\$ 13,384,290
User charges	14,181,594	14,047,119	12,363,691
	<u>27,847,164</u>	<u>28,139,363</u>	<u>25,747,981</u>
<b>GOVERNMENT TRANSFERS</b>			
Province of Ontario	2,750,674	2,586,783	1,809,977
Federal grant	2,070,442	2,045,541	589,444
Other municipalities	132,000	198,010	207,799
	<u>4,953,116</u>	<u>4,830,334</u>	<u>2,607,220</u>
<b>OTHER</b>			
Investment income	193,000	261,047	216,527
Penalties and interest on taxes	220,000	224,741	247,378
Deferred revenue earned	372,580	311,241	9,073
Contributed tangible capital assets	1,000,000	683,138	-
Donations and other revenues	1,064,500	179,245	362,725
(Loss) Gain on sale of land & assets	-	(83,028)	21,128
	<u>2,850,080</u>	<u>1,576,384</u>	<u>856,831</u>
<b>TOTAL REVENUES</b>	<u>35,650,360</u>	<u>34,546,081</u>	<u>29,212,032</u>
<b>EXPENSES</b>			
General government	1,822,544	1,809,297	1,890,030
Protection to persons and property	4,294,130	4,552,094	4,339,742
Transportation services	5,843,152	5,716,676	5,922,773
Environmental services	8,334,769	9,688,251	8,698,492
Health services	31,279	36,316	39,386
Social and family services	15,000	19,877	15,688
Recreation and cultural services	5,677,874	4,898,420	4,800,769
Planning and development	2,466,404	1,737,531	1,724,255
<b>TOTAL EXPENSES</b>	<u>28,485,152</u>	<u>28,458,462</u>	<u>27,431,135</u>
<b>ANNUAL SURPLUS</b>	7,165,208	6,087,619	1,780,897
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	203,472,852	203,472,852	202,018,409
<b>EQUITY DECREASE IN LAWSS</b>	-	(112,353)	(326,454)
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 210,638,060</u>	<u>\$ 209,448,118</u>	<u>\$ 203,472,852</u>

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Statement of Change in Net Financial Assets (Debt)**  
**For the Year ended December 31, 2018**

	Budget 2018 (Note 11)	2018 Actual	2017 Actual
	\$	\$	\$
<b>ANNUAL SURPLUS</b>	<b>\$ 7,165,208</b>	<b>\$ 6,087,619</b>	<b>\$ 1,780,897</b>
Amortization of tangible capital assets	4,085,064	5,423,606	5,242,946
Acquisition of tangible capital assets	(10,289,451)	(7,026,698)	(4,495,440)
Contribution (donated) tangible capital assets	(616,429)	(683,138)	-
Share of LAWSS adjustment on tangible capital assets	110,000	108,466	(569,647)
Net book value on disposal of tangible capital assets	-	126,920	-
Use (acquisition) of supplies inventories	-	(75,658)	(3,888)
Use of prepaid expense	-	10,551	(47,726)
Change in LAWSS ownership	(110,000)	(112,353)	(326,454)
<b>INCREASE (DECREASE) IN NET ASSETS (DEBT)</b>	<b>344,392</b>	<b>3,859,315</b>	<b>1,580,688</b>
<b>NET DEBT, BEGINNING OF YEAR</b>	<b>(3,424,777)</b>	<b>(3,424,777)</b>	<b>(5,005,465)</b>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<b>\$ (3,080,385)</b>	<b>\$ 434,538</b>	<b>\$ (3,424,777)</b>

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Statement of Cash Flows**  
**Year ended December 31, 2018**

	Actual 2018	Actual 2017
	\$	\$
Cash provided by (used in)		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 6,087,619	\$ 1,780,897
<b>ITEMS NOT INVOLVING CASH</b>		
Amortization of tangible capital assets	5,423,606	5,242,946
Net book value on disposal of tangible capital assets	126,920	-
(Donated) contribution tangible capital assets	(683,138)	-
Unfunded liabilities for benefits	33,941	(8,714)
<b>CHANGES IN NON-CASH ASSETS AND LIABILITIES</b>		
Prepaid expenses	10,551	(47,727)
Inventories of material and supplies	(75,658)	(3,887)
Deferred revenue	(294,099)	566,648
Taxes receivable	251,410	(372,813)
Accounts receivable	760,100	1,431,200
Accounts payable & and accrued charges	55,102	(22,721)
Other Current liabilities	2,268	(1,616)
<b>Net change in cash from operating activities</b>	<b>11,698,622</b>	<b>8,564,213</b>
<b>CAPITAL ACTIVITIES</b>		
Cash used to acquire tangible capital assets	(7,026,698)	(4,495,440)
Share of LAWSS adjustment on tangible capital assets	108,466	(569,647)
<b>Net change in cash from capital activities</b>	<b>(6,918,232)</b>	<b>(5,065,087)</b>
<b>INVESTING ACTIVITIES</b>		
(Increase) decrease in long-term receivables	(20,932)	71,308
Equity decrease in LAWSS due to change in ownership	(112,353)	(326,454)
<b>Net change in cash from investment activities</b>	<b>(133,285)</b>	<b>(255,146)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from debt issuance	587,549	-
Debt repayment	(1,303,905)	(2,019,214)
<b>Net change in cash from financing activities</b>	<b>(716,356)</b>	<b>(2,019,214)</b>
<b>NET CHANGE IN CASH</b>	<b>3,930,749</b>	<b>1,224,766</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>8,779,148</b>	<b>7,554,382</b>
<b>CASH, END OF YEAR</b>	<b>\$ 12,709,897</b>	<b>\$ 8,779,148</b>
Cash paid for interest	\$ 399,037	\$ 469,083
Cash received from interest	230,811	201,073

