



Consolidated Financial Statements of the

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

December 31, 2016

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Financial Statements
Year ended December 31, 2016

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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.

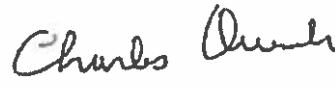
The consolidated financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed 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 2016 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
September 5, 2017


Charles Quenneville
Treasurer


John Rodey
Chief Administrative Officer

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, 2016 and the consolidated statements of operations, change in net debt and cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and schedules to the consolidated financial statements.

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, 2016 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.

Collin Barrow KMD LLP

Chartered Professional Accountants
Licensed Public Accountants

London, Canada
September 5, 2017

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Statement of Financial Position
As at December 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash	\$ 7,554,382	\$ 3,552,964
Taxes receivable (Note 2)	1,345,201	1,435,426
Accounts receivable	6,539,994	8,171,261
Long-term receivables (Note 6)	191,433	256,056
TOTAL FINANCIAL ASSETS	15,631,010	13,415,707
LIABILITIES		
Accounts payable and accrued charges	\$ 3,818,488	\$ 3,477,653
Deferred revenue - Schedule 1	636,076	825,266
Other current liabilities	203,007	245,891
Post employment benefits (Note 8)	1,849,755	1,834,672
Net long-term liabilities (Note 7)	14,129,149	15,478,788
TOTAL LIABILITIES	20,636,475	21,862,270
TOTAL NET DEBT	(5,005,465)	(8,446,563)
Commitments (Note 13)		
Contingencies (Note 15)		
NON-FINANCIAL ASSETS		
Tangible capital assets - net - Schedule 2	206,814,552	206,750,903
Prepaid expenses	105,714	292,099
Inventories of material and supplies	103,608	92,128
TOTAL NON-FINANCIAL ASSETS	207,023,874	207,135,130
ACCUMULATED SURPLUS - Schedule 3	\$ 202,018,409	\$ 198,688,567

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, 2016

	Budget 2016 (Note 11)	Actual 2016	Actual 2015
REVENUES			
TAXATION AND USER CHARGES			
Net municipal taxation	\$ 12,648,419	\$ 12,888,642	\$ 12,694,006
User charges	12,787,087	13,958,037	14,493,545
	25,435,506	26,846,679	27,187,551
GOVERNMENT TRANSFERS			
Province of Ontario	1,131,453	1,207,922	1,735,107
Federal grant	562,084	483,789	901,925
Other municipalities	183,872	196,891	190,433
	1,877,409	1,888,602	2,827,465
OTHER			
Investment income	123,000	158,733	165,318
Penalties and interest on taxes	180,000	216,744	199,611
Deferred revenue earned	282,000	359,053	39,920
Contribution (donated) tangible capital assets	1,000,000	944,000	61,990
Donations and other revenues	927,500	373,252	498,706
Gain (Loss) on sale of land & assets	-	1,112,266	(109,830)
	2,512,500	3,164,048	855,715
TOTAL REVENUES	29,825,415	31,899,329	30,870,731
EXPENSES			
General government	1,781,250	1,789,167	1,554,896
Protection to persons and property	4,105,104	4,313,352	4,540,183
Transportation services	5,513,543	6,081,005	5,460,528
Environmental services	8,280,625	8,241,279	9,403,071
Health services	20,224	30,114	72,309
Social and family services	15,000	32,217	20,082
Recreation and cultural services	5,075,089	4,658,172	4,425,633
Planning and development	2,199,572	2,313,394	2,989,356
TOTAL EXPENSES	26,990,407	27,458,700	28,466,058
ANNUAL SURPLUS	2,835,008	4,440,629	2,404,673
ACCUMULATED SURPLUS, BEGINNING OF YEAR	198,688,567	198,688,567	194,446,374
EQUITY (DECREASE) INCREASE IN LAWSS		(1,110,787)	1,837,520
ACCUMULATED SURPLUS, END OF YEAR	\$ 201,523,575	\$ 202,018,409	\$ 198,688,567

