

**The Corporation of the  
City of St. Thomas  
Consolidated Financial Statements  
December 31, 2011**

# **THE CORPORATION OF THE CITY OF ST. THOMAS**

## **Consolidated Financial Statements**

**For the Year Ended December 31, 2011**

---

<b>Table of Contents</b>	<b>PAGE</b>
Independent 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	6-20
Consolidated Schedule of Segment Disclosure	21-22
Schedule of Segment Disclosure	23-25
Consolidated Schedule of Tangible Capital Assets	26-27



## **INDEPENDENT AUDITORS' REPORT**

To the Members of **The Corporation of the City of St. Thomas** :

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of **The Corporation of the City of St. Thomas**, which comprise the consolidated statement of financial position as at December 31, 2011, and the consolidated statements of operations, and changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### **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 whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position of **The Corporation of the City of St. Thomas** as at December 31, 2011, and the consolidated statements of operations, and changes in net financial assets for the year then ended in accordance with Canadian accounting standards for public sector entities.

St. Thomas, Ontario

June 18, 2012

*Graham Scott Enns LLP*  
**CHARTERED ACCOUNTANTS**  
Licensed Public Accountants



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Consolidated Statement of Financial Position As at December 31, 2011

---

	2011 <u>\$</u>	2010 <u>\$</u>
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and short term deposits	51,892,127	49,564,105
Note receivable (Note 3)	7,714,426	7,714,426
Taxes receivable (Note 2)	1,743,945	1,890,604
Accounts receivable (Note 15)	9,995,800	8,555,426
Land held for resale	457,872	449,315
Investment in St. Thomas Holding Inc. (Note 10)	<u>15,317,700</u>	<u>16,744,130</u>
<b>Total financial assets</b>	<u>87,121,870</u>	<u>84,918,006</u>
<b>LIABILITIES</b>		
Deferred revenue (Note 12)	19,906,852	17,965,230
Accounts payable and accrued liabilities	13,349,278	9,608,700
Employee benefits payable (Note 8)	8,936,466	8,841,811
Net long-term liabilities (Note 6)	<u>18,658,823</u>	<u>20,315,916</u>
<b>Total financial liabilities</b>	<u>60,851,419</u>	<u>56,731,657</u>
<b>NET FINANCIAL ASSETS</b>	<u>26,270,451</u>	<u>28,186,349</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 13)	299,901,927	285,225,894
Inventories of supplies	469,319	485,702
Prepaid expenses	<u>997,616</u>	<u>1,203,158</u>
<b>Total non-financial assets</b>	<u>301,368,862</u>	<u>286,914,754</u>
<b>ACCUMULATED SURPLUS (NOTE 7)</b>	<u>327,639,313</u>	<u>315,101,103</u>

---

The accompanying notes are an integral part of these financial statements



**THE CORPORATION OF THE CITY OF ST. THOMAS**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**For the Year Ended December 31, 2011**

