



*Consolidated Financial Statements of the*

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

*December 31, 2014*

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Financial Statements**  
Year ended December 31, 2014

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## Township of St. Clair

Chief Administrative Officer	519-867-2021
Administration / Clerks Dept.	519-867-2021
Finance & Treasury Dept.	519-867-2024
Water Dept.	519-867-2128
Engineering Dept.	519-867-2125
Public Works Dept.	519-867-2993
Fire Dept. Administration	519-481-0111

### 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 2014 consolidated financial statements have been examined by Corporation of the Township of St. Clair's external auditors, Collins Barrow KMD LLP, and their report precedes the consolidated financial statements.

Mooretown, Canada  
July 2, 2015

  
Charles Quenneville  
Treasurer

  
John Rodey  
Chief Administrative Officer



Collins Barrow

Chartered Accountants

Collins Barrow KMD LLP  
495 RICHMOND STREET  
SUITE 700  
LONDON, ONTARIO  
N6A 5A9 CANADA

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the Corporation of the Township of St. Clair, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the **Corporation of the Township of St. Clair** as at December 31, 2014 and the results of its consolidated operations, its consolidated change in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Collins Barrow KMD LLP*



CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

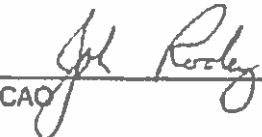
London, Canada  
August 10, 2015

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 4,047,407	\$ 3,536,392
Taxes receivable	1,011,624	1,044,611
Accounts receivable	6,801,660	6,282,852
Long-term receivables (Note 5)	428,330	309,502
<b>TOTAL FINANCIAL ASSETS</b>	<b>12,289,021</b>	<b>11,173,357</b>
<b>LIABILITIES</b>		
Accounts payable and accrued charges	\$ 2,676,642	\$ 1,844,571
Note payable (Note 8)	826,083	1,652,167
Deferred revenue - Schedule 1	515,676	466,932
Other current liabilities	55,805	55,805
Post employment benefits (Note 7)	1,792,804	1,729,820
Net long-term liabilities (Note 6)	13,505,750	15,147,278
<b>TOTAL LIABILITIES</b>	<b>19,372,760</b>	<b>20,896,573</b>
<b>NET DEBT</b>	<b>(7,083,739)</b>	<b>(9,723,216)</b>
Commitments (Note 13)		
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net - Schedule 2	201,329,764	202,561,320
Prepaid expenses	101,026	102,780
Inventories of material and supplies	99,323	84,852
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>201,530,113</b>	<b>202,748,952</b>
<b>ACCUMULATED SURPLUS - Schedule 3</b>	<b>\$ 194,446,374</b>	<b>\$ 193,025,736</b>

Approved on behalf of Council:

  
 Mayor  
  
 Treasurer

  
 CAO

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Statement of Operations**  
**For the Year ended December 31, 2014**

	Budget 2014 (Unaudited)	Actual 2014	Actual 2013
<b>REVENUES</b>			
<b>TAXATION AND USER CHARGES</b>			
Net municipal taxation	\$ 11,743,672	\$ 11,596,415	\$ 11,212,656
User charges	12,310,354	13,482,156	13,670,403
	<u>24,054,026</u>	<u>25,078,571</u>	<u>24,883,059</u>
<b>GOVERNMENT TRANSFERS</b>			
Province of Ontario	1,846,551	1,351,596	1,416,077
Federal grant	896,955	481,584	745,822
Other municipalities	183,871	194,964	168,192
	<u>2,927,377</u>	<u>2,028,144</u>	<u>2,330,091</u>
<b>OTHER</b>			
Investment income	137,105	139,621	164,461
Penalties and interest on taxes	180,000	184,458	176,426
Deferred revenue earned		59,327	8,866
Contribution (donated) tangible capital assets	1,490,266	1,190,266	1,325,400
Donations and other revenues	236,580	236,668	477,012
Loss on sale of land & assets	-	(69,450)	(35,581)
	<u>2,043,951</u>	<u>1,740,890</u>	<u>2,116,584</u>
<b>TOTAL REVENUES</b>	<u>29,025,354</u>	<u>28,847,605</u>	<u>29,329,734</u>
<b>EXPENSES</b>			
General government	1,643,007	1,733,151	1,526,795
Protection to persons and property	4,645,798	4,379,224	4,363,729
Transportation services	4,197,709	5,219,054	4,691,358
Environmental services	8,621,085	8,001,986	8,837,638
Health services	23,120	27,370	30,132
Social and family services	18,000	17,711	18,851
Recreation and cultural services	4,661,306	4,378,642	4,172,145
Planning and development	1,352,430	2,169,640	3,586,483
<b>TOTAL EXPENSES</b>	<u>25,162,455</u>	<u>25,926,778</u>	<u>27,227,131</u>
<b>ANNUAL SURPLUS</b>	3,862,899	2,920,827	2,102,603
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	193,025,736	193,025,736	187,705,115
<b>EQUITY (DECREASE) INCREASE IN LAWSS</b>		(1,500,189)	3,218,018
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 196,888,635</u>	<u>\$ 194,446,374</u>	<u>\$ 193,025,736</u>