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Statement of Change in Net Financial Assets (Debt)
For the Year ended December 31, 2016

	Budget 2016 (Note 11)	2016 Actual	2015 Actual
ANNUAL SURPLUS	\$ 2,835,008	\$ 4,440,629	\$ 2,404,673
Amortization of tangible capital assets	2,666,198	4,922,762	4,867,830
Acquisition of tangible capital assets	(8,709,724)	(7,051,535)	(8,430,310)
Contribution (donated) tangible capital assets	(1,490,266)	(944,000)	(61,990)
Share of LAWSS adjustment on tangible capital assets	1,648,751	1,149,326	(1,961,371)
Net book value on disposal of tangible capital assets		1,859,798	164,702
(Acquisition) use of supplies inventories	-	(11,480)	7,195
Use of prepaid expenses	-	186,385	(191,073)
Change in LAWSS ownership	(1,500,189)	(1,110,787)	1,837,520
INCREASE (DECREASE) IN NET ASSETS (DEBT)	(4,550,222)	3,441,098	(1,362,824)
NET DEBT, BEGINNING OF YEAR	(8,446,563)	(8,446,563)	(7,083,739)
NET DEBT, END OF YEAR	\$ (12,996,785)	\$ (5,005,465)	\$ (8,446,563)

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, 2016

	Actual 2016	Actual 2015
Cash provided by (used in)		
OPERATING ACTIVITIES		
Annual surplus	\$ 4,440,629	\$ 2,404,673
ITEMS NOT INVOLVING CASH		
Amortization of tangible capital assets	4,922,762	4,867,830
Net book value on disposal of tangible capital assets	1,859,798	164,702
Contribution (donated) tangible capital assets	(944,000)	(61,990)
Unfunded liabilities for benefits	15,083	41,868
CHANGE IN NON-CASH ASSETS AND LIABILITIES		
Prepaid expenses	186,385	(191,073)
Inventories of material and supplies	(11,480)	7,195
Deferred revenue	(189,190)	309,590
Taxes receivable	90,225	(423,802)
Accounts receivable	1,631,267	(1,369,601)
Accounts payable & accrued charges	340,835	801,011
Other Current liabilities	(42,884)	190,086
Net change in cash from operating activities	12,299,430	6,740,489
CAPITAL ACTIVITIES		
Cash used to acquire tangible capital assets	(7,051,535)	(8,430,310)
Share of LAWSS adjustment on tangible capital assets	1,149,326	(1,961,371)
Net change in cash from capital activities	(5,902,209)	(10,391,681)
INVESTING ACTIVITIES		
Decrease (increase) in long-term receivables	64,623	172,274
Increase (decrease) in note payable	-	(826,083)
Equity (decrease) increase in LAWSS due to change in ownership	(1,110,787)	1,837,520
Net change in cash from investment activities	(1,046,164)	1,183,711
FINANCING ACTIVITIES		
Proceeds from debt issuance	636,200	3,502,000
Debt repayment	(1,904,019)	(1,728,964)
Share in LAWSS Adjustment	(81,820)	200,002
Net change in cash from financing activities	(1,349,639)	1,973,038
NET CHANGE IN CASH	4,001,418	(494,443)
CASH, BEGINNING OF YEAR	3,552,964	4,047,407
CASH, END OF YEAR	\$ 7,554,382	\$ 3,552,964
Cash paid for interest	\$ 476,779	\$ 794,397
Cash received from interest	145,200	152,110

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2016

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 generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) 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 2016, the Township’s share of the System was 27.48% (2015 - 28.78%). 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, 2016

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:

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

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

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Financial Statements
Year ended December 31, 2016

(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
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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.