# CORPORATION OF THE TOWNSHIP OF ST. CLAIR

## Notes to the Consolidated Financial Statements

### Year ended December 31, 2018

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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 2018, the Township’s share of the System was 28.00% (2017 – 28.12%). 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, 2018

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### 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) *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.

(iii) *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:

<b>Asset</b>	<b>Useful Life – Years</b>
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 1<sup>st</sup> 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, 2018

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### 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

(iv) *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 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 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 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, 2018

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) *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.

(vi) *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.

(vii) *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, 2018**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*viii) 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.

*viii) 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. TAXES RECEIVABLE**

As of December 31, 2018, the taxes receivable are as follows

	<u>2018</u>	<u>2017</u>
Taxes receivable	1,283,283	1,509,779
Penalties and interest	183,321	208,235
	<u>1,466,604</u>	<u>1,718,014</u>

# CORPORATION OF THE TOWNSHIP OF ST. CLAIR

## Notes to the Consolidated Financial Statements

Year ended December 31, 2018

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### 3. 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	8,327,445	10,656,530
Add: Share of payments-in-lieu of taxes	29,142	257,628
Less: Share of write offs	(69,834)	(95,887)
Less: Share of tax rebates	(41,600)	(40,172)
<b>Total amount transferred</b>	<b>8,245,153</b>	<b>10,778,099</b>

### 4. 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 \$307,586 at December 31, 2018 (\$281,552 at December 31, 2017) has not been included in the Consolidated Statement of Financial Position nor have its operations been included in the Consolidated Statement of Operations.

### 5. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 75 (2017 – 75) 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 2018 was \$862,480 (2017 - \$813,672). The contribution rate for 2018 was 9.0% to 15.8% depending on age and income level (2017 – 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. The last available report for the OMERS plan was December 31, 2018. At that time the plan reported a \$4.19 billion actuarial deficit (2017 - \$5.40 billion actuarial deficit), based on actuarial liabilities of \$99.06 billion (2017 - \$93.61 billion) and actuarial assets of \$94.87 billion (2017 - \$88.21 billion). 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.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2018**

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**6. LONG-TERM RECEIVABLES**

The Township has self financed ratepayers capital drainage projects in amount of \$102,729 payable over five years bearing interest rate of 6.75%.

There is one loan in the amount of \$18,328 to the residents on Fawn Island for the parking lot financed as a special area rate over five years bearing interest rate of 3% and the Moore Optimist club for playground equipment for \$20,000 payable over five years with non interest.

Repayments over the next four years:

2019	45,256
2020	38,017
2021	28,739
2022	<u>29,045</u>
Total	<u>141,057</u>

**7. 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 age 70 for 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, 2018.

The actuarial valuation was based on a number of 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 3.75% (2017 - 3.5%)
- b) an annual increase in health and dental care cost of 3.5% ( 2017- 3.5%)
- c) rate of compensation increase of 3.0% (2017 – 3.0%)
- d) in addition to the annual increase, inflation of 3.0% (2017 – 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%.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2018**

**7. POST EMPLOYMENT BENEFITS (Continued)**

	<u>2018</u>	<u>2017</u>
Current period benefit cost	73,872	71,374
Amortization of actuarial gain/loss	1,234	1,764
Interest	64,315	63,933
<b>Total expense for the year</b>	<b>139,421</b>	<b>137,071</b>

	<u>2018</u>	<u>2017</u>
Accrued benefit as of January 1	1,841,041	1,849,755
Expense in period	139,421	137,071
Employer contribution	(105,480)	(145,785)
<b>Projected accrued benefit as of December 31</b>	<b>1,874,982</b>	<b>1,841,041</b>