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Statement of Change in Net Debt**  
**For the Year ended December 31, 2014**

	Budget 2014 (Unaudited)	2014 Actual	2013 Actual
<b>ANNUAL SURPLUS</b>	\$ 3,862,899	\$ 2,920,827	\$ 2,102,603
Amortization of tangible capital assets	2,666,198	4,676,089	4,753,728
Acquisition of tangible capital assets	(8,709,724)	(4,153,995)	(3,492,622)
Contribution (donated) tangible capital assets	(1,490,266)	(1,190,266)	(1,325,400)
Share of LAWSS adjustment on tangible capital assets	1,648,751	1,648,751	(3,639,581)
Loss on sale of tangible capital assets		250,977	35,581
(Acquisition) use of supplies inventories	-	(14,471)	33,167
Use of prepaid expenses	-	1,754	10,294
Change in LAWSS ownership	(1,500,189)	(1,500,189)	3,218,018
<b>DECREASE IN NET DEBT</b>	<b>(3,522,331)</b>	<b>2,639,477</b>	<b>1,695,788</b>
<b>NET DEBT, BEGINNING OF YEAR</b>	<b>(9,723,216)</b>	<b>(9,723,216)</b>	<b>(11,419,004)</b>
<b>NET DEBT, END OF YEAR</b>	<b>\$ (13,245,547)</b>	<b>\$ (7,083,739)</b>	<b>\$ (9,723,216)</b>

The accompanying notes and schedules are an integral part of these consolidated financial statements.



**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Statement of Cash Flows**  
**Year ended December 31, 2014**

	Actual 2014	Actual 2013
Cash provided by (used in)		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 2,920,827	\$ 2,102,603
<b>ITEMS NOT INVOLVING CASH</b>		
Amortization of tangible capital assets	4,676,089	4,753,728
Loss on sale of tangible capital assets	250,977	35,581
Contribution (donated) tangible capital assets	(1,190,266)	(1,325,400)
Unfunded liabilities for benefits	62,984	61,777
<b>CHANGE IN NON-CASH ASSETS AND LIABILITIES</b>		
Prepaid expenses	1,754	10,284
Inventories of material and supplies	(14,471)	33,167
Deferred revenue	48,744	187,901
Taxes receivable	32,987	(119,735)
Accounts receivable	(518,808)	92,325
Accounts payable	832,071	(3,509,150)
Current other liabilities		(1,931)
<b>Net change in cash from operating activities</b>	<b>7,102,888</b>	<b>2,321,160</b>
<b>CAPITAL ACTIVITIES</b>		
Cash used to acquire tangible capital assets	(4,153,995)	(3,492,622)
Share of LAWSS adjustment on tangible capital assets	1,648,751	(3,639,581)
<b>Net change in cash from capital activities</b>	<b>(2,505,244)</b>	<b>(7,132,203)</b>
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in long-term receivables	(118,828)	93,128
Increase (decrease) in notes payable	(826,084)	1,652,167
Equity (decrease) increase in LAWSS due to change in ownership	(1,500,189)	3,218,018
<b>Net change in cash from investment activities</b>	<b>(2,445,101)</b>	<b>4,963,313</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from debt issuance		2,500,000
Debt repayment	(1,426,649)	(1,286,718)
Share in LAWSS Adjustment	(214,879)	564,167
<b>Net change in cash from financing activities</b>	<b>(1,641,528)</b>	<b>1,777,449</b>
<b>NET CHANGE IN CASH</b>	<b>511,015</b>	<b>1,929,719</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>3,536,392</b>	<b>1,606,673</b>
<b>CASH, END OF YEAR</b>	<b>\$ 4,047,407</b>	<b>\$ 3,536,392</b>

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

## **Notes to the Consolidated Financial Statements**

**Year ended December 31, 2014**

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The Corporation of the Township of St. Clair was amalgamated in 2001 as a municipality under the Province of Ontario under the provision of the Municipal Act, 2001.

