

**The Corporation of the
City of St. Thomas
Consolidated Financial Statements
December 31, 2009**

THE CORPORATION OF THE CITY OF ST. THOMAS

Consolidated Financial Statements

Year Ended December 31, 2009

Table of Contents	PAGE
Auditors' Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations and Accumulated Surplus	3
Consolidated Statement of Change in Net Financial Assets	4
Consolidated Statement of Cash Flows	5
Notes to the Consolidated Financial Statements	6-21
Consolidated Schedule of Segment Disclosure	22-23
Schedule of Segment Disclosure	24-26
Consolidated Schedule of Tangible Capital Assets	27-28

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of St. Thomas

We have audited the consolidated balance sheet of **The Corporation of the City of St. Thomas** as at December 31, 2009 and the consolidated statement of operations and changes in cash flow for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the City of St. Thomas as at December 31, 2009 and the results of its operations and changes in cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

St. Thomas, Ontario
October 24, 2010

Graham Scott Enns LLP
CHARTERED ACCOUNTANTS
Licensed Public Accountants

THE CORPORATION OF THE CITY OF ST. THOMAS

Consolidated Statement of Financial Position December 31, 2009

	2009	(restated Note 2) 2008
	<u>\$</u>	<u>\$</u>
ASSETS		
Financial Assets		
Cash and short term deposits	48,674,131	47,020,177
Note receivable (Note 4)	7,714,426	7,714,426
Taxes receivable (Note 3)	1,438,440	556,013
Accounts receivable (Note 16)	7,313,104	8,683,062
Land held for resale	407,748	700,447
Investment in St. Thomas Holding Inc. (Note 11)	<u>16,659,629</u>	<u>16,306,249</u>
Total financial assets	<u>82,207,478</u>	<u>80,980,374</u>
LIABILITIES		
Deferred revenue (Note 13)	14,491,217	12,953,503
Accounts payable and accrued liabilities	8,740,624	8,865,138
Employee benefits payable (Note 9)	7,957,894	7,653,189
Net long-term liabilities (Note 7)	<u>21,900,292</u>	<u>23,413,104</u>
Total financial liabilities	<u>53,090,027</u>	<u>52,884,934</u>
NET FINANCIAL ASSETS	<u>29,117,451</u>	<u>28,095,440</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 14)	281,110,968	278,352,059
Inventories of supplies	411,623	484,277
Prepaid expenses	<u>1,074,119</u>	<u>1,020,750</u>
Total non-financial assets	<u>282,596,710</u>	<u>279,857,086</u>
ACCUMULATED SURPLUS (NOTE 8)	<u>311,714,161</u>	<u>307,952,526</u>

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

THE CORPORATION OF THE CITY OF ST. THOMAS
Consolidated Statement of Operations and Accumulated Surplus
Year Ended December 31, 2009

	Unaudited Budget	Actual	(restated Note 2) Actual
	2009	2009	2008
	\$	\$	\$
REVENUES			
Property taxation	38,675,300	38,230,118	36,987,168
Taxation from other governments	251,860	200,115	221,066
User charges and other revenues	22,097,336	22,596,923	22,144,190
Government grants	28,892,373	38,212,830	40,941,288
Development charges earned	130,000	2,222,656	599,107
Investment income	959,000	910,773	1,832,660
Penalties and interest on taxes	450,000	495,113	426,413
Developer contributions of tangible capital assets	-	2,858,813	7,661,210
St. Thomas Holdings Inc. net income	<u>500,000</u>	<u>853,380</u>	<u>701,131</u>
Total Revenues	<u>91,955,869</u>	<u>106,580,721</u>	<u>111,514,233</u>
EXPENSES			
General government	4,741,814	4,956,030	4,783,043
Protection to persons and property	17,092,945	17,693,853	17,165,662
Transportation services	4,923,337	7,825,619	8,800,686
Environmental services	9,751,648	15,655,431	14,377,715
Health service	2,308,728	4,793,824	4,346,305
Social and family services	29,035,765	36,380,655	30,972,893
Social housing	7,308,128	8,014,186	8,902,492
Recreation and cultural services	5,419,487	6,424,518	6,476,163
Planning and development	<u>867,390</u>	<u>1,074,970</u>	<u>1,083,314</u>
Total Expenses (Note 17)	<u>81,449,242</u>	<u>102,819,086</u>	<u>96,908,273</u>
ANNUAL SURPLUS	<u>10,506,627</u>	<u>3,761,635</u>	<u>14,605,960</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>307,952,526</u>	<u>307,952,526</u>	<u>293,346,566</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 8)	<u><u>318,459,153</u></u>	<u><u>311,714,161</u></u>	<u><u>307,952,526</u></u>

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

THE CORPORATION OF THE CITY OF ST. THOMAS

Consolidated Statement of Changes in Net Financial Assets Year Ended December 31, 2009

	2009	(restated Note 2) 2008
	<u>\$</u>	<u>\$</u>
ANNUAL SURPLUS	3,761,635	14,605,960
Amortization of tangible capital assets	9,140,466	9,333,262
Acquisition of tangible capital assets and assets under construction	(9,190,916)	(11,071,953)
Proceeds on disposal of tangible capital assets	95,241	76,680
Change in inventories of supplies and prepaid expenses	19,285	(626,792)
Loss (gain) on sale of tangible capital assets	55,113	59,710
Developer contributions of tangible capital assets	<u>(2,858,813)</u>	<u>(7,661,210)</u>
INCREASE IN NET FINANCIAL ASSETS	1,022,011	4,715,657
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>28,095,440</u>	<u>23,379,783</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>29,117,451</u>	<u>28,095,440</u>