**8. NET LONG-TERM LIABILITIES**

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

	<u>2018</u>	<u>2017</u>
Long-term debt to the Corporation of the County of Lambton at interest of 2.70 % maturing December 31, 2020	416,303	-
Long-term debt issued with Infrastructure Ontario at an interest rate of 4.36% maturing June 2018	-	26,058
Long-term debt issued with Infrastructure Ontario at an interest rate of 2.77% maturing January 2023	1,210,366	1,459,587
Long-term debt issued with Infrastructure Ontario at an interest rate of 4.69% maturing November 2029	661,016	706,032
Long-term debt issued with Infrastructure Ontario at an interest rate of 4.84% maturing March 2026	377,150	417,973
Long-term debt issued with Canada Mortgage and Housing Corporation at an interest rate of 3.91% maturing June 2030	5,853,690	6,230,546
Long-term debt issued with Infrastructure Ontario at an interest rate of 2.01% maturing May 2025	2,355,113	2,691,027
Long-term debt issued with Infrastructure Ontario at an interest rate of 2.01% maturing May 2025	519,941	578,712
<b>Total long-term liabilities, end of year</b>	<b>11,393,579</b>	<b>12,109,935</b>

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2018**

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**8. NET LONG-TERM LIABILITIES (Continued)**

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

From general municipal revenues:	
2019	1,240,425
2020	1,278,212
2021	1,317,249
2022	1,357,580
2023	1,144,005
2024 and thereafter	5,056,108
	<u>11,393,579</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.

(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, 2018 is \$194,137 (2017 - \$213,088) bearing interest at 6% with maturity ranging from 2019 to 2026. 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 \$399,037 (2017 - \$469,083). The long-term liabilities bear interest at rates ranging from 2.01% to 4.84%.

**9. 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 28.0% (2017 – 28.12%) proportionate interest as follows:

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2018**

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**9. JOINT LOCAL BOARD CONSOLIDATION – LAWSS (Continued)**

	<u>2018</u>	<u>2017</u>
Cash	2,011,059	1,070,948
Accounts receivable	156,756	179,971
Accounts payable	(16,300)	(362,155)
	<u>2,151,515</u>	<u>888,764</u>
Tangible capital assets	24,247,059	24,799,948
Accumulated surplus	26,398,574	25,688,712
	<u>2,783,067</u>	<u>2,991,359</u>
Total revenues	2,783,067	2,991,359
Total expenses	1,960,850	2,114,275
Annual surplus	822,217	877,084

**10. EXPENDITURE BY OBJECT**

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

	<u>2018</u>	<u>2017</u>
Wages and employee benefits	7,931,624	7,440,049
Materials	6,744,878	7,258,080
Contracted services	7,914,194	6,910,105
Rent and other charges	45,123	110,872
Amortization	5,423,606	5,242,946
Interest on long-term debt	399,037	469,083
	<u>28,458,462</u>	<u>27,431,135</u>

# CORPORATION OF THE TOWNSHIP OF ST. CLAIR

## Notes to the Consolidated Financial Statements

Year ended December 31, 2018

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### 11. BUDGET DATA

Budget data presented in these consolidated financial statements are based upon the 2018 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 \$2,524,752.

	Township Approved Budget	PSAB Adjustment for Consolidated Entities	Budget per Financial Statements
General Revenues	35,507,360	143,000	35,650,360
General Expenses	(28,275,152)	(210,000)	(28,485,152)
<b>Annual Surplus (Deficit)</b>	<b>7,232,208</b>	<b>(67,000)</b>	<b>7,165,208</b>

### 12. 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.

# CORPORATION OF THE TOWNSHIP OF ST. CLAIR

## Notes to the Consolidated Financial Statements

Year ended December 31, 2018

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### 12. SEGMENT INFORMATION (Continued)

#### 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.

#### 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.

### 13. COMMITMENTS

#### a) Recycling Services

The Township has entered into an agreement with Waste Management of Canada Corporation for recycling services commencing July 1, 2012 at an annual cost of \$104,453 including HST. The contract expires June 30, 2019.

The Township has entered into an agreement with Emterra Environmental for recycling services commencing July 1, 2012 at an annual cost of \$182,042 including HST. The contract expires June 30, 2019. A renewed agreement has been entered into 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 an agreement with Marcotte Disposal Inc. for waste collection services commencing January 1, 2013 at an annual cost of \$760,148 including HST. The contract expires June 30, 2019.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2018**

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**13. COMMITMENTS (Continued)**

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, 2018, the contract has increased to an annual cost of \$426,566 including HST. The contract expires November 30, 2021.

**14. 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.

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.

**15. 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, 2018 (\$5,000,000 as at December 31, 2017). 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, 2018 is \$Nil (2017 -\$Nil).