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, 2016

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 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. TAXES RECEIVABLE

As of December 31, 2016 the taxes receivable are as follow:

	<u>2016</u>	<u>2015</u>
Taxes receivable	\$1,215,062	\$1,318,510
Penalties and interest	130,139	116,916
	<u>\$ 1,345,201</u>	<u>\$1,435,426</u>

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:

	<u>School Boards</u>	<u>County of Lambton</u>
Taxation	\$ 8,397,872	\$10,122,066
Add: Share of payments-in-lieu of taxes	29,106	76,869
Less: Share of write offs	(145,659)	(130,466)
Less: Share of tax rebates	(39,767)	(28,396)
	<u>\$ 8,241,552</u>	<u>\$10,040,073</u>

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Financial Statements
Year ended December 31, 2016

4. 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 \$225,880 at December 31, 2016 (\$204,226 at December 31, 2015) has not been included in the Consolidated 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 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 2016 was \$751,528 (2015 - \$735,822) (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 \$5,720 million funding deficit as of December 31, 2016 (\$6,977 million deficit as of December 31, 2015) and the Plan had an actuarial value of net assets of \$81,239 million as of December 31, 2016 (\$74,947 million as of December 31, 2015.)

6. LONG-TERM RECEIVABLES

The Township has self financed ratepayers capital drainage projects in amount of \$163,545 payable over five years bearing interest rate of 6.75%.

There are two loans with the Port Lambton Athletic Association for the Vandamm Pavillon in the amount of \$7,888 and for Splash Pad project for \$20,000 bearing zero interest repayable over one more year.

Repayments over the next four years:

2017	\$ 97,707
2018	\$ 63,981
2019	\$ 19,123
2020	<u>\$ 10,622</u>
Total	<u>\$191,433</u>

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Financial Statements
Year ended December 31, 2016

7. 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>2016</u>	<u>2015</u>
Long-term debt issued by the Corporation of the County of Lambton at interest of 7.95% to 8.00 % maturing May 2017	\$ 894,978	\$ 1,805,827
Long-term debt issued with Infrastructure Ontario at an interest rate of 4.58% maturing March 2016	-	40,880
Long-term debt issued with Infrastructure Ontario at an interest rate of 4.36% maturing June 2018	76,517	124,847
Long-term debt issued with Infrastructure Ontario at an interest rate of 2.77% maturing January 2023	1,702,045	1,937,925
Long-term debt issued with Infrastructure Ontario at an interest rate of 4.69% maturing November 2029	749,008	790,038
Long-term debt issued with Infrastructure Ontario at an interest rate of 4.84% maturing March 2026	456,889	493,988
Long-term debt issued with Canada Mortgage and Housing Corporation at an interest rate of 3.91% maturing June 2030	6,593,222	6,942,250
Long-term debt issued with Infrastructure Ontario at an interest rate of 2.01% maturing May 2025	3,020,290	3,343,033
Long-term debt issued with Infrastructure Ontario at an interest rate of 2.01% maturing May 2025	636,200	-
Net long-term liabilities, end of year	\$ 14,129,149	\$15,478,788
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 2016 to 2025	232,991	267,257
Total long-term liabilities, end of year	\$ 14,362,140	\$15,746,045

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Financial Statements
Year ended December 31, 2016

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

From general municipal revenues:

2017	\$ 2,062,775
2018	1,166,251
2019	1,176,129
2020	1,205,318
2021	1,240,563
2022 – 2026	5,039,229
2027 and thereafter	2,471,875
	<u>\$ 14,362,140</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, 2016 is \$232,991 (2015 - \$267,257), 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 \$476,779 (2015 - \$794,396). The long-term liabilities bear interest at rates ranging from 2.77% to 8.0%.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
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8. 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 \$15,083 for 2016 (2015 - \$41,868) which is composed of current service of \$68,960 (2015 - \$66,628), interest of \$63,884 (2015 - \$62,965) and amortization of gains and losses of \$1,764 (2015 - \$1,764) less payment by the Township \$119,525 (2015 - \$89,489). The most recent full actuarial valuation report was prepared on March 17, 2017 (with an effective date of December 31, 2016.)

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% (2015 - 3.5%)
- b) an annual increase in health and dental care cost of 3.5% (2015- 3.5%)
- c) rate of compensation increase of 3.0% (2015 – 3.0%)
- d) in addition to the annual increase, inflation of 3.0% (2015 – 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 assumptions at the year-end date is presented below.