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

THE CORPORATION OF THE CITY OF ST. THOMAS

Consolidated Statement of Cash Flows Year Ended December 31, 2009

	2009	(restated Note 2) 2008
	<u>\$</u>	<u>\$</u>
OPERATIONS		
Annual Surplus	3,761,635	14,605,960
Items not involving cash:		
Amortization of tangible capital assets	9,140,466	9,333,262
Loss (gain) on sale of tangible capital assets	55,113	59,710
Developer contributions of tangible capital assets	(2,858,813)	(7,661,210)
Change in employee benefits	304,705	550,241
Equity income from St. Thomas Holding Inc.	<u>(853,380)</u>	<u>(701,131)</u>
	<u>5,788,091</u>	<u>1,580,872</u>
Change in non-cash assets and liabilities:		
Taxes receivable	(882,427)	822,422
Accounts receivable	1,369,958	(1,461,206)
Land held for resale	292,699	(30,128)
Prepaid expenses and inventories of supplies	19,285	(626,792)
Accounts payable and accrued liabilities	(124,514)	172,604
Deferred revenue - obligatory reserve funds	<u>1,537,714</u>	<u>599,197</u>
	<u>2,212,715</u>	<u>(523,903)</u>
Net change in cash from operations	<u>11,762,441</u>	<u>15,662,929</u>
INVESTING		
Tangible capital asset and assets under construction additions	(9,190,916)	(11,071,953)
Proceeds on sale of tangible capital assets	95,241	76,680
Dividends from St. Thomas Holding Inc. (Note 11)	<u>500,000</u>	<u>500,000</u>
Net change in cash from investing	<u>(8,595,675)</u>	<u>(10,495,273)</u>
FINANCING		
Long-term debt principal repayment	<u>(1,512,812)</u>	<u>(1,510,608)</u>
Net change in cash from financing	<u>(1,512,812)</u>	<u>(1,510,608)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,653,954	3,657,048
OPENING CASH AND CASH EQUIVALENTS	<u>47,020,177</u>	<u>43,363,129</u>
CLOSING CASH AND CASH EQUIVALENTS	<u>48,674,131</u>	<u>47,020,177</u>
SUPPLEMENTARY INFORMATION:		
Cash interest received	<u>910,773</u>	<u>1,832,660</u>
Cash interest paid	<u>1,068,910</u>	<u>1,140,770</u>

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

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

The City of St. Thomas is a municipality in the Province of Ontario. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, the Municipal Affairs Act and related legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the City of St. Thomas are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are 100% owned or controlled by the City.

Consolidated Entities

The following local boards are consolidated:

- The St. Thomas Public Library Board
- St. Thomas Economic Development Corporation
- Board of Management for the St. Thomas Downtown Improvement Area
- Elgin and St. Thomas Housing Corporation

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

Proportionate Consolidation

The Elgin-St. Thomas Health Unit, Elgin Area Primary Water Board and Elgin Area Secondary Water Board have been consolidated on a proportionate basis. The Elgin-St. Thomas Health Unit is proportionately consolidated based on the Municipalities share of contributions which amount to 41%. The Elgin Area Primary Water Board and Elgin Area Secondary Water Board are proportionately consolidated based upon the water flow used by our Municipality in proportion to the entire flows provided by the joint boards. This amounts to 30.92% and 53.57% respectively.

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Accounting

The investment in St. Thomas Holding Inc. (a Government Business Enterprise) is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the City, and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual income or loss of St. Thomas Holding Inc. in its consolidated statement of operations with corresponding increase or decrease in its investment asset account. Any dividends that the City may receive from St. Thomas Holding Inc. will be reflected as a reduction in the investment asset account.

Accounting for School Board Transactions

Although the City collects taxation on behalf of the School Boards, the taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these statements.

Trust Funds

Trust funds and their related operations administered by the City are not included in these consolidated financial statements.

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues in the financial period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined. Any amount received but restricted is recorded as deferred revenue in accordance with Section 3100 of the Public Sector Accounting Handbook and recognized as revenue in the period in which the resources are used for the purpose specified.

In addition, the Municipality periodically receives senior government capital funding in the form of infrastructure grants and receives ongoing funding from both senior levels of government as a result of an allocation of the gas tax funds.

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work. In addition, certain user charges and fees which have been collected but for which the related services have yet to be performed. Revenue is recognized in the period when the related expense are incurred, services preformed.

Investment Income

Investment income is reported as revenue in the period earned. When required by funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

Cash equivalents

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

Land Held for Resale

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

Employee benefit plans

The City accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by the employees based on the length of service and pay rates. Employee benefits include post employment benefits. Post employment benefits are subject to actuarial valuations and are accrued in accordance with the projected benefit method, prorated on service and management's best estimate of salary escalation and retirement ages of employees. Any actuarial gains and losses related to past service of employees are amortized over the expected average remaining service period.

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

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

i) 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 are amortized on a straight-line basis over their estimated useful lives as follows:

Building and components	40 years
Vehicles	10 to 20 years
Machinery and equipment	5 to 10 years
Land improvements	10 to 50 years
Plants and facilities	20 to 75 years
Roads	5 to 30 years
Bridges and other structures	15 to 50 years
Underground and other networks	15 to 150 years

Annual amortization is charged in the year of acquisition based on a pro-rated calculation from the first day of the month following acquisition or in-service date and a similar pro-rated calculation of amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of tangible capital assets

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

iii) Leased tangible capital assets

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv) Inventories

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

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v) Works of art and cultural and historic assets

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

vi) Interest capitalization

The city includes interest in the costs associated with the acquisition or construction of tangible capital assets if temporary third party debt is used for the related acquisition or construction.

Tax Revenues

In 2009 the City received \$ 38,430,233 (2008 - \$37,208,234) in property tax revenues for municipal purposes. The authority to levy and collect property taxes is established under the Municipal Act 2001, the Assessment Act, the Education Act, and other legislation.