	Unaudited Budget 2011 \$	Actual 2011 \$	Actual 2010 \$
<b>REVENUES</b>			
Property taxation	40,877,680	<b>40,250,937</b>	39,408,363
Taxation from other governments	164,040	<b>203,158</b>	194,869
User charges and other revenues	23,770,605	<b>23,455,604</b>	23,548,217
Government grants			
Federal	5,206,457	<b>4,745,721</b>	3,155,965
Provincial	33,985,662	<b>34,008,739</b>	33,580,391
Municipalities	4,313,649	<b>4,315,693</b>	4,706,571
Development charges earned	1,023,012	<b>1,023,012</b>	296,339
Investment income	782,470	<b>903,332</b>	852,446
Penalties and interest on taxes	500,000	<b>748,906</b>	632,957
Developer contributions of tangible capital assets	-	<b>6,899,601</b>	1,683,421
St. Thomas Holdings Inc. net income (loss)	<u>500,000</u>	<u><b>(926,430)</b></u>	<u>584,501</u>
Total Revenues	<u>111,123,575</u>	<u><b>115,628,273</b></u>	<u>108,644,040</u>
<b>EXPENSES</b>			
General government	5,153,357	<b>4,485,717</b>	5,553,194
Protection to persons and property	18,281,319	<b>18,781,827</b>	18,437,373
Transportation services	7,060,185	<b>9,414,188</b>	8,417,614
Environmental services	11,920,382	<b>16,615,062</b>	16,259,518
Health service	5,117,289	<b>5,098,676</b>	4,728,451
Social and family services	31,840,546	<b>30,829,234</b>	35,794,843
Social housing	9,247,499	<b>9,933,959</b>	8,200,918
Recreation and cultural services	5,667,638	<b>6,648,079</b>	6,643,233
Planning and development	<u>1,385,196</u>	<u><b>1,283,321</b></u>	<u>1,221,954</u>
Total Expenses (Note 16)	<u>95,673,411</u>	<u><b>103,090,063</b></u>	<u>105,257,098</u>
<b>ANNUAL SURPLUS</b>	<u>15,450,164</u>	<u><b>12,538,210</b></u>	<u>3,386,942</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>315,101,103</u>	<u><b>315,101,103</b></u>	<u>311,714,161</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 7)</b>	<u><u>330,551,267</u></u>	<u><u><b>327,639,313</b></u></u>	<u><u>315,101,103</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  
For the Year Ended December 31, 2011**

---

	<b>2011</b>	<b>2010</b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
<b>ANNUAL SURPLUS</b>	<b>12,538,210</b>	<b>3,386,942</b>
Amortization of tangible capital assets	<b>9,869,753</b>	9,725,939
Acquisition of tangible capital assets and assets under construction	<b>(18,828,916)</b>	(12,829,096)
Proceeds on disposal of tangible capital assets	<b>12,500</b>	-
Change in inventories of supplies and prepaid expenses	<b>221,925</b>	(203,118)
Loss on sale of tangible capital assets	<b>1,170,231</b>	671,652
Developer contributions of tangible capital assets	<b><u>(6,899,601)</u></b>	<b><u>(1,683,421)</u></b>
<b>DECREASE IN NET FINANCIAL ASSETS</b>	<b>(1,915,898)</b>	<b>(931,102)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b><u>28,186,349</u></b>	<b><u>29,117,451</u></b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b><u>26,270,451</u></b>	<b><u>28,186,349</u></b>

---

The accompanying notes are an integral part of these financial statements



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Consolidated Statement of Cash Flows For the Year Ended December 31, 2011

	2011 <u>\$</u>	2010 <u>\$</u>
<b>OPERATIONS</b>		
Annual Surplus	12,538,210	3,386,942
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	9,869,753	9,725,939
Loss on sale of tangible capital assets	1,170,231	671,652
Developer contributions of tangible capital assets	(6,899,601)	(1,683,421)
Change in employee benefits	94,655	883,917
Equity loss (income) from St. Thomas Holding Inc.	<u>926,430</u>	<u>(584,501)</u>
	<u>5,161,468</u>	<u>9,013,586</u>
<b>Change in non-cash assets and liabilities:</b>		
Taxes receivable	146,659	(452,164)
Accounts receivable	(1,440,374)	(1,242,322)
Land held for resale	(8,557)	(41,567)
Prepaid expenses and inventories of supplies	221,925	(203,118)
Accounts payable and accrued liabilities	3,740,578	868,076
Deferred revenue - obligatory reserve funds	<u>1,941,622</u>	<u>3,474,013</u>
	<u>4,601,853</u>	<u>2,402,918</u>
Net change in cash from operations	<u>22,301,531</u>	<u>14,803,446</u>
<b>CAPITAL</b>		
Tangible capital asset and assets under construction additions	(18,828,916)	(12,829,096)
Proceeds on sale of tangible capital assets	<u>12,500</u>	<u>-</u>
Net change in cash from capital	<u>(18,816,416)</u>	<u>(12,829,096)</u>
<b>INVESTING</b>		
Dividends from St. Thomas Holding Inc. (Note 10)	<u>500,000</u>	<u>500,000</u>
Net change in cash from investing	<u>500,000</u>	<u>500,000</u>
<b>FINANCING</b>		
Long-term debt principal repayment	<u>(1,657,093)</u>	<u>(1,584,376)</u>
Net change in cash from financing	<u>(1,657,093)</u>	<u>(1,584,376)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	2,328,022	889,974
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>49,564,105</u>	<u>48,674,131</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u><u>51,892,127</u></u>	<u><u>49,564,105</u></u>
<b>SUPPLEMENTARY INFORMATION:</b>		
Cash interest received	<u>903,332</u>	<u>852,446</u>
Cash interest paid	<u><u>922,797</u></u>	<u><u>996,922</u></u>