	2016	2015
Accrued benefit as of January 1	\$1,834,672	\$1,792,804
Expense in period	134,608	131,357
Employer contribution	<u>(119,525)</u>	<u>(89,489)</u>
Projected accrued benefit as of December 31	<u>\$1,849,755</u>	<u>\$1,834,672</u>

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Financial Statements
Year ended December 31, 2016

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 27.48% (2015 – 28.78%) proportionate interest as follows:

	<u>2016</u>	<u>2015</u>
Cash	\$1,138,416	\$1,117,741
Accounts receivable	43,878	96,348
Accounts payable	(335,184)	(260,709)
	847,110	953,380
Long term debt	(894,978)	(1,805,657)
Tangible capital assets	24,290,971	25,416,946
Accumulated surplus	24,243,103	24,564,669
Total revenues	\$2,823,783	\$2,984,247
Total expenses	2,034,561	2,457,674
Annual surplus	\$ 789,222	\$ 526,573

10. EXPENDITURE BY OBJECT

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

	<u>2016</u>	<u>2015</u>
Wages and employee benefits	\$ 7,075,337	\$ 6,897,757
Materials	6,336,471	6,365,681
Contracted services	8,543,415	9,421,490
Rent and other charges	103,936	114,306
Amortization	4,922,762	4,867,830
Interest on long-term debt	476,779	798,994
	\$27,458,700	\$ 28,466,058

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Financial Statements
Year ended December 31, 2016

11. BUDGET DATA

Budget data presented in these consolidated financial statements are based upon the 2016 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 expenses include amortization expense in the amount of \$2,835,008.

	Township Approved Budget	PSAB Adjustment for Consolidated Entities	Budget Per Financial Statements
General revenues	\$29,682,415	\$143,000	\$29,825,415
General expenses	(26,780,407)	(210,000)	(26,990,407)
Annual Surplus (Deficit)	\$2,902,008	\$ (67,000)	\$2,835,008

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.

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
Consolidated Financial Statements
Year ended December 31, 2016

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, street lights, 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.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Consolidated Financial Statements
Year ended December 31, 2016

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.

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, 2016 the contract has increased to an annual cost of \$412,164 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.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Notes to the Consolidated Financial Statements

Year ended December 31, 2016

15. CONTINGENCIES

Legal action has been undertaken against the Township relating to sanitary contract work in the amount of \$1,270,000. The outcome of these actions is not presently determinable. The outcome and the amount of contingent loss, if any, cannot be determined at this time. No provision has been reflected in these financial statements related to these claims.

16. BANK INDEBTEDNESS

An operating line of credit was available by way of bank overdraft in the amount of \$5,000,000 as of December 31, 2016 (\$5,000,000 December 31, 2015). 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, 2016 is \$Nil.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

**Consolidated Schedule of Deferred Revenues
Year ended December 31, 2016**

Schedule 1

	Balance, Beginning of 2016	Increase in Deferred Revenues		Total	Decreases in Deferred Revenues		Balance, End of 2016
		Interest	Development Charges		To Operations	To Capital Acquisitions	
Payments-in-lieu of park land	54,065	655	655	655	3,230	3,230	51,490
Development charges	771,201	8,310	178,140	186,450	17,242	355,823	584,586
Total for 2016	825,266	8,965	178,140	187,105	17,242	359,053	636,076

	Balance, Beginning of 2015	Increase in Deferred Revenues		Total	Decreases in Deferred Revenues		Balance, End of 2015
		Interest	Development Charges		To Operations	To Capital Acquisitions	
Payments-in-lieu of park land	39,448	233	34,344	34,577	19,960	19,960	54,065
Development charges	476,228	3,109	317,132	320,241	5,308	19,960	771,201
Total for 2015	515,676	3,342	351,476	354,818	5,308	39,920	825,266