### **1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Corporation of the Township of St. Clair (here after referred to as the "Township") are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

#### *(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  
Wilkesport Field Board

#### *(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 2014, the Township's share of the System was 26.58% (2013 - 28.42%). Material inter-organizational transaction and balances have been eliminated.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Notes to the Consolidated Financial Statements**  
Year ended December 31, 2014

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**1. ACCOUNTING POLICIES (Continued)**

*(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.

*(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. 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.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Financial Statements**  
Year ended December 31, 2014

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(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.

(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, note payable, 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;

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2014**

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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.

(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 funds for specific purposes under the authority of provincial legislation, Government transfer of gas taxes and Township by-laws and are reported as deferred revenue in the Consolidated Statement of Financial Position. These amounts by their nature are restricted in their use and will be recognized as revenues in the period in which expenditures are incurred.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Notes to the Consolidated Financial Statements**  
Year ended December 31, 2014

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vii) *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 has adopted the accrual method of employee future benefits as required by the Chartered Professional Accountants of Canada. The cost of future benefits earned by employees is determined using the projected benefit method prorated on service and assumption with respect to mortality and termination rates, retirement age and expected inflation rates with respect to employee benefit costs.

**2. 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:

	<u>School Boards</u>	<u>County of Lambton</u>
Taxation	\$ 7,863,300	\$ 9,177,855
Share of payments-in-lieu of taxes	29,249	74,656
	<hr/>	<hr/>
	<b>\$ 7,892,549</b>	<b>\$ 9,252,511</b>

**3. TRUST FUNDS**

The following trust funds: Bradshaw Cemetery, Water Well Contamination Deposits and the St. Clair River Trail are administered by the Township. The total fund balance amounting to \$334,265 at December 31, 2014 has not been included in the Consolidated Financial Position nor have its operations been included in the Consolidated Statement of Operations.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Financial Statements**  
Year ended December 31, 2014

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**4. PENSION AGREEMENTS**

The Township makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 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.

The amount contributed to OMERS for 2014 was \$708,060 (2013 - \$682,450) (50% by employees and 50% by the employer) for current service and the employer's portion is included as an expenditure on the consolidated Statement of Operations. The OMERS plan had a \$7,078 million funding deficit as of December 31, 2014 (\$8,641 million deficit as of December 31, 2013) and the Plan had an actuarial value of net assets of \$69,846 million as of December 31, 2014 (\$64,363 million as of December 31, 2013.)

**5. LONG-TERM RECEIVABLES**

The Township has self financed ratepayers capital drainage projects in amount of \$207,387 payable over five years bearing interest rate of 6.75%.

Shell Manufacturing Centre has committed to \$200,000 for the Shell Health Centre repayment two equal installments of \$100,000 in 2014 and 2015 bearing zero interest rate.

The Township has self financed the Stag Island Fraternal Fellowship Association water project in the amount of \$3,841 bearing interest rate of 4.58% payable in equal installments of \$2,053 ending in 2016.

There are two loans with the Port Lambton Athletic Association for the Vandamm Pavillon in the amount of \$7,888 and for the Skateboard project in the amount of \$9,215 bearing zero interest repayable over the next two years.

Repayments over the next five years:

2015	\$264,630
2016	\$ 64,594
2017	\$ 53,039
2018	<u>\$ 46,067</u>
Total	<u>\$428,330</u>

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Financial Statements**  
Year ended December 31, 2014

**6. 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>2014</u>	<u>2013</u>
Long-term debt issued by the Corporation of the County of Lambton at interest of 7.98% to 8.00 % maturing May 2017	\$ 2,410,588	\$ 3,314,625
Long-term debt issued with Infrastructure Ontario at an interest rate of 4.58% maturing March 2016	119,915	195,451
Long-term debt issued with Infrastructure Ontario at an interest rate of 4.36% maturing June 2018	171,136	215,471
Long-term debt issued with Infrastructure Ontario at an interest rate of 2.77% maturing January 2023	2,167,404	2,390,656
Long-term debt issued with Infrastructure Ontario at an interest rate of 4.69% maturing November 2029	829,208	866,605
Long-term debt issued with Infrastructure Ontario at an interest rate of 4.84% maturing March 2026	529,354	563,069
Long-term debt issued with Canada Mortgage and Housing Corporation at an interest rate of 3.91% maturing June 2030	7,278,145	7,601,401
Net long-term liabilities, end of year	<b>\$ 13,505,750</b>	<b>\$15,147,278</b>
Long-term debt issued by the Province of Ontario for tile drainage assumed by individuals at an interest rate of 6.00% with maturity ranging from 2015 to 2024	278,707	232,402
<b>Total long-term liabilities, end of year</b>	<b>\$ 13,784,457</b>	<b>\$15,379,680</b>