The amount of the total annual property tax levy is determined each year through Council's approval of the annual budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council-approved policies, in order to raise the revenue required to meet operating budget requirements. Education tax rates are established by the Province each year in order to fund costs of education on a Province-wide basis.

Taxation revenues are recorded at the time billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The City may receive supplementary assessment rolls over the course of the year from MPAC that identify new or omitted assessments. Property taxes for these supplementary/omitted amounts are then billed according to the approved tax rate for the property class.

Taxation revenues in any year may also be reduced as a result of reductions in assessment value rising from assessment and/or tax appeals. Each year, an amount is identified to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals or other deficiencies in tax revenue (e.g. uncollectible amounts, write-offs, etc.).

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits.

In addition, the City's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical costs and useful lives of tangible capital assets.

Actual results could differ from these estimates.

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

2. CHANGE IN ACCOUNTING POLICIES

The City has implemented Public Sector Accounting Board (PSAB) sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible assets on their financial statements. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction.

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The City applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement or reproduction cost, the non-residential building construction price index (NRBCP) and the consumer price index (CPI) were used as a resource for determining appropriate indices in order to deflate the replacement or reproduction cost to an estimated historical cost at the year of acquisition.

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

Accumulated surplus at January 1, 2008

Operating fund balance	2,278,615
Capital fund balance	9,686,686
Reserves balance	17,236,544
Reserve fund balance	2,430,490
Investment in St. Thomas Holding Inc.	23,819,544
Amounts to be recovered	<u>(31,829,127)</u>
Accumulated surplus, as previously reported	23,622,752
Net book value of tangible capital assets recorded	269,088,547
Land held for resale	<u>635,267</u>
Accumulated surplus, as restated	<u>293,346,566</u>

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

2. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

Annual surplus for 2008:

Net revenues, as previously reported	5,312,320
Amortization expense not previously expensed	(9,333,262)
Loss on disposal of tangible capital assets	(59,710)
Tangible capital assets capitalized but previously expensed	11,071,953
Developer contribution of tangible capital assets	7,661,210
Proceeds on disposal of tangible capital assets reported as revenue	(76,680)
Change of land held for resale	<u>30,129</u>
Annual surplus, as restated	<u>14,605,960</u>

3. TAXES RECEIVABLE

Taxes receivable are reported net of allowance for doubtful accounts. Balances as at December 31 were as follows:

	2009 <u>\$</u>	2008 <u>\$</u>
Taxes receivable	2,222,340	989,107
Penalties and interest	331,851	232,657
Allowance for doubtful accounts	<u>(1,115,751)</u>	<u>(665,751)</u>
	<u>1,438,440</u>	<u>556,013</u>

4. NOTE RECEIVABLE

The note arose on Nov. 7, 2000 as a result of restructuring of the St. Thomas Public Utilities Commission under Bill 35. The note is receivable from St. Thomas Energy Inc., is interest only, payable semi-annual at 7.25% and is due December 2010. Annual interest of \$559,296 was received on this loan in 2009.

5. TRUST FUNDS

Trust funds administered by the City amounting to \$219,848 (2008 - \$167,975) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's financial position or financial activities.

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

6. OPERATION OF SCHOOL BOARDS

During 2009 the amounts billed and remitted are summarized below:

	2009 \$	2008 \$
Property taxation	12,394,420	12,428,098
Share of payments in lieu of taxes	<u>-</u>	<u>-</u>
Amounts requisitioned	<u><u>12,394,420</u></u>	<u><u>12,428,098</u></u>

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

7. NET LONG-TERM LIABILITIES

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

	2009 \$	2008 \$
Long-term liabilities incurred by the municipality and outstanding at the end of the year amount to	19,923,840	21,272,817
Long-term liabilities assumed by the city	<u>1,976,452</u>	<u>2,140,287</u>
Total long-term liabilities at the end of the year	<u><u>21,900,292</u></u>	<u><u>23,413,104</u></u>

Principal repayments are summarized as follows:

Recoverable From	2010 \$	2011 \$	2012 \$	2013 \$	2014 \$	Beyond \$	Total \$
General taxation	1,409,575	1,472,907	1,539,095	1,608,270	1,680,566	12,213,427	19,923,840
User charges	<u>174,626</u>	<u>184,208</u>	<u>193,986</u>	<u>204,452</u>	<u>215,753</u>	<u>1,003,427</u>	<u>1,976,452</u>
	<u><u>1,584,201</u></u>	<u><u>1,657,115</u></u>	<u><u>1,733,081</u></u>	<u><u>1,812,722</u></u>	<u><u>1,896,319</u></u>	<u><u>13,216,854</u></u>	<u><u>21,900,292</u></u>

- b) All long-term liabilities issued on or before December 31, 1992 have received approval of the Ontario Municipal Board. Long-term liabilities issued 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 repayment limit prescribed by the Ministry of Municipal Affairs and Housing. Of the above non-assumed principal balances, \$4,871,558 is repayable in monthly instalments of \$81,606 bearing interest at 4.2% and the remaining \$15,052,282 is repayable in semi-annual instalments of \$663,602 bearing interest at 4.8%.

- c) Interest expense on long-term liabilities in 2009 amounted to \$1,068,923 (2008 - \$1,140,770).

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

8. ACCUMULATED SURPLUS

The accumulated surplus balance is comprised of current fund, capital fund, equity in government business enterprises, balances in reserves and discretionary reserve funds, unfunded liabilities to be recovered in the future and investment in tangible capital assets.