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Schedule of Deferred Revenues**  
**Year ended December 31, 2018**

Schedule J

	Increase in Deferred Revenues		Decreases in Deferred Revenues		Balance, End of 2018			
	Balance, Beginning of 2018	Interest	Development Charges	Total		To Operations	To Capital Acquisitions	Total
Payments-in-lieu of park land	143,095	2,969	-	2,969	-	16,172	16,172	129,892
Development charges	777,432	10,055	286,315	296,370	-	295,069	295,069	778,733
AMO Gas Tax	282,197	-	-	-	-	282,197	282,197	-
<b>Total for 2018</b>	<b>\$ 1,202,724</b>	<b>13,024</b>	<b>286,315</b>	<b>299,339</b>	<b>-</b>	<b>593,438</b>	<b>593,438</b>	<b>\$ 908,625</b>

	Increase in Deferred Revenues		Decreases in Deferred Revenues		Balance, End of 2017			
	Balance, Beginning of 2017	Interest	Development Charges	Total		To Operations	To Capital Acquisitions	Total
Payments-in-lieu of park land	51,490	1,045	99,633	100,678	9,073	-	9,073	143,095
Development charges	584,586	9,682	183,164	192,846	-	-	-	777,432
AMO Gas Tax	-	2,160	280,037	282,197	-	-	-	282,197
<b>Total for 2017</b>	<b>\$ 636,076</b>	<b>12,887</b>	<b>562,834</b>	<b>575,721</b>	<b>9,073</b>	<b>-</b>	<b>9,073</b>	<b>\$ 1,202,724</b>

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Schedule of Tangible Capital Assets**  
**Year ended December 31, 2018**

Schedule 2

	General				Infrastructure			Work in Progress	Total 2018	
	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Transportation and Storm	Water			Wastewater
<b>COST</b>										
Balance, beginning of year	7,089,223	6,601,346	15,133,429	2,886,254	8,662,787	82,354,822	125,316,919	55,847,646	1,390,414	305,282,840
Add: Share in LAWSS Adjustment	-	-	-	-	-	-	(164,404)	-	-	(164,404)
Add: Additions during the year	-	435,536	498,591	1,048,313	95,245	2,761,127	547,077	2,090,450	-	7,476,339
Less: Disposals during the year	-	45,000	-	225,287	185,000	638,288	2,503	-	449,641	1,545,719
Other Contribution from Developer	-	-	-	-	-	366,262	117,423	199,453	-	683,138
<b>BALANCE, END OF YEAR</b>	<b>7,089,223</b>	<b>6,991,882</b>	<b>15,632,020</b>	<b>3,709,280</b>	<b>8,573,032</b>	<b>84,843,923</b>	<b>125,814,512</b>	<b>58,137,549</b>	<b>940,773</b>	<b>\$ 311,732,194</b>
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	-	2,648,500	6,187,758	1,760,717	3,208,204	37,239,967	36,668,670	10,932,329	-	98,646,145
Add: Share in LAWSS Adjustment	-	-	-	-	-	-	(55,938)	-	-	(55,938)
Add: Amortization during the year	-	231,573	410,039	193,883	331,051	1,748,569	1,603,640	904,851	-	5,423,606
Less: Accumulated amortization on disposals	-	41,000	-	212,854	185,000	527,801	2,503	-	-	969,158
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>2,839,073</b>	<b>6,597,797</b>	<b>1,741,746</b>	<b>3,354,255</b>	<b>38,460,735</b>	<b>38,213,869</b>	<b>11,837,180</b>	<b>-</b>	<b>\$ 103,044,655</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>7,089,223</b>	<b>4,152,809</b>	<b>9,034,223</b>	<b>1,967,534</b>	<b>5,218,777</b>	<b>46,383,188</b>	<b>87,600,643</b>	<b>46,300,369</b>	<b>940,773</b>	<b>\$ 208,687,539</b>

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Schedule of Tangible Capital Assets**  
**Year ended December 31, 2017**