**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Financial Statements**  
Year ended December 31, 2014

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

<b>From general municipal revenues:</b>	
2015	\$ 1,556,595
2016	1,597,303
2017	1,642,698
2018	767,347
2019	768,873
2020 – 2024	3,760,532
2025 and thereafter	3,691,110
	<u>\$ 13,784,458</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 with respect to tile drainage and shoreline property assistance loans. The total amount outstanding as at December 31, 2014 is \$278,707, and is 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 \$426,520 (2013 - \$1,373,270). The long-term liabilities bear interest at rates ranging from 2.77% to 8.0%.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Financial Statements**  
Year ended December 31, 2014

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**7. POST EMPLOYMENT BENEFITS**

The Township provides post-employment benefits to our retirees accounted for under the Chartered Professional Accountants of Canada Handbook, section 3250. The actuary determined a liability obligation of \$62,984 for 2014 (2013 - \$61,777) which is composed of current service of \$65,363 (2013 - \$63,153) and interest of \$60,586 (2013 - \$58,440) less payment by the Township \$62,965 (2013 - \$59,816).

Employees who meet the criteria of having a minimum of 10 years of service and are a minimum age of 55 can retire with the Township paying the dental and health benefits to the age of 65 and share 50% to the age of 70 for union and age 70 for non union employees. Assumptions used are as follows:

- a) a discount factor of 3.5% (2013 - 3.5%)
- b) an annual increase in health and dental care cost of 3.5% (2013- 3.5%)
- c) rate of compensation increase of 3.0% (2013 – 3.0%)
- d) in addition to the annual increase, inflation of 3.0% (2013 – 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%.

The liability based on the above assumption at the year-end date is \$1,792,804 (2013 - \$1,729,820).

**8. NOTE PAYABLE**

On November 29, 2013 a Memorandum Agreement to settle OPG property tax appeals was signed by OPG, MPAC and the Corporation of the Township of St. Clair for total settlement of \$3,300,000. The settlement is to be paid in three equal installment of \$1,100,000 plus .05% interest. Payments are shared between the Township and County of Lambton. The last installment of the Township's outstanding portion will be paid in 2015 in the amount of \$826,083.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Financial Statements**  
Year ended December 31, 2014

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**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 26.58% (2013 - 28.42%) proportionate interest as follows:

	<u>2014</u>	<u>2013</u>
Cash	\$ 850,187	\$ 1,027,753
Accounts receivable	93,189	52,065
<u>Accounts payable</u>	<u>(28,920)</u>	<u>( 59,842)</u>
	914,456	1,019,976
Long term debt	(2,410,806)	(3,314,625)
<u>Tangible capital assets</u>	<u>23,696,925</u>	<u>25,466,039</u>
<u>Accumulated surplus</u>	<u>22,200,575</u>	<u>23,171,390</u>
Total revenues	\$2,638,017	\$2,749,151
Total expenses	2,108,643	2,387,763
<u>Annual surplus</u>	<u>\$ 529,374</u>	<u>\$ 364,388</u>

**10. EXPENDITURE BY OBJECT**

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

	<u>2014</u>	<u>2013</u>
Wages and employee benefits	\$ 6,799,389	\$ 6,460,774
Materials	5,753,373	6,332,703
Contracted services	8,271,407	8,316,656
Amortization	4,676,089	4,753,728
Interest on long-term debt	426,520	1,373,270
	<u>\$25,926,778</u>	<u>\$27,227,131</u>

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Financial Statements**  
Year ended December 31, 2014

**11. BUDGET DATA**

Budget data presented in these consolidated financial statements are based upon the 2014 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 general expenses include amortization expense in the amount of \$3,862,899.

	Township Approved Budget	PSAB Adjustment for Consolidated Entities	Budget Per Financial Statements
General revenues	\$28,971,669	53,685	\$29,025,354
General expenses	(24,781,435)	(381,020)	(25,162,455)
<b>Annual Surplus (Deficit)</b>	<b>\$4,190,234</b>	<b>\$(327,335)</b>	<b>\$3,862,899</b>

**12. SEGMENT INFORMATION**

Segmented information is presented on Schedule 6 and 7. The Corporation of the Township of St. Clair is a diversified Township and provides a wide range of services to its citizens including police, fire, transportation, water, wastewater and waste disposal and community services, including recreation and culture and golf. The general government segment includes such functions as finance, council and administrative offices. Planning and development includes planning and zoning, industrial park, campgrounds and drainage.