	2009 <u>\$</u>	2008 <u>\$</u>
Operating fund		
General Operations	(189,984)	424,720
Sewer Operations	(222,302)	145,430
Water Operations	(213,335)	(31,164)
Elgin-St. Thomas Health Unit	21,754	37,574
Downtown Development Board (BIA)	<u>47,855</u>	<u>45,038</u>
	(556,012)	621,598
Invested in tangible capital assets	281,110,968	278,352,059
Capital fund	10,905,978	10,451,840
Equity in government business enterprise	24,374,055	24,020,675
Reserves	22,633,913	22,475,246
Reserve funds	<u>3,087,209</u>	<u>3,051,011</u>
	341,556,111	338,972,429
UNFUNDED		
Employee benefits payable	(7,941,658)	(7,606,799)
Net long-term debt	<u>(21,900,292)</u>	<u>(23,413,104)</u>
ACCUMULATED SURPLUS	<u><u>311,714,161</u></u>	<u><u>307,952,526</u></u>
Reserves and reserve funds consist of the following:		
Reserves set aside for specific purposes by Council:		
- for working capital and contingencies	5,823,335	4,401,714
- for human resource issues	1,271,565	1,105,812
- for social and family services	1,212,359	1,849,043
- for acquisition of tangible capital assets		
general operations	6,342,526	9,180,684
sewer operations	<u>7,984,128</u>	<u>5,937,993</u>
Total reserves	<u><u>22,633,913</u></u>	<u><u>22,475,246</u></u>
Reserve funds set aside for specific purposes by Council and Joint Boards:		
- general operations	15,231	10,231
- water operations	3,051,141	3,019,943
- for human resource issues	<u>20,837</u>	<u>20,837</u>
Total reserve funds	<u><u>3,087,209</u></u>	<u><u>3,051,011</u></u>

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

9. EMPLOYEE BENEFITS PAYABLE

Employee future benefits are liabilities of the Corporation to its employees and early retirees for benefits earned but not taken as at December 31, 2009. Details are as follows:

		2009	2008
		\$	\$
Future payments required to WSIB	a)	2,341,415	2,259,147
Accumulated sick leave benefit plan entitlements	b)	1,697,457	1,616,016
Post employment and retirement benefits	c)	<u>3,919,022</u>	<u>3,778,026</u>
		<u>7,957,894</u>	<u>7,653,189</u>

a) Future payment required to WSIB

With respect to responsibilities under provisions of the Workplace Safety and Insurance Board Act, the city has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. The actuarial report was updated in 2009.

The benefit obligation continuity is as follows:

	2009	2008
	\$	\$
Accrued benefit obligation, January 1	2,478,987	2,389,952
Expense	376,797	336,757
Payment	(337,385)	(247,722)
Actuarial gain due to revaluation	<u>-</u>	<u>-</u>
Actual accrued benefit obligation	2,518,399	2,478,987
Less: unamortized actuarial gains and loss (straight-line, ten years)	<u>(176,984)</u>	<u>(219,840)</u>
Accrued benefit obligation, December 31	<u>2,341,415</u>	<u>2,259,147</u>

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

9. EMPLOYEE BENEFITS PAYABLE (CONTINUED)

b) Liability for vested sick leave benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Corporation's employment. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, death or retirement, amounted to \$1,697,457 (2008 - \$1,616,016) at the end of the year. An amount of \$108,063 (2008 - \$29,109) was paid to employees who left the Corporation's employment during the current year.

c) Post employment and retirement benefits

The Corporation provides certain employee medical and life insurance benefits on behalf of its retired and current employees.

Significant assumptions are as follows:

General Inflation	3.0%
Discount rate	6.0%
Rate of compensation increase	4.0%
Healthcare cost increase	5.0% - 10%
Dental cost increase	5.0%

The benefit obligation continuity is as follows:

	2009 \$	2008 \$
Accrued benefit obligation, January 1	3,778,026	3,634,769
Expense	389,853	373,002
Payment	<u>(248,857)</u>	<u>(229,745)</u>
Accrued benefit obligation, December 31	3,919,022	3,778,026
Amounts previously funded from current fund	<u>(16,235)</u>	<u>(129,698)</u>
Unfunded benefit obligation, December 31	<u><u>3,902,787</u></u>	<u><u>3,648,328</u></u>

10. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of approximately 448 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 2009 was \$2,032,130 (2008 - \$1,882,326).

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

11. INVESTMENT IN ST. THOMAS HOLDING INC.

The City of St. Thomas owns 100% of St. Thomas Holding Inc. which in turn owns 100% of St. Thomas Energy Inc., St. Thomas Energy Services Inc., 2154310 Ontario Inc., Tiltran Services Inc., Tal Trees Inc. and Lizco Sales Inc. As business enterprises of the City of St. Thomas, they are accounted for on a Modified Equity basis in these financial statements. The Corporations are involved in the electricity distribution for the city's residents, sub-station construction/maintenance and transformer sales. The following table provides condensed supplementary financial information for the Corporation for the year ended December 31:

	2009	2008
	\$	\$
Financial Position:		
Current assets	21,113,336	19,384,282
Capital assets	23,799,929	23,388,248
Deferred charges and other assets	4,226,814	695,164
Total assets	49,140,079	43,467,694
Current liabilities	24,575,207	13,331,403
Other long-term liabilities	7,905,243	13,830,042
Total Liabilities	32,480,450	27,161,445
Net Assets	16,659,629	16,306,249
Results of operations:		
Revenues	52,934,554	47,614,298
Operating expenses	52,081,174	46,913,167
Net income	853,380	701,131

Total dividends received in the year from St. Thomas Holding Inc. was \$500,000.

12. SOCIAL HOUSING ADMINISTRATION

On July 26, 2002 the Ministry of Municipal Affairs and Housing issued a letter of direction for the treatment of the debentures relating to the properties transferred to the Local Housing Corporations on January 1, 2001. As these debentures were unsecured and could not be transferred by the Province to the Local Housing Corporation or the Service Manager, the Ministry's position is not to treat these debentures as a liability of the Local Housing Corporation. Further, the Ministry will fund these debenture payments from Federal social housing funds. The outstanding debentures related to the housing corporation will continue to be disclosed in the notes to the financial statements as well as any debenture payments made on behalf of the corporation by the Ministry. As at December 31, 2009 the outstanding debentures totalled \$3,864,986 (2008, \$4,054,010) and \$535,009 in Ministry funding was applied to the debenture payment of \$518,524 paid in the year.