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, 2016

Schedule 2

	General				Infrastructure			Work in Progress	Total 2016
	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Transportation and Storm	Water		
COST									
Balance, beginning of year	7,089,223	6,180,182	14,221,505	2,555,707	4,836,602	80,868,421	122,319,709	52,558,403	296,521,851
Add: Share in LAWSS Adjustment						(1,692,714)			(1,692,714)
Add: Additions during the year		72,201	631,364	235,065	4,026,185	2,656,867	2,978,345	1,943,874	7,051,535
Less: Disposals during the year				46,918		2,598,896	2,362		2,648,176
Other Contribution from Developer						512,722	121,520	309,758	944,000
BALANCE, END OF YEAR	7,089,223	6,252,383	14,852,869	2,743,854	8,662,787	81,439,114	123,724,488	54,812,035	300,176,496
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	2,194,447	5,405,232	1,503,650	2,616,869	34,910,565	33,823,212	9,316,973	89,770,948
Add: Share in LAWSS Adjustment						(543,388)			(543,388)
Add: Amortization during the year		223,974	382,622	169,230	255,149	1,594,981	1,533,178	763,628	4,922,762
Less: Accumulated amortization on disposals				37,537		749,100	1,741		788,378
BALANCE, END 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
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	7,089,223	3,833,962	9,065,015	1,108,511	5,790,769	45,682,668	88,913,237	44,731,434	206,814,552

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, 2015

Schedule 2

	General				Infrastructure			Work in Progress	Total 2015	
	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Transportation and Storm	Water			Wastewater
COST										
Balance, beginning of year	7,089,223	5,632,246	13,510,421	2,450,317	4,592,087	79,950,429	118,716,957	52,070,493	1,933,497	286,045,670
Add: Share in LAWSS Adjustment							2,837,317			2,837,317
Add: Additions during the year		547,936	711,084	145,905	70,547	1,545,064	778,237	472,935	4,158,602	8,430,310
Less: Disposals during the year				40,515	126,032	639,092	47,797			853,436
Other Contribution from Developer						12,020	34,995	14,975		61,990
BALANCE, END OF YEAR	7,089,223	6,180,182	14,221,505	2,555,707	4,636,602	80,868,421	122,319,709	52,558,403	6,092,099	296,521,851
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	1,994,562	5,050,304	1,376,300	2,556,802	33,754,323	31,418,261	8,565,354	-	84,715,906
Add: Share in LAWSS Adjustment							875,946			875,946
Add: Amortization during the year		199,885	354,928	161,865	186,099	1,639,705	1,573,729	751,619		4,867,830
Less: Accumulated amortization on disposals				34,515	126,032	483,463	44,724			688,734
BALANCE, END OF YEAR	-	2,194,447	5,405,232	1,503,650	2,616,869	34,910,565	33,823,212	9,316,973	-	89,770,948
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	7,089,223	3,985,735	8,816,273	1,052,057	2,019,733	45,957,856	88,496,497	43,241,430	6,092,099	206,750,903

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, 2016

Schedule 3

	2016	2015
Reserves		
Working Capital	\$ 643,500	\$ 643,500
Election	22,000	11,000
General operating reserve	151,801	(141,598)
Tax Supplementary billing		1,291,423
Capital expenditures	6,408,561	5,783,236
Water distribution	4,397,113	4,697,137
Water distribution LAWSS	847,110	953,380
Sanitary Sewage system	756,357	1,463,529
Uncollectible taxes	114,885	113,475
Insurance claim	27,585	27,245
St. Clair Parkway	1,070,269	573,655
Total Reserves	14,439,181	15,415,982
Surplus		
Invested in tangible capital assets General	67,002,941	66,796,171
Invested in tangible capital assets LAWSS	23,395,994	23,611,118
Invested in tangible capital assets Water	64,672,218	64,803,640
Invested in tangible capital assets Sanitary	37,614,251	36,061,184
Local Boards	179,477	147,671
Unfunded Post employment benefits	(1,849,755)	(1,834,672)
Deficit	(3,435,898)	(6,312,527)
Total Surplus	187,579,228	183,272,585
ACCUMULATED SURPLUS	\$ 202,018,409	\$ 198,688,567

MOORE MUSEUM
CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Statement of Revenue & Expenditures
Year ended December 31, 2016