**13. COMMITMENTS**

a) Recycling Services

St. Clair 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.

St. Clair 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.

b) Waste Collection Services

St. Clair 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**  
**Consolidated Financial Statements**  
Year ended December 31, 2014

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c) Wastewater Facilities Operations, Maintenance & Management

St. Clair 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, 2014 the contract has increased to an annual cost of \$348,671 including HST. The contract expires November 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.

**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. CONTINGENCY**

Ontario Power Generation Inc. (OPG) has launched an assessment appeal with the Municipal Property Assessment Corporation (MPAC) for the generating plant located in the Township of St. Clair for the 2013 and 2014 taxation years. The Township's legal counsel believes the 2013 potential claim may not be significant given the generating station was fully operational at that time of the assessment; however for 2014, the generating station was shut down and therefore the amount may be more significant. The outcome and the amount of the contingent loss, if any, cannot be determined at this time. No provision has been reflected in these financial statements related to this claim.

**16. COMPARATIVE FIGURES**

The Consolidated financial statement have been reclassified where appropriate, to conform to the current year. The changes do not affect prior period earnings.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2014**

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**17. SUBSEQUENT EVENT**

During the 2015 budget process Council approved a new ten year debenture in the amount of \$3,502,000 at an interest rate of 2.01% beginning May 1, 2015 with Ontario Infrastructure and Lands Corporation for advanced firefighting equipment to be special area service levied on industrial land property assessment.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Schedule of Deferred Revenues**  
**Year ended December 31, 2014**

Schedule 1

	Balance, Beginning of Year	Increase in Deferred Revenues		Total	Decreases in Deferred Revenues		Balance, End of Year
		Interest	Development Charges		To Operations	To Capital Acquisitions	
Payments-in-lieu of park land	65,881	517	7,827	8,344		34,777	39,448
Development charges	401,051	5,380	94,347	99,727		24,550	476,228
<b>Total</b>	<b>466,932</b>	<b>5,897</b>	<b>102,174</b>	<b>108,071</b>	<b>-</b>	<b>59,327</b>	<b>515,676</b>

The accompanying notes and schedules are an integral part of these consolidated financial statements.

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Schedule of Tangible Capital Assets**  
**Year ended December 31, 2014**

Schedule 2

	General				Infrastructure			Total 2014	Total 2013		
	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Transportation and Storm	Water			Wastewater	Work in Progress
<b>COST</b>											
Balance, beginning of year	7,089,223	5,447,469	13,071,908	2,353,603	4,462,153	76,242,382	118,953,066	51,669,169	2,782,243	284,071,216	268,795,451
Add: Share in LAWSS Adjustment						(2,349,389)				(2,349,389)	5,081,922
Add: Additions during the year		184,777	438,513	174,637	277,384	1,769,921	2,101,462	56,047		5,002,741	6,328,787
Less: Disposals during the year				77,823	47,450	723,880	168,711	2,444	848,746	1,869,154	252,597
Other: Contribution from Developer						662,008	180,539	347,721		1,190,268	1,325,400
<b>BALANCE, END OF YEAR</b>	<b>7,089,223</b>	<b>5,632,246</b>	<b>13,510,421</b>	<b>2,450,317</b>	<b>4,692,087</b>	<b>79,950,429</b>	<b>118,716,957</b>	<b>52,070,483</b>	<b>1,933,497</b>	<b>286,045,670</b>	<b>281,268,973</b>
<b>ACCUMULATED AMORTIZATION</b>											
Balance, beginning of year		1,799,078	4,710,916	1,298,312	2,422,920	32,716,597	30,750,913	7,821,162		81,509,898	75,520,844
Add: Share in LAWSS Adjustment						(700,648)				(700,648)	1,452,341
Add: Less: Inter department transfer										-	-
Add: Amortization during the year		195,484	339,388	145,326	181,332	1,576,818	1,492,901	746,636		4,677,885	4,753,728
Less: Accumulated amortization on disposals				57,338	47,450	539,092	124,805	2,444		771,229	217,017
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>1,994,562</b>	<b>5,050,304</b>	<b>1,376,309</b>	<b>2,556,802</b>	<b>33,754,323</b>	<b>31,418,261</b>	<b>8,565,354</b>	<b>-</b>	<b>84,715,806</b>	<b>81,509,898</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>7,089,223</b>	<b>3,637,684</b>	<b>8,460,117</b>	<b>1,074,017</b>	<b>2,135,285</b>	<b>46,196,106</b>	<b>87,298,696</b>	<b>43,505,139</b>	<b>1,933,497</b>	<b>201,329,764</b>	<b>202,561,320</b>

The accompanying notes and schedules are an integral part of these consolidated financial statements.