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

13. DEFERRED REVENUE

A requirement of the PSAB recommendations is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the City are summarized below:

	2009	2008
	\$	\$
Development Charges	10,273,744	10,939,738
Parkland	9,514	44,361
Parking	617	611
Federal and Provincial gas taxes	3,342,293	1,136,161
Other	865,049	832,632
	<u>14,491,217</u>	<u>12,953,503</u>

14. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2009	2008
	\$	\$
General		
Land	11,829,911	11,599,993
Buildings	38,978,950	39,270,281
Vehicles	2,703,728	2,133,919
Machinery and equipment	550,831	516,770
Land improvements	5,970,232	5,616,516
Infrastructure		
Plants and facilities	10,803,486	11,477,267
Roads	27,808,979	24,943,453
Underground and other networks	169,105,030	167,509,633
Machinery and equipment	4,622,147	4,527,825
	272,373,294	267,595,657
Assets under construction	<u>8,737,674</u>	<u>10,756,402</u>
	<u>281,110,968</u>	<u>278,352,059</u>

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 1).

During the year there were no write-downs of assets (2008 - \$nil). In addition, roads and underground networks contributed to the Municipality totalled \$2,858,813 (2008 - \$7,661,210) and were capitalized at their fair value at the time of receipt.

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

15. CONTINGENT LIABILITIES

As at December 31, 2009 certain legal actions are pending against the municipality. An estimate of any contingency cannot be made since the outcome of these matters is indeterminate at this time.

16. RELATED PARTY TRANSACTIONS

During the year, the Municipality had business transactions with St. Thomas Energy Services Inc. (the Municipality's subsidiary). The Municipality has contracted St. Thomas Energy Services Inc. to provide billing and collection services for water and sewer user charges.

The particulars of these transactions and balances owing to the Municipality for the years ended December 31, was as follows:

	2009 \$	2008 \$
Transactions during the year:		
Purchase of services	<u>430,553</u>	<u>464,201</u>
Balances at end of year:		
Amounts due from St. Thomas Energy Services Inc	<u>2,024,206</u>	<u>1,999,898</u>

The above amount is included in accounts receivable on the balance sheet. In addition to the above transactions the City received interest payments totaling \$559,296 from St. Thomas Energy Inc. on its note receivable as disclosed in Note 4 and \$500,000 in dividend payments.

17. SUPPLEMENTARY INFORMATION:

	2009 \$	2008 \$
Current fund expenditures by object:		
Salaries, wages and employees benefits	38,304,765	36,476,937
Long-term debt interest expense	1,068,910	1,140,770
Materials	13,902,123	12,762,067
Contracted services	17,766,819	17,949,246
Rents and financial expenses	268,213	491,807
Amortization	9,140,466	9,333,262
External transfers	<u>22,367,790</u>	<u>18,754,184</u>
	<u>102,819,086</u>	<u>96,908,273</u>

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

18. SEGMENTED INFORMATION

The City of St. Thomas is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, public transit, and water. For management reporting purposes the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provided, are as follows.

Protection

Protection is comprised of the Police Services Board and Fire department. The mandate of the Police Services Board is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The Fire department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires.

Community Services

The Parks and Recreation department provides public services that contribute to neighbourhood development and sustainability through the provision of parks, recreation and leisure services such as fitness and aquatic programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention and protection.

The Library Services Board contributes to the information needs of the City's citizens through the provision of library services.

Planning, By-Law Enforcement and Economic Development

The Planning, Property and Development department provides a diverse bundle of services. It manages urban development for business interest, environmental concerns, heritage matters, local neighbourhoods and the downtown through city planning, community development, and parks planning. It ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-law for the protection of occupants. It facilitates economic development through its Economic Development Corporation.

Public Works

The Environmental Services department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of parking and open space, public transit and street lighting.

THE CORPORATION OF THE CITY OF ST. THOMAS

Notes to the Consolidated Financial Statements Year Ended December 31, 2009

18. SEGMENTED INFORMATION (CONTINUED)

The Water and Waste Funds

Water, stormwater and wastewater disposal is provided by the Environmental Services Department. The department provides drinking water to citizens of St. Thomas, as well as, collection and treatment of stormwater and wastewater.

Social and Family Services

The Ontario Works department provides a number of community programs including income maintenance, employment, childcare and social housing services. Assistance to aged persons is provided by the Valleyview Residence.

Finance and Administration

This segment includes a number of support functions that are responsible for maintenance of City Hall, the Clerk's department, Treasury Department and Human Resources Department.

Other funds and Corporation

This segment includes the remaining departments and activities of the Corporation. Some of the larger activities in this segment include the Airport Operations, Public Health Services, Emergency Services, Ambulance Services, Conservation authorities, Mayor and Council and Solid Waste collection and disposal.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The General Revenue Fund reports on municipal services that are funded primarily by taxation such as property and business tax revenues. Taxation and payments-in-lieu of taxes are apportioned to General Revenue Fund services based on the Fund's net surplus. Certain government transfers, transfer from other funds, and other revenues have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure and Schedule of Segment Disclosure.

19. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS FIGURES

The comparative consolidated financial statements have been reclassified from statements previously presented to reflect the restatement of items described in Note 2 as well as to conform to the presentation of the 2009 consolidated financial statements.