	2016 Budget (Unaudited)	2016 Actual	2015 Budget (Unaudited)	2015 Actual
REVENUE				
Ministry of Culture, Tourism and Recreation				
Operating grant	\$ 17,340	\$ 17,340	\$ 17,340	17,340
Other grants	2,363	3,904	2,310	5,222
Museum revenue				
Admissions, proceeds and donations	21,308	24,639	19,900	26,789
Net sales	2,700	3,052	2,500	2,707
Municipal contribution	256,540	217,436	235,802	205,056
	300,251	266,371	277,852	257,114
EXPENDITURES				
Advertising	6,795	6,333	6,450	6,679
Amortization	4,596	4,596	4,951	4,596
Building maintenance	7,275	5,033	7,135	6,156
Capital expenditures	46,931	16,158	33,067	15,987
Gift Shop	1,200	1,415	1,100	1,051
Ground maintenance	8,520	13,265	7,500	8,520
Insurance	5,250	3,415	3,700	5,241
Janitorial service and supplies	1,300	1,266	13,240	5,439
Membership	600	570	550	583
Mileage	900	507	800	773
Office and miscellaneous	8,670	9,934	8,500	8,159
Postage and delivery	1,000	806	1,000	826
Salaries, wages and benefits	186,532	184,564	169,640	174,644
Seminars, education and training	1,400	948	1,200	1,171
Supplies	9,282	8,439	9,019	8,406
Utilities	10,000	9,124	10,000	8,883
	\$ 300,251	\$ 266,371	\$ 277,852	\$ 257,114
Excess of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -

SOMBRA MUSEUM
CORPORATION OF THE TOWNSHIP OF ST. CLAIR
Statement of Revenue & Expenditures
Year ended December 31, 2016

	2016 Budget (Unaudited)	2016 Actual	2015 Budget (Unaudited)	2015 Actual
Revenues				
Ministry of Culture, Tourism and Recreation	\$ 2,946	2,946	\$ 2,946	2,946
Federal Grant	5,000	4,737	5,000	5,280
County Grant		1,075		
Museum revenue				
Admissions, membership, proceeds and donations	3,696	3,318	3,945	2,600
Events	2,500	1,760	2,600	3,344
Interest Income	100	338	100	140
Municipal contribution	83,750	81,429	81,581	74,584
	<u>\$ 97,992</u>	<u>\$ 95,603</u>	<u>\$ 96,172</u>	<u>\$ 88,894</u>
Expenditures				
Wages & Benefit	\$ 45,350	\$ 44,638	\$ 51,384	\$ 44,824
Advertising and membership	2,700	2,633	1,400	2,092
Amortization	12,600	13,585	12,588	13,585
Capital	10,000	9,020	7,500	
Events	1,250	280	2,750	4,854
Utilities, Security and telephone	12,892	11,554	9,600	11,775
Insurance	2,600	2,773	2,600	2,809
Office Supplies & exhibits	2,700	1,757	1,550	1,018
Maintenance and supplies	7,700	7,484	6,200	9,453
Seminars & Miscellaneous	400		600	643
	<u>\$ 97,992</u>	<u>\$ 93,724</u>	<u>\$ 96,172</u>	<u>\$ 91,053</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 1,879</u>	<u>\$ -</u>	<u>\$ (2,159)</u>
Surplus balance, beginning of the year	\$ 24,510	\$ 24,510	\$ 26,669	\$ 26,669
Excess (deficiency) of revenues over expenditures for the year	<u>-</u>	<u>1,879</u>	<u>-</u>	<u>(2,159)</u>
Surplus balance, end of year	<u>\$ 24,510</u>	<u>\$ 26,389</u>	<u>\$ 26,669</u>	<u>\$ 24,510</u>