Schedule 2

	General				Infrastructure			Work in Progress	Total 2017	
	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Transportation and Storm	Water			Wastewater
<b>COST</b>										
Balance, beginning of year	7,089,223	6,252,383	14,852,869	2,743,854	8,662,787	81,439,114	123,724,498	54,812,035	599,735	300,176,498
Add: Share in LA WSS Adjustment	-	-	-	-	-	0	850,692	-	-	850,692
Add: Additions during the year	-	348,963	280,560	170,004	-	1,113,445	756,178	1,035,611	790,679	4,495,440
Less: Disposals during the year	-	-	-	27,604	-	197,737	14,449	-	-	239,790
Other Contribution from Developer	-	-	-	-	-	-	-	-	-	-
<b>BALANCE, END OF YEAR</b>	<b>7,089,223</b>	<b>6,601,346</b>	<b>15,133,429</b>	<b>2,886,254</b>	<b>8,662,787</b>	<b>82,354,822</b>	<b>125,316,919</b>	<b>55,847,646</b>	<b>1,390,414</b>	<b>\$ 305,282,840</b>
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	-	2,418,421	5,787,854	1,635,343	2,872,018	35,756,446	34,811,261	10,080,601	-	93,361,944
Add: Share in LA WSS Adjustment	-	-	-	-	-	-	281,045	-	-	281,045
Add: Amortization during the year	-	230,079	399,904	152,978	336,186	1,681,258	1,590,813	851,728	-	5,242,946
Less: Accumulated amortization on disposals	-	-	-	27,604	-	197,737	14,449	-	-	239,790
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>2,648,500</b>	<b>6,187,758</b>	<b>1,760,717</b>	<b>3,208,204</b>	<b>37,239,967</b>	<b>36,668,670</b>	<b>10,932,329</b>	<b>-</b>	<b>\$ 98,646,145</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>7,089,223</b>	<b>3,952,846</b>	<b>8,945,671</b>	<b>1,125,537</b>	<b>5,454,583</b>	<b>45,114,855</b>	<b>88,648,249</b>	<b>44,915,317</b>	<b>1,390,414</b>	<b>\$ 206,636,695</b>

# CORPORATION OF THE TOWNSHIP OF ST. CLAIR

## Consolidated Schedule of Accumulated Surplus

Year Ended December 31, 2018

Schedule 3

	2018	2017
	\$	\$
<b>Reserves</b>		
Working Capital	\$ 643,500	\$ 643,500
Election	-	33,681
General operating reserve	591,979	154,643
Capital expenditures	6,931,744	6,502,845
Water distribution	4,378,986	3,898,054
Water distribution LAWSS	2,151,516	888,764
Sanitary Sewage system	1,589,126	1,366,527
Uncollectible taxes	119,150	116,585
St. Clair Parkway	855,874	1,073,833
<b>Total Reserves</b>	<b>17,261,875</b>	<b>14,678,432</b>
<b>Surplus</b>		
Invested in tangible capital assets General	67,792,318	66,620,785
Invested in tangible capital assets LAWSS	24,247,059	24,799,948
Invested in tangible capital assets Water	63,374,279	64,079,142
Invested in tangible capital assets Sanitary	41,880,304	39,027,456
Local Boards	202,521	176,438
Unfunded Post employment benefits	(1,874,982)	(1,841,041)
Deficit	(3,435,256)	(4,068,308)
<b>Total Surplus</b>	<b>192,186,243</b>	<b>188,794,420</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 209,448,118</b>	<b>\$ 203,472,852</b>

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

**Statement of Revenue & Expenditures**

**Year ended December 31, 2018**

Schedule 4

	<b>2018 Budget (Unaudited)</b>	<b>2018 Actual</b>	<b>2017 Budget (Unaudited)</b>	<b>2017 Actual</b>
	\$	\$	\$	\$
<b>Revenues</b>				
Ministry of Culture, Tourism and Recreation				
Operating grant	17,340	17,340	17,340	17,340
Other grants	21,840	25,296	2,934	4,342
Museum revenue				
Admissions, proceeds and donations	17,375	25,073	19,322	24,354
Net sales	3,200	2,404	2,900	4,098
Municipal contribution	478,862	421,852	283,198	228,009
	<b>538,617</b>	<b>491,965</b>	325,694	278,143
<b>Expenditures</b>				
Advertising	6,500	6,267	7,090	4,760
Amortization	6,269	7,669	6,269	6,864
Building Maintenance	7,900	7,763	7,275	8,760
Capital expenditures	253,731	236,449	49,292	14,194
Gift Shop	1,700	1,556	1,700	1,696
Ground maintenance	11,000	12,839	10,700	11,093
Insurance	3,750	3,253	3,504	3,634
Janitorial service and supplies	1,400	1,637	1,325	1,471
Membership	650	676	600	637
Mileage	900	707	900	617
Office and miscellaneous	10,550	11,366	10,500	9,950
Postage and deliver	1,000	529	1,000	872
Salaries, wages and benefits	211,748	183,372	204,530	195,339
Seminars, education and training	1,400		1,400	849
Supplies	9,919	9,476	9,409	9,278
Utilities	10,200	8,406	10,200	8,129
	<b>538,617</b>	<b>491,965</b>	325,694	278,143
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, 2018**