THE CORPORATION OF THE CITY OF ST. THOMAS

Consolidated Schedule of Segment Disclosure - Operating Revenues and Expenses December 31, 2009

	Social & Family Services \$	Planning \$	Public Works \$	Finance & Administration \$	Protection \$	Water and Waste Funds \$	Community Services \$	Other Funds & Corporation \$	Consolidated \$
REVENUES									
Taxation	8,058,707	853,188	3,641,079	3,181,445	15,099,003	-	4,106,464	3,490,347	38,430,233
Sales of services and regulatory fees	4,231,948	637,853	616,787	574,537	619,466	13,651,795	1,193,681	1,070,856	22,596,923
Government transfers	29,963,275	155,132	82,310	62,921	198,272	479,522	87,894	7,183,504	38,212,830
Other	-	-	167,819	-	-	2,858,813	-	2,091,447	5,118,079
Development charges earned	-	15,920	-	-	-	246,647	512,543	1,447,546	2,222,656
	<u>42,253,930</u>	<u>1,662,093</u>	<u>4,507,995</u>	<u>3,818,903</u>	<u>15,916,741</u>	<u>17,236,777</u>	<u>5,900,582</u>	<u>15,283,700</u>	<u>106,580,721</u>
EXPENSES									
Salaries, wages and employees benefits	10,043,531	1,034,931	970,624	2,290,090	14,977,261	2,494,258	3,506,643	2,987,427	38,304,765
Long-term debt interest expense	723,587	-	-	-	-	125,446	219,877	-	1,068,910
Materials	2,379,728	258,324	1,506,243	332,534	804,604	4,291,576	1,131,709	3,197,405	13,902,123
Contracted services	9,184,612	268,543	2,178,972	1,104,145	378,736	1,897,108	628,036	2,126,667	17,766,819
Rents, financial and other transfers	20,372,656	44,956	-	-	29,668	2,843	94,939	2,090,945	22,636,007
Amortization	439,063	-	2,598,655	7,523	315,678	4,752,225	843,314	184,004	9,140,462
	<u>43,143,177</u>	<u>1,606,754</u>	<u>7,254,494</u>	<u>3,734,292</u>	<u>16,505,947</u>	<u>13,563,456</u>	<u>6,424,518</u>	<u>10,586,448</u>	<u>102,819,086</u>
NET REVENUE BEFORE									
FINANCING AND TRANSFERS	<u>(889,247)</u>	<u>55,339</u>	<u>(2,746,499)</u>	<u>84,611</u>	<u>(589,206)</u>	<u>3,673,321</u>	<u>(523,936)</u>	<u>4,697,252</u>	<u>3,761,635</u>

THE CORPORATION OF THE CITY OF ST. THOMAS

Consolidated Schedule of Segment Disclosure - Operating Revenues and Expenses December 31, 2008

	Social & Family Services \$	Planning \$	Public Works \$	Finance & Administration \$	Protection \$	Water and Waste Funds \$	Community Services \$	Other Funds & Corporation \$	Consolidated \$
REVENUES									
Taxation	9,450,929	964,590	3,598,470	3,355,231	14,759,638	-	4,170,925	908,451	37,208,234
Sales of services and regulatory fees	4,173,496	563,766	681,641	617,050	614,285	12,806,165	1,267,523	1,420,264	22,144,190
Government transfers	26,135,866	152,823	2,893,724	-	345,779	430,721	72,216	10,910,159	40,941,288
Other	175,878	66,187	2,159,592	345,706	-	6,139,560	-	1,734,491	10,621,414
Development charges earned	-	-	276,000	-	-	242,575	80,532	-	599,107
	<u>39,936,169</u>	<u>1,747,366</u>	<u>9,609,427</u>	<u>4,317,987</u>	<u>15,719,702</u>	<u>19,619,021</u>	<u>5,591,196</u>	<u>14,973,365</u>	<u>111,514,233</u>
EXPENSES									
Salaries, wages and employees benefits	9,695,229	1,089,576	1,251,380	2,301,358	14,492,567	2,134,912	3,413,727	2,098,188	36,476,937
Long-term debt interest expense	751,325	-	-	330	-	138,348	250,767	-	1,140,770
Materials	3,661,506	246,093	1,489,894	426,310	874,774	3,919,825	1,261,453	882,212	12,762,067
Contracted services	10,395,809	270,070	2,419,024	1,104,474	298,489	1,460,546	604,525	1,396,309	17,949,246
Rents, financial and other transfers	14,885,925	70,581	-	183,000	28,879	-	91,737	3,985,869	19,245,991
Amortization	439,063	-	3,034,746	7,523	315,329	4,506,035	853,954	176,612	9,333,262
	<u>39,828,857</u>	<u>1,676,320</u>	<u>8,195,044</u>	<u>4,022,995</u>	<u>15,694,709</u>	<u>12,159,666</u>	<u>6,476,163</u>	<u>8,539,190</u>	<u>96,908,273</u>
NET REVENUE BEFORE									
FINANCING AND TRANSFERS	<u>107,312</u>	<u>71,046</u>	<u>1,414,383</u>	<u>294,992</u>	<u>24,993</u>	<u>7,459,355</u>	<u>(884,967)</u>	<u>6,434,175</u>	<u>14,605,960</u>

THE CORPORATION OF THE CITY OF ST. THOMAS

Schedule of Segment Disclosure- Operating Revenues and Expenses Year Ended December 31, 2009