**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Consolidated Schedule of Accumulated Surplus**  
**Year Ended December 31, 2014**

Schedule 3

	2014	2013
<b>Reserves</b>		
Working Capital	\$ 643,500	\$ 643,500
Election		30,874
General operating reserve	502,254	774,707
Tax Supplementary billing	1,071,880	1,359,933
Capital expenditures	4,156,338	3,485,425
Water distribution	3,849,072	2,422,949
Water distribution LAWSS	914,457	1,019,976
Sanitary Sewage system	2,382,005	1,993,569
Uncollectible taxes	112,910	111,810
Insurance claim	27,110	26,840
St. Clair Parkway	590,750	724,775
<b>Total Reserves</b>	<b>14,250,276</b>	<b>12,594,158</b>
<b>Surplus</b>		
Invested in tangible capital assets General	67,529,317	67,253,899
Invested in tangible capital assets LAWSS	21,286,119	22,151,414
Invested in tangible capital assets Water	63,482,073	62,540,665
Invested in tangible capital assets Sanitary	35,526,504	35,468,066
Local Boards	152,691	135,279
Unfunded Post employment benefits	(1,792,804)	(1,792,820)
Deficit	(5,987,802)	(5,324,925)
<b>Total Surplus</b>	<b>180,196,098</b>	<b>180,431,578</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 194,446,374</b>	<b>\$ 193,025,736</b>

**MOORE MUSEUM**  
**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**Statement of Revenue & Expenditures**  
**Year ended December 31, 2014**

	2014 Budget (Unaudited)	2014 Actual	2013 Budget (Unaudited)	2013 Actual
<b>REVENUE</b>				
Ministry of Culture, Tourism and Recreation				
Operating grant	\$ 17,340	17,340	\$ 17,340	\$ 17,340
Other grants	2,150	6,511	2,150	6,289
Museum revenue				
Admissions, proceeds and donations	22,225	24,794	21,600	24,118
Net sales	2,000	2,925	2,000	2,662
Municipal contribution	227,187	210,939	222,309	211,168
	<u>270,902</u>	<u>262,509</u>	<u>265,399</u>	<u>261,577</u>
<b>EXPENDITURES</b>				
Advertising	6,400	5,510	6,144	5,183
Amortization	4,600	4,733	2,796	4,512
Building maintenance	6,450	6,276	6,325	6,565
Capital expenditures	34,120	28,743	43,241	35,717
Gift Shop	1,100	1,053	1,100	947
Ground maintenance	7,500	6,934	1,500	401
Insurance	3,000	3,566	2,784	2,908
Janitorial service and supplies	13,000	12,571	12,500	13,229
Membership	525	536	525	514
Mileage	800	502	800	791
Office and miscellaneous	7,500	8,992	6,500	7,942
Postage and delivery	1,000	993	890	781
Salaries, wages and benefits	165,239	165,228	160,796	164,853
Seminars, education and training	1,200	1,098	1,200	1,133
Supplies	8,468	7,732	8,298	8,139
Utilities	10,000	8,042	10,000	7,982
	<u>\$ 270,902</u>	<u>\$ 262,509</u>	<u>\$ 265,399</u>	<u>\$ 261,577</u>
<b>Excess of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SOMBRA MUSEUM  
CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
Statement of Revenue & Expenditures  
Year ended December 31, 2014