Schedule 5

	<b>2018 Budget (Unaudited)</b>	<b>2018 Actual</b>	<b>2017 Budget (Unaudited)</b>	<b>2017 Actual</b>
	\$	\$	\$	\$
<b>Revenues</b>				
Ministry of Culture, Tourism and Recreation	2,946	2,946	3,700	2,946
Federal Grant	8,125	5,951	5,000	5,530
County & Moore foundation grant	-	-	-	1,247
Museum revenue				
Admissions, membership, proceeds and donations	3,410	2,113	3,700	7,396
Events	2,750	1,483	2,500	2,000
Interest Income	400	382	100	311
Municipal contribution	75,372	76,387	73,000	78,679
	<b>93,003</b>	<b>89,262</b>	<b>88,000</b>	<b>98,109</b>
<b>Expenditures</b>				
Wages & Benefit	47,384	41,754	45,350	47,179
Advertising and membership	1,000	1,723	1,250	2,188
Amortization	12,588	13,585	12,600	13,585
Capital	5,000	5,000	-	4,500
Events	1,500	397	750	283
Utilities, Security and telephone	11,531	14,386	12,750	10,390
Insurance	2,600	2,753	2,600	2,413
Office Supplies & Exhibits	3,200	1,957	2,000	1,217
Maintenance and supplies	7,000	7,440	9,300	14,271
Seminars & Miscellaneous	1,200	-	1,400	464
	<b>93,003</b>	<b>88,995</b>	<b>88,000</b>	<b>96,490</b>
Excess of revenues over expenditures	-	267	-	1,619
Surplus balance, beginning of year	28,008	28,008	26,389	26,389
Surplus balance, end of year	<b>28,008</b>	<b>28,275</b>	<b>26,389</b>	<b>28,008</b>

# CORPORATION OF THE TOWNSHIP OF ST. CLAIR

## Consolidated Schedule of Segment Disclosure - Operating Revenues

Year ended December 31, 2018

Schedule 6

	Taxation	User Charges	Government Transfers	Developer Contributions	Deferred Revenues	Gain (Loss) on Sales of assets	Other	Total 2018
<b>General Government</b>	<b>14,092,244</b>	<b>164,349</b>	<b>909,500</b>	-	<b>311,241</b>	-	<b>485,789</b>	<b>15,963,123</b>
Fire	-	12,745	3,989	-	-	3,330	7,500	27,564
Police	-	-	101,245	-	-	-	-	101,245
Other Protection Services	-	214,341	57,854	-	-	-	32,302	304,497
<b>Total Protection Services</b>	<b>-</b>	<b>227,086</b>	<b>163,088</b>	<b>-</b>	<b>-</b>	<b>3,330</b>	<b>39,802</b>	<b>433,306</b>
<b>Transportation Services</b>	<b>-</b>	<b>662,536</b>	<b>1,637,592</b>	<b>207,689</b>	<b>-</b>	<b>(87,925)</b>	<b>-</b>	<b>2,419,892</b>
Water	-	5,943,168.00	-	117,423	-	-	70,983	6,131,574
Waste Water	-	2,734,430.00	1,755,056	199,453	-	-	-	4,688,939
Storm Systems	-	5,950	-	158,573	-	-	-	164,523
Solid Waste & diversion	-	748,919	76,734	-	-	-	-	825,653
<b>Total Environmental Services</b>	<b>-</b>	<b>9,432,467</b>	<b>1,831,790</b>	<b>475,449</b>	<b>-</b>	<b>-</b>	<b>70,983</b>	<b>11,810,689</b>
Parks and Recreation	-	283,563	42,963	-	-	(4,000)	50,798	373,324
Recreational Facilities	-	561,285	13,194	-	-	6,942	-	581,421
Golf Course	-	1,160,172	33,498	-	-	(2,375)	-	1,191,295
Museum	-	18,445	51,533	-	-	-	17,661	87,639
<b>Total Recreation and Culture Services</b>	<b>-</b>	<b>2,023,465</b>	<b>141,188</b>	<b>-</b>	<b>-</b>	<b>567</b>	<b>68,459</b>	<b>2,233,679</b>
Planning and Zoning	-	125,232	-	-	-	-	-	125,232
Commercial and Industrial Campgrounds	-	664,097	9,101	-	-	1,000	-	674,198
Agriculture and Reforestation	-	747,887	138,075	-	-	-	-	885,962
<b>Total Planning and Development</b>	<b>-</b>	<b>1,537,216</b>	<b>147,176</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>1,685,392</b>
<b>Total Revenues</b>	<b>14,092,244</b>	<b>14,047,119</b>	<b>4,830,334</b>	<b>683,138</b>	<b>311,241</b>	<b>(83,028)</b>	<b>665,033</b>	<b>34,546,081</b>

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
 Consolidated Schedule of Segment Disclosure - Operating Expenses  
 Year ended December 31, 2018