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

Consolidated Schedule of Segment Disclosure - Operating Revenues

Year ended December 31, 2016

Schedule 6

	Taxation	User Charges	Government Transfers	Developer Contributions	Deferred Revenues	Gain (Loss) on Sales of assets	Other	Total 2016
General Government	12,888,642	209,374	551,300		11,205	598	378,527	14,039,646
Fire		13,397	2,703		57,902		14,050	88,052
Police			93,122					93,122
Other Protection Services		104,616	57,520				32,536	194,672
Total Protection Services	-	118,013	153,345	-	57,902	-	46,586	375,846
Transportation Services		555,991	898,647	512,722		(129,921)		1,837,439
Water		5,660,492		121,520			49,083	5,831,095
Waste Water		2,510,625	11,381	309,758	289,946			3,121,710
Storm Systems		8,445						8,445
Solid Waste & diversion		866,561	101,854					968,415
Total Environmental Services	-	9,046,123	113,235	431,278	289,946	-	49,083	9,929,665
Parks and Recreation		229,822	11,708				156,774	398,304
Recreational Facilities		528,064	4,469				7,500	540,033
Golf Course		1,166,984	10,678			5,083		1,182,725
Museum		22,268	28,926				110,259	161,453
Total Recreation and Culture Services	-	1,947,118	55,781	-	-	5,083	274,533	2,282,515
Planning and Zoning		55,600	14,948					70,548
Commercial and Industrial		76,071				1,230,506		1,306,577
Campgrounds		592,655	1,576			6,000		600,231
Agriculture and Reforestation		1,357,092	99,770					1,456,862
Total Planning and Development	-	2,081,418	116,294	-	-	1,236,506	-	3,434,218
Total Revenues	12,888,642	13,958,037	1,888,602	944,000	359,053	1,112,266	748,729	31,898,329

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, 2016

Schedule 7

	Wages & Benefits	Material	Contracted Services	Rent & Finance Charges	Amortization	Inter functional Transfers	Total 2016
General Government	1,086,537	562,978	217,401	1,504	71,004	(150,257)	1,789,167
Fire	577,150	597,627	9,033	82,649	331,632	58,766	1,656,857
Police	19,565	19,565	2,095,539	18,132	43,980	(23,978)	2,153,238
Other Protection Services	55,589	86,832	263,560	84,494	5,477	7,305	503,257
Total Protection Services	632,739	704,024	2,368,132	185,275	381,089	42,093	4,313,352
Transportation Services	1,910,172	1,927,963	1,447,348	54,349	1,531,484	(790,311)	6,081,005
Water	297,346	140,397	351,751	1,137,241	1,533,178	488,409	3,948,322
Waste Water	178,204	683,529	419,474	299,224	763,628	80,432	2,425,491
Storm Systems	41,469	213,635	125,730		200,498	295,130	876,462
Solid Waste & diversion	103	24,939	935,226			30,736	991,004
Total Environmental Services	518,122	1,062,500	1,832,181	1,436,465	2,497,304	894,707	8,241,279
Health Services	8,153	8,153	4,055		13,350	4,556	30,114
Social and Family Services	31,493	31,493				724	32,217
Parks and Recreation	632,306	345,258	84,902	8,982	153,387	(56,630)	1,168,205
Recreational Facilities	965,767	796,442	76,918	4,927	162,594	(63,845)	1,942,803
Golf Course	556,703	503,153	11,692		77,923	6,975	1,156,446
Libraries	229,203	14,990	263		4,374	10,227	29,854
Museum		93,289	45		19,854	18,473	360,864
Total Recreation and Culture services	2,383,979	1,753,132	173,820	13,909	418,132	(84,800)	4,658,172
Planning and Zoning	82,496	17,004	5,300			12,000	116,800
Commercial and Industrial	50,004	42,903	2,146			2,084	97,137
Campgrounds	240,320	213,207	6,588		10,399	36,464	506,978
Agriculture and Reforestation	170,968	13,114	1,375,657			32,740	1,592,479
Total Planning and development	543,788	286,228	1,389,691	-	10,399	83,288	2,313,394
Total Expenses	7,075,337	6,336,471	7,432,628	1,691,502	4,922,762	-	27,458,700
Annual Surplus							4,440,629