	2014 Budget (Unaudited)	2014 Actual	2013 Budget (Unaudited)	2013 Actual
<b>Revenues</b>				
Ministry of Culture, Tourism and Recreation	\$ 2,946	2,946	\$ 2,945	2,946
Federal Grant	4,500	4,937	4,645	4,602
Museum revenue				
Admissions, proceeds and donations	6,540	12,271	6,666	4,122
Events	2,500	1,870	2,300	2,927
Interest Income	70	120	80	56
Municipal contribution	88,138	84,524	59,876	76,138
	<u>\$ 104,694</u>	<u>\$ 106,668</u>	<u>\$ 76,512</u>	<u>\$ 90,791</u>
<b>Expenditures</b>				
Wages & Benefit	\$ 41,850	\$ 44,431	\$ 39,752	\$ 40,139
Advertising and membership	2,010	1,730	1,140	2,481
Amortization	12,588	12,587	2,172	12,588
Capital	23,200	9,985	10,000	10,000
Events	1,000	402	1,000	
Utilities, Security and telephone	10,600	10,165	11,085	9,711
Insurance	3,000	2,533	2,358	2,939
Office Supplies & exhibits	2,396	2,677	1,650	2,535
Maintenance and supplies	6,350	10,864	5,525	6,186
Seminars & Miscellaneous	1,700	1,869	1,830	
	<u>\$ 104,694</u>	<u>\$ 97,243</u>	<u>\$ 76,512</u>	<u>\$ 86,579</u>
<b>Excess of revenues over expenditures</b>	<u>\$ -</u>	<u>\$ 9,425</u>	<u>\$ -</u>	<u>\$ 4,212</u>
Surplus balance, beginning of the year	\$ 17,244	\$ 17,244	\$ 13,032	\$ 13,032
<b>Excess of revenues over expenditures for the year</b>	<u>-</u>	<u>9,425</u>	<u>-</u>	<u>4,212</u>
<b>Surplus balance, end of year</b>	<u>\$ 17,244</u>	<u>\$ 26,669</u>	<u>\$ 13,032</u>	<u>\$ 17,244</u>

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

Consolidated Schedule of Segment Disclosure - Operating Revenues

Year ended December 31, 2014

Schedule 6

	Taxation	User Charge	Government Transfers	Developer Contributions	Deferred Revenues	Loss (Gain) on Sales of assets	Other	Total 2014	Total 2013
<b>General Government</b>	<b>11,596,415</b>	<b>286,502</b>	<b>810,600</b>				<b>324,079</b>	<b>13,017,596</b>	<b>12,968,715</b>
Fire		8,920	649				39,955	49,524	29,959
Police		1,350	93,122					94,472	-
Other Protection Services		137,980	65,512					203,492	47,761
<b>Total Protection Services</b>	<b>-</b>	<b>148,250</b>	<b>159,283</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,955</b>	<b>347,488</b>	<b>77,740</b>
<b>Transportation Services</b>	<b>1,493,745</b>	<b>472,796</b>	<b>703,666</b>			<b>(25,644)</b>	<b>50,451</b>	<b>2,695,014</b>	<b>1,651,182</b>
Water	4,890,781			161,879		(43,806)		5,008,854	5,354,597
Waste Water	2,818,050		68,355	324,721				3,211,126	2,775,409
Storm Systems	9,865						9,865	9,865	399,162
Solid Waste & diversion	357,685		51,365					409,050	380,032
<b>Total Environmental Services</b>	<b>-</b>	<b>8,076,381</b>	<b>119,720</b>	<b>486,600</b>	<b>-</b>	<b>(43,806)</b>	<b>-</b>	<b>8,638,895</b>	<b>8,909,200</b>
<b>Parks and Recreation</b>	<b>166,986</b>	<b>15,009</b>	<b>59,327</b>				<b>108,619</b>	<b>350,141</b>	<b>538,028</b>
Recreational Facilities	602,886				59,327			602,886	598,658
Golf Course	937,903	6,127						944,030	1,053,745
Museum	19,115	31,734					31,842	82,691	92,804
<b>Total Recreation and Culture Services</b>	<b>-</b>	<b>1,726,890</b>	<b>52,870</b>	<b>-</b>	<b>59,327</b>	<b>-</b>	<b>140,661</b>	<b>1,979,748</b>	<b>2,283,235</b>
<b>Planning and Zoning</b>	<b>44,694</b>	<b>27,740</b>	<b>5,600</b>				<b>5,600</b>	<b>78,034</b>	<b>28,350</b>
Commercial and Industrial	438,144							438,144	426,113
Campgrounds	558,391	1,230						559,621	520,039
Agriculture and Reforestation	709,160	383,905						1,093,065	2,463,180
<b>Total Planning and Development</b>	<b>-</b>	<b>1,750,389</b>	<b>412,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,600</b>	<b>2,168,864</b>	<b>3,439,662</b>
<b>Total Revenues</b>	<b>11,596,415</b>	<b>13,482,157</b>	<b>2,028,144</b>	<b>1,190,266</b>	<b>59,327</b>	<b>(69,450)</b>	<b>580,746</b>	<b>28,947,605</b>	<b>29,329,734</b>

The accompanying notes and schedules are an integral part of these consolidated financial statements.