Schedule 7

	Wages & Benefits	Material	Contracted Services	Rent & Finance Charges	Amortization	Inter functional Transfers	Total 2018
<b>General Government</b>	<b>1,217,040</b>	<b>597,391</b>	<b>60,404</b>	<b>760</b>	<b>69,287</b>	<b>(135,585)</b>	<b>1,809,297</b>
Fire	755,169	624,520	13,337	102,516	449,348	70,798	2,015,688
Police	-	21,530	2,099,562	16,123	43,980	(23,847)	2,157,348
Other Protection Services	57,817	58,262	249,440	-	5,477	8,062	379,058
<b>Total Protection Services</b>	<b>812,986</b>	<b>704,312</b>	<b>2,362,339</b>	<b>118,639</b>	<b>498,805</b>	<b>55,013</b>	<b>4,552,094</b>
<b>Transportation Services</b>	<b>2,191,763</b>	<b>1,695,431</b>	<b>1,214,800</b>	<b>51,171</b>	<b>1,686,076</b>	<b>(1,122,565)</b>	<b>5,716,676</b>
Water	375,559	254,219	1,364,464	-	1,603,640	684,716	4,282,598
Waste Water	172,430	572,781	762,196	255,355	904,851	342,548	3,010,161
Storm Systems	58,884	738,693	129,108	1,976	203,990	140,616	1,273,267
Solid Waste & diversion	4,487	47,172	1,028,850	-	-	41,716	1,122,225
<b>Total Environmental Services</b>	<b>611,360</b>	<b>1,612,865</b>	<b>3,284,618</b>	<b>257,331</b>	<b>2,712,481</b>	<b>1,209,596</b>	<b>9,688,251</b>
<b>Health Services</b>	<b>-</b>	<b>6,255</b>	<b>11,771</b>	<b>-</b>	<b>13,350</b>	<b>4,940</b>	<b>36,316</b>
<b>Social and Family Services</b>	<b>-</b>	<b>19,044</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>833</b>	<b>19,877</b>
Parks and Recreation	684,565	404,521	99,113	9,867	162,614	(59,545)	1,301,135
Recreational Facilities	1,071,002	843,986	43,449	6,392	171,860	(63,363)	2,073,326
Golf Course	539,880	498,955	3,879	-	68,259	8,518	1,119,491
Libraries	-	13,679	-	-	4,374	11,814	29,867
Museum	225,623	107,879	311	-	21,254	19,534	374,601
<b>Total Recreation and Culture services</b>	<b>2,521,070</b>	<b>1,869,020</b>	<b>146,752</b>	<b>16,259</b>	<b>428,361</b>	<b>(83,042)</b>	<b>4,898,420</b>
Planning and Zoning	88,496	11,978	490	-	-	9,106	110,070
Commercial and Industrial	50,004	5,203	-	-	-	2,004	57,211
Campgrounds	259,618	201,313	5,378	-	15,246	23,508	505,063
Agriculture and Reforestation	179,287	22,066	827,642	-	-	36,192	1,065,187
<b>Total Planning and development</b>	<b>577,405</b>	<b>240,560</b>	<b>833,510</b>	<b>-</b>	<b>15,246</b>	<b>70,810</b>	<b>1,737,531</b>
<b>Total Expenses</b>	<b>7,931,624</b>	<b>6,744,878</b>	<b>7,914,194</b>	<b>444,160</b>	<b>5,423,606</b>	<b>-</b>	<b>28,458,462</b>
<b>Annual Surplus</b>							<b>6,087,619</b>

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
 Consolidated Schedule of Segment Disclosure - Operating Revenues  
 Year ended December 31, 2017

Schedule 8

	Taxation	User Charges	Government Transfers	Developer Contributions	Deferred Revenues	Gain (Loss) on Sales of assets	Other	Total 2017
<b>General Government</b>	<b>13,384,290</b>	<b>134,726</b>	<b>468,700</b>	-	<b>9,073</b>	-	<b>570,548</b>	<b>14,567,337</b>
Fire	-	10,678	8,597	-	-	-	106,066	125,341
Police	-	-	98,845	-	-	-	-	98,845
Other Protection Services	-	180,735	65,136	-	-	-	-	245,871
<b>Total Protection Services</b>	<b>-</b>	<b>191,413</b>	<b>172,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,066</b>	<b>470,057</b>
<b>Transportation Services</b>	<b>-</b>	<b>556,545</b>	<b>782,401</b>	<b>-</b>	<b>-</b>	<b>10,424</b>	<b>-</b>	<b>1,349,370</b>
Water	-	5,170,379.00	-	-	-	-	-	5,170,379
Waste Water	-	2,352,598.00	530,806	-	-	-	66,600	2,950,004
Storm Systems	-	11,450	-	-	-	-	-	11,450
Solid Waste & diversion	-	814,637	66,443	-	-	-	-	881,080
<b>Total Environmental Services</b>	<b>-</b>	<b>8,349,064</b>	<b>597,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,600</b>	<b>9,012,913</b>
Parks and Recreation	-	260,990	-	-	-	2,500	-	263,490
Recreational Facilities	-	546,013	79,292	-	-	-	74,900	700,205
Golf Course	-	1,158,314	2,867	-	-	8,204	-	1,169,385
Museum	-	22,613	30,157	-	-	-	8,516	61,286
<b>Total Recreation and Culture Services</b>	<b>-</b>	<b>1,987,930</b>	<b>112,316</b>	<b>-</b>	<b>-</b>	<b>10,704</b>	<b>83,416</b>	<b>2,194,366</b>
Planning and Zoning	-	91,550	2,312	-	-	-	-	93,862
Commercial and Industrial	-	-	-	-	-	-	-	-
Campgrounds	-	659,592	-	-	-	-	-	659,592
Agriculture and Reforestation	-	392,871	471,664	-	-	-	-	864,535
<b>Total Planning and Development</b>	<b>-</b>	<b>1,144,013</b>	<b>473,976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,617,989</b>
<b>Total Revenues</b>	<b>13,384,290</b>	<b>12,363,691</b>	<b>2,607,220</b>	<b>-</b>	<b>9,073</b>	<b>21,128</b>	<b>826,630</b>	<b>29,212,032</b>