	Unaudited Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
PROTECTION			
Revenue			
Taxation	15,099,003	15,099,003	14,759,638
Sales of services and regulatory fees	642,903	619,466	614,285
Government transfers	<u>180,000</u>	<u>198,272</u>	<u>345,779</u>
Total Revenues	<u>15,921,906</u>	<u>15,916,741</u>	<u>15,719,702</u>
Expenditures			
Salaries, wages and employees benefits	14,826,106	14,977,261	14,492,567
Materials	845,100	804,604	874,774
Contracted services	223,300	378,736	298,489
Rents and financial expenses	27,400	29,668	28,879
Amortization	<u>-</u>	<u>315,678</u>	<u>315,329</u>
Total Expenditures	<u>15,921,906</u>	<u>16,505,947</u>	<u>16,010,038</u>
Net Deficit	<u>-</u>	<u>(589,206)</u>	<u>(290,336)</u>
COMMUNITY SERVICES			
Revenue			
Taxation	4,106,464	4,106,464	4,170,925
Sales of services and regulatory fees	1,202,500	1,193,681	1,267,523
Government transfers	92,440	87,894	72,216
Development charges earned	<u>130,000</u>	<u>512,543</u>	<u>80,532</u>
Total Revenues	<u>5,531,404</u>	<u>5,900,582</u>	<u>5,591,196</u>
Expenditures			
Salaries, wages and employees benefits	3,547,188	3,506,643	3,413,727
Long-term debt interest expense	219,877	219,877	250,767
Materials	1,097,044	1,131,709	1,261,453
Contracted services	571,295	628,036	604,525
Rents and financial expenses	19,000	19,440	18,669
Transfer to others	77,000	75,499	73,068
Amortization	<u>-</u>	<u>843,314</u>	<u>853,954</u>
Total Expenditures	<u>5,531,404</u>	<u>6,424,518</u>	<u>6,476,163</u>
Net Surplus	<u>-</u>	<u>(523,936)</u>	<u>(884,967)</u>

THE CORPORATION OF THE CITY OF ST. THOMAS

Schedule of Segment Disclosure- Operating Revenues and Expenses Year Ended December 31, 2009

	Unaudited Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
PLANNING			
Revenue			
Taxation	853,188	853,188	964,590
Sales of services and regulatory fees	640,220	637,853	563,766
Government transfers	148,732	155,132	152,823
Other	-	-	66,187
Development charges earned	-	15,920	-
Total Revenues	1,642,140	1,662,093	1,747,366
Expenditures			
Salaries, wages and employees benefits	1,042,438	1,034,931	1,089,576
Materials	232,770	258,324	246,093
Contracted services	321,932	268,543	270,070
Rents and financial expenses	-	-	18,980
Transfer to others	45,000	44,956	51,601
Total Expenditures	1,642,140	1,606,754	1,676,320
Net Surplus (Deficit)	-	55,339	71,046
PUBLIC WORKS			
Revenue			
Taxation	3,641,079	3,641,079	3,598,470
Sales of services and regulatory fees	522,500	616,787	681,641
Government transfers	-	82,310	2,893,724
Transfer from other funds	167,819	167,819	2,159,592
Development charges earned	-	-	276,000
Total Revenues	4,331,398	4,507,995	9,609,427
Expenditures			
Salaries, wages and employees benefits	1,119,062	970,624	1,251,380
Materials	1,021,645	1,506,243	1,489,894
Contracted services	2,190,691	2,178,972	2,419,024
Amortization	-	2,598,655	3,034,746
Total Expenditures	4,331,398	7,254,494	8,195,044
Net Surplus (Deficit)	-	(2,746,499)	1,414,383

THE CORPORATION OF THE CITY OF ST. THOMAS

Schedule of Segment Disclosure- Operating Revenues and Expenses Year Ended December 31, 2009

	Unaudited Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
FINANCE AND ADMINISTRATION			
Revenue			
Taxation	3,181,445	3,181,445	3,355,231
Sales of services and regulatory fees	575,950	574,537	617,050
Government transfers	-	62,921	-
Other	-	-	345,706
Total Revenues	<u>3,757,395</u>	<u>3,818,903</u>	<u>4,317,987</u>
Expenditures			
Salaries, wages and employees benefits	2,186,050	2,290,090	2,301,358
Long-term debt interest expense	-	-	330
Materials	296,845	332,534	426,310
Contracted services	1,274,500	1,104,145	1,104,474
Transfer to others	-	-	183,000
Amortization	-	7,523	7,523
Total Expenditures	<u>3,757,395</u>	<u>3,734,292</u>	<u>4,022,995</u>
Net Surplus	<u>-</u>	<u>84,611</u>	<u>294,992</u>
SOCIAL AND FAMILY SERVICES			
Revenue			
Taxation	8,058,707	8,058,707	9,450,929
Sales of services and regulatory fees	4,638,285	4,231,948	4,173,496
Government transfers	23,643,401	29,963,275	26,135,866
Other	-	-	175,878
Total Revenues	<u>36,340,393</u>	<u>42,253,930</u>	<u>39,936,169</u>
Expenditures			
Salaries, wages and employees benefits	9,986,210	10,043,531	9,695,229
Long-term debt interest expense	723,587	723,587	751,325
Materials	2,799,254	2,379,728	3,661,506
Contracted services	7,385,228	9,184,612	10,395,809
Transfer to others	15,446,114	20,372,656	14,885,925
Amortization	-	439,063	439,063
Total Expenditures	<u>36,340,393</u>	<u>43,143,177</u>	<u>39,828,857</u>
Net Expenditures	<u>-</u>	<u>(889,247)</u>	<u>107,312</u>