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

Consolidated Schedule of Segment Disclosure - Operating Expenses

Year ended December 31, 2014

Schedule 7

	Wages & Benefits	Material	Contracted Services	Rent & Finance Charges	Amortization	Inter functional Transfers	Total 2014	Total 2013
<b>General Government</b>	<b>1,058,566</b>	<b>606,939</b>	<b>110,952</b>	<b>10,376</b>	<b>68,125</b>	<b>(121,807)</b>	<b>1,733,151</b>	<b>1,526,795</b>
Fire	519,673	448,721	3,290	20,929	233,927	48,246	1,274,786	1,330,151
Police		21,077	2,682,948	19,962	41,819	(24,722)	2,741,084	2,594,278
Other Protection Services	47,747	66,704	232,865		5,477	10,561	363,354	439,300
<b>Total Protection Services</b>	<b>567,420</b>	<b>536,502</b>	<b>2,919,103</b>	<b>40,891</b>	<b>281,223</b>	<b>34,085</b>	<b>4,378,224</b>	<b>4,363,729</b>
<b>Transportation Services</b>	<b>1,884,618</b>	<b>1,804,958</b>	<b>801,353</b>	<b>69,670</b>	<b>1,438,779</b>	<b>(780,324)</b>	<b>5,219,054</b>	<b>4,691,358</b>
Water	255,848	160,349	1,628,013	(306)	1,492,901	457,644	3,994,449	4,289,988
Waste Water	163,164	540,145	454,877	325,055	746,636	249,985	2,479,862	2,544,460
Storm Systems	41,241	54,663	148,759	315	198,533	92,690	536,201	1,023,175
Solid Waste & diversion	1,348	16,037	941,423			32,666	991,474	980,015
<b>Total Environmental Services</b>	<b>461,601</b>	<b>771,194</b>	<b>3,173,072</b>	<b>325,064</b>	<b>2,438,070</b>	<b>832,985</b>	<b>8,001,986</b>	<b>8,837,638</b>
<b>Health Services</b>	-	13,224	876		6,040	7,230	27,370	30,132
<b>Social and Family Services</b>	-	16,844				867	17,711	18,851
<b>Parks and Recreation</b>	<b>605,721</b>	<b>334,482</b>	<b>59,789</b>	<b>12,447</b>	<b>126,369</b>	<b>(34,981)</b>	<b>1,103,827</b>	<b>1,020,234</b>
Recreational Facilities	992,979	745,487	41,680	6,132	170,685	(63,902)	1,893,061	1,756,281
Golf Course	463,972	454,703	6,388	10,423	57,320	7,929	1,000,635	1,032,168
Libraries		12,607	407		4,541	9,982	27,537	25,317
Museum	209,365	100,727	11,198		17,320	14,975	353,583	338,145
<b>Total Recreation and Culture services</b>	<b>2,272,037</b>	<b>1,648,006</b>	<b>119,460</b>	<b>29,002</b>	<b>376,235</b>	<b>(66,097)</b>	<b>4,378,643</b>	<b>4,172,145</b>
<b>Planning and Zoning</b>	<b>83,329</b>	<b>12,919</b>	<b>24,231</b>			<b>18,300</b>	<b>138,779</b>	<b>110,600</b>
Commercial and Industrial Campgrounds	50,004	150,792	27,760		59,552	17,848	305,956	427,208
Agriculture and Reforestation	210,552	176,133	13,513		8,065	18,301	426,564	426,508
<b>Total Planning and development</b>	<b>211,262</b>	<b>15,862</b>	<b>1,032,604</b>			<b>38,612</b>	<b>1,298,340</b>	<b>2,622,167</b>
<b>Total Expenses</b>	<b>555,147</b>	<b>355,706</b>	<b>1,098,108</b>	<b>-</b>	<b>67,617</b>	<b>93,061</b>	<b>2,169,639</b>	<b>3,586,483</b>
<b>Total Expenses</b>	<b>6,799,389</b>	<b>5,753,373</b>	<b>8,222,924</b>	<b>475,003</b>	<b>4,676,089</b>	<b>-</b>	<b>25,926,778</b>	<b>27,227,131</b>
<b>Annual Surplus</b>							<b>2,920,827</b>	<b>2,102,603</b>

The accompanying notes and schedules are an integral part of these consolidated financial statements.