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
 Consolidated Schedule of Segment Disclosure - Operating Expenses

Year ended December 31, 2017

Schedule 9

	Wages & Benefits	Material	Contracted Services	Rent & Finance Charges	Amortization	Inter functional Transfers	Total 2017
<b>General Government</b>	<b>1,152,782</b>	<b>680,293</b>	<b>117,405</b>	<b>1,148</b>	<b>76,856</b>	<b>(138,454)</b>	<b>1,890,030</b>
Fire	647,748	544,745	8,280	75,128	419,554	59,917	1,755,372
Police	-	28,395	2,160,421	17,151	43,980	(22,433)	2,227,514
Other Protection Services	60,069	55,710	134,522	93,411	5,477	7,667	356,856
<b>Total Protection Services</b>	<b>707,817</b>	<b>628,850</b>	<b>2,303,223</b>	<b>185,690</b>	<b>469,011</b>	<b>45,151</b>	<b>4,339,742</b>
<b>Transportation Services</b>	<b>2,050,701</b>	<b>1,805,635</b>	<b>1,313,919</b>	<b>56,461</b>	<b>1,617,028</b>	<b>(920,971)</b>	<b>5,922,773</b>
Water	324,568	189,970	548,200	47,252	1,590,813	546,138	3,246,941
Waste Water	144,715	603,109	489,229	273,779	851,728	298,224	2,660,784
Storm Systems	63,262	1,167,082	167,084	-	205,727	148,645	1,751,800
Solid Waste & diversion	-	29,221	979,242	-	-	30,504	1,038,967
<b>Total Environmental Services</b>	<b>532,545</b>	<b>1,989,382</b>	<b>2,183,755</b>	<b>321,031</b>	<b>2,648,268</b>	<b>1,023,511</b>	<b>8,698,492</b>
<b>Health Services</b>	<b>-</b>	<b>1,402</b>	<b>19,668</b>	<b>-</b>	<b>13,350</b>	<b>4,966</b>	<b>39,386</b>
<b>Social and Family Services</b>	<b>-</b>	<b>14,894</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>794</b>	<b>15,688</b>
Parks and Recreation	621,406	361,375	70,510	11,650	157,724	(69,533)	1,133,132
Recreational Facilities	1,020,443	890,443	46,932	3,638	166,063	(48,968)	2,078,551
Golf Course	572,437	511,093	15,376	337	56,924	7,474	1,163,641
Libraries	-	15,227	-	-	4,374	10,574	30,175
Museum	242,517	92,468	-	-	20,449	19,836	375,270
<b>Total Recreation and Culture services</b>	<b>2,456,803</b>	<b>1,870,606</b>	<b>132,818</b>	<b>15,625</b>	<b>405,534</b>	<b>(80,617)</b>	<b>4,800,769</b>
Planning and Zoning	88,547	13,617	15,600	-	-	9,632	127,396
Commercial and Industrial Campgrounds	50,004	22,043	-	-	-	2,004	74,051
Agriculture and Reforestation	250,184	214,526	2,721	-	12,899	18,866	499,196
<b>Total Planning and development</b>	<b>150,666</b>	<b>16,832</b>	<b>820,996</b>	<b>-</b>	<b>-</b>	<b>35,118</b>	<b>1,023,612</b>
<b>Total Expenses</b>	<b>7,440,049</b>	<b>7,258,080</b>	<b>6,910,105</b>	<b>579,955</b>	<b>5,242,946</b>	<b>-</b>	<b>27,431,135</b>
<b>Annual Surplus</b>							<b>1,780,897</b>