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 Revenues

Year ended December 31, 2015

Schedule 8

	Taxation	User Charges	Government Transfers	Developer Contributions	Deferred Revenues	Gain (Loss) on Sales of assets	Other	Total 2015
General Government	12,694,006	339,295	648,500				369,797	14,051,598
Fire		6,491	560			11,350	6,000	24,401
Police		26,562	93,122					119,684
Other Protection Services			67,432				27,686	95,118
Total Protection Services	-	33,053	161,114	-	-	11,350	33,686	239,203
Transportation Services	1,010,389	12,020	762,218	12,020	(126,907)			1,657,720
Water		3,555,327		34,995		(3,073)	1,965,576	5,552,825
Waste Water		2,152,091	869,890	14,975				3,036,956
Storm Systems		6,626						6,626
Solid Waste & diversion		1,015,796	72,078					1,087,874
Total Environmental Services	-	6,729,840	941,968	49,970	-	(3,073)	1,965,576	9,684,261
Parks and Recreation	220,468	38,454	39,920					490,043
Recreational Facilities		557,009	1,340			3,500	187,701	687,801
Golf Course		1,098,980	5,370				129,452	1,104,350
Museum		18,651	30,799				14,943	64,383
Total Recreation and Culture Services	-	1,895,108	75,953	-	39,920	3,500	332,096	2,346,577
Planning and Zoning	39,402	15,000						54,402
Commercial and Industrial Campgrounds		463,514				5,300		468,814
Agriculture and Reforestation		589,959	531					590,490
Total Planning and Development	-	1,555,465	222,161	-	-	5,300	-	1,777,646
Total Revenues	12,694,006	12,656,025	2,827,465	61,990	39,920	(109,830)	2,701,155	30,870,731

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, 2015

Schedule 9

	Wages & Benefits	Material	Contracted Services	Rent & Finance Charges	Amortization	Inter functional Transfers	Total 2015
General Government	1,051,809	448,417	72,793	13,330	65,535	(96,988)	1,554,896
Fire	575,400	725,019	3,953	65,280	248,293	54,977	1,672,922
Police	20,027	2,432,774	2,432,774	19,069	43,980	(24,054)	2,491,796
Other Protection Services	56,761	64,481	238,674		5,477	10,072	375,465
Total Protection Services	532,161	809,527	2,675,401	84,349	297,750	40,995	4,540,183
Transportation Services	1,833,094	1,795,781	1,077,456	55,324	1,501,224	(802,351)	5,460,528
Water	274,354	230,443	1,545,151	360,063	1,573,729	471,087	4,454,827
Waste Water	178,225	603,764	1,137,909	300,531	751,619	271,658	3,243,706
Storm Systems	43,364	202,942	166,163		200,770	84,890	698,129
Solid Waste & diversion	1,093	28,053	945,001			32,262	1,006,408
Total Environmental Services	497,036	1,065,202	3,794,224	660,594	2,526,118	859,897	9,403,071
Health Services	54,494	54,494	6,419		7,126	4,270	72,309
Social and Family Services	18,915	18,915				1,167	20,082
Parks and Recreation	618,480	326,889	42,027	8,757	138,564	(45,716)	1,089,001
Recreational Facilities	994,675	765,940	32,846	6,231	170,109	(74,428)	1,895,373
Golf Course	486,644	475,858	13,166	59	67,396	5,096	1,048,219
Libraries	219,467	11,946	1,203		4,206	9,566	26,921
Museum		107,854	5,762		18,536	14,500	366,119
Total Recreation and Culture services	2,319,266	1,688,487	95,004	15,047	398,811	(90,982)	4,425,633
Planning and Zoning	82,356	25,647	57,595		59,552	10,320	235,470
Commercial and Industrial	50,004	237,662	12,395		11,714	14,157	325,932
Campgrounds	222,161	193,977	15,939			20,827	452,904
Agriculture and Reforestation	209,870	27,572	1,698,919			38,689	1,975,050
Total Planning and development	564,391	484,858	1,784,848	-	71,266	83,993	2,989,356
Total Expenses	6,897,757	6,365,681	9,506,145	828,644	4,867,830	1	28,466,058
Annual Surplus							2,404,673

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