THE CORPORATION OF THE CITY OF ST. THOMAS

Consolidated Schedule of Tangible Capital Assets Year Ended December 31, 2009

ASSET TYPE	Opening Historical Cost Balance Jan 1/2009	2009 Acquisitions	2009 Disposals	2009 Write-Offs	Ending Historical Cost Balance Dec 31/2009	Opening Accumulated Amortization Balance Jan 1/2009	2009 Disposals	2009 Amortization	2009 Write-Offs	Ending Accumulated Amortization Balance Dec 31/2009	Ending Net Book Value Dec 31/2009
Infrastructure Related											
Land	392,592	-	-	-	392,592	-	-	-	-	-	392,592
Buildings/Building Improvements	91,038,506	143,668	-	-	91,182,174	79,953,831	-	817,449	-	80,771,280	10,410,894
Machinery and Equipment	6,501,151	638,333	(353,483)	-	6,786,001	1,973,326	(305,480)	496,008	-	2,163,854	4,622,147
Linear - Roadways	58,749,250	5,084,488	(274,486)	-	63,559,252	33,805,797	(254,991)	2,199,467	-	35,750,273	27,808,979
Linear - Sewer and Water Services	221,656,693	5,332,265	(187,467)	-	226,801,491	54,147,060	(104,611)	3,654,012	-	57,696,461	169,105,030
Infrastructure Related Total	378,338,192	11,198,754	(815,436)	-	388,721,510	169,880,014	(665,082)	7,166,936	-	176,381,868	212,339,642
General											
Land	11,599,993	229,918	-	-	11,829,911	-	-	-	-	-	11,829,911
Land Improvements	20,457,516	637,728	-	-	21,095,244	14,841,000	-	284,012	-	15,125,012	5,970,232
Building/Building Improvements	49,117,796	1,054,011	(154,866)	-	50,016,941	9,847,515	(154,866)	1,345,342	-	11,037,991	38,978,950
Machinery and Equipment	882,969	75,231	(28,933)	-	929,267	366,199	(28,933)	41,170	-	378,436	550,831
Vehicle	3,812,646	872,815	-	-	4,685,461	1,678,727	-	303,006	-	1,981,733	2,703,728
General Total	85,870,920	2,869,703	(183,799)	-	88,556,824	26,733,441	(183,799)	1,973,530	-	28,523,172	60,033,652
Total Capital Assets Sub-Total	464,209,112	14,068,457	(999,235)	-	477,278,334	196,613,455	(848,881)	9,140,466	-	204,905,040	272,373,294
Work In Progress	10,756,402	(2,018,728)	-	-	8,737,674	-	-	-	-	-	8,737,674
Total Tangible Capital Assets	474,965,514	12,049,729	(999,235)	-	486,016,008	196,613,455	(848,881)	9,140,466	-	204,905,040	281,110,968

THE CORPORATION OF THE CITY OF ST. THOMAS

Consolidated Schedule of Tangible Capital Assets For the year ended December 31, 2008

ASSET TYPE	Opening Historical Cost Balance Jan 1/2008	2008 Acquisitions	2008 Disposals	2008 Write-Offs	Ending Historical Cost Balance Dec 31/2008	Opening Accumulated Amortization Balance Jan 1/2008	2008 Disposals	2008 Amortization	2008 Write-Offs	Ending Accumulated Amortization Balance Dec 31/2008	Ending Net Book Value Dec 31/2008
<u>Infrastructure Related</u>											
Land	392,592	-	-	-	392,592	-	-	-	-	-	392,592
Buildings/Building Improvements	91,036,898	1,608	-	-	91,038,506	78,897,718	-	1,056,113	-	79,953,831	11,084,675
Machinery and Equipment	5,738,702	1,219,967	(457,518)	-	6,501,151	1,843,740	(321,129)	450,715	-	1,973,326	4,527,825
Linear - Roadways	55,883,936	2,865,314	-	-	58,749,250	31,464,135	-	2,341,662	-	33,805,797	24,943,453
Linear - Sewer and Water Services	<u>213,507,761</u>	<u>8,148,932</u>	<u>-</u>	<u>-</u>	<u>221,656,693</u>	<u>50,688,595</u>	<u>-</u>	<u>3,458,465</u>	<u>-</u>	<u>54,147,060</u>	<u>167,509,633</u>
Infrastructure Related Total	<u>366,559,889</u>	<u>12,235,821</u>	<u>(457,518)</u>	<u>-</u>	<u>378,338,192</u>	<u>162,894,188</u>	<u>(321,129)</u>	<u>7,306,955</u>	<u>-</u>	<u>169,880,014</u>	<u>208,458,178</u>
<u>General</u>											
Land	11,155,591	444,402	-	-	11,599,993	-	-	-	-	-	11,599,993
Land Improvements	20,434,466	23,050	-	-	20,457,516	14,397,893	-	443,107	-	14,841,000	5,616,516
Building/Building Improvements	47,063,831	2,053,965	-	-	49,117,796	8,558,274	-	1,289,241	-	9,847,515	39,270,281
Machinery and Equipment	865,951	17,018	-	-	882,969	306,302	-	59,897	-	366,199	516,770
Vehicle	<u>3,725,214</u>	<u>87,432</u>	<u>-</u>	<u>-</u>	<u>3,812,646</u>	<u>1,444,665</u>	<u>-</u>	<u>234,062</u>	<u>-</u>	<u>1,678,727</u>	<u>2,133,919</u>
General Total	<u>83,245,053</u>	<u>2,625,867</u>	<u>-</u>	<u>-</u>	<u>85,870,920</u>	<u>24,707,134</u>	<u>-</u>	<u>2,026,307</u>	<u>-</u>	<u>26,733,441</u>	<u>59,137,479</u>
Total Capital Assets Sub-Total	<u>449,804,942</u>	<u>14,861,688</u>	<u>(457,518)</u>	<u>-</u>	<u>464,209,112</u>	<u>187,601,322</u>	<u>(321,129)</u>	<u>9,333,262</u>	<u>-</u>	<u>196,613,455</u>	<u>267,595,657</u>
Work In Progress	<u>6,884,927</u>	<u>3,871,475</u>	<u>-</u>	<u>-</u>	<u>10,756,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,756,402</u>
Total Tangible Capital Assets	<u>456,689,869</u>	<u>18,733,163</u>	<u>(457,518)</u>	<u>-</u>	<u>474,965,514</u>	<u>187,601,322</u>	<u>(321,129)</u>	<u>9,333,262</u>	<u>-</u>	<u>196,613,455</u>	<u>278,352,059</u>