The accompanying notes are an integral part of these financial statements



# **THE CORPORATION OF THE CITY OF ST. THOMAS**

## **Notes to the Consolidated Financial Statements For the Year Ended December 31, 2011**

---

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 For the Year Ended December 31, 2011**

---

### **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 For the Year Ended December 31, 2011**

---

### **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 For the Year Ended December 31, 2011

---

### 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 For the Year Ended December 31, 2011

---

### 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 2011 the City received \$ 40,454,095 (2010 - \$39,603,232) 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 For the Year Ended December 31, 2011

---

### 2. TAXES RECEIVABLE

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

	<b>2011</b>	2010
	<u>\$</u>	<u>\$</u>
Taxes receivable	2,264,540	2,553,963
Penalties and interest	595,156	452,392
Allowance for doubtful accounts	<u>(1,115,751)</u>	<u>(1,115,751)</u>
	<u>1,743,945</u>	<u>1,890,604</u>

### 3. NOTE RECEIVABLE

The note arose on November 7, 2000 as a result of restructuring of the St. Thomas Public Utilities Commission under Bill 35. The note was renewed in November of 2010 for a five year term. The note is receivable from St. Thomas Energy Inc., is interest only, payable semi-annual at a net amount of 6.75% and is due November 2015. Annual interest of \$520,724 was received on this loan in 2011.

### 4. TRUST FUNDS

Trust funds administered by the City amounting to \$595,093 (2010 - \$617,133) 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 For the Year Ended December 31, 2011

### 5. OPERATION OF SCHOOL BOARDS

During 2011 the amounts billed and remitted are summarized below:

	2011 \$	2010 \$
Property taxation	11,726,821	11,756,129
Share of payments in lieu of taxes	<u>-</u>	<u>-</u>
Amounts requisitioned	<u><b>11,726,821</b></u>	<u><b>11,756,129</b></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.

### 6. 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:

	2011 \$	2010 \$
Long-term liabilities incurred by the municipality and outstanding at the end of the year amount to	17,041,360	18,514,263
Long-term liabilities assumed by the city	<u><b>1,617,463</b></u>	<u><b>1,801,653</b></u>
Total long-term liabilities at the end of the year	<u><b>18,658,823</b></u>	<u><b>20,315,916</b></u>

Principal repayments are summarized as follows:

Recoverable From	2012 \$	2013 \$	2014 \$	2015 \$	2016 \$	Beyond \$	Total \$
General taxation	1,539,095	1,608,270	1,680,566	1,345,258	819,516	10,048,655	17,041,360
User charges	<u>193,986</u>	<u>204,452</u>	<u>215,753</u>	<u>230,656</u>	<u>243,820</u>	<u>528,796</u>	<u>1,617,463</u>
	<u><b>1,733,081</b></u>	<u><b>1,812,722</b></u>	<u><b>1,896,319</b></u>	<u><b>1,575,914</b></u>	<u><b>1,063,336</b></u>	<u><b>10,577,451</b></u>	<u><b>18,658,823</b></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, \$4,079,965 is repayable in monthly instalments of \$81,606 bearing interest at 4.2% and the remaining \$14,434,329 is repayable in semi-annual instalments of \$663,602 bearing interest at 4.8%.

- c) Interest expense on long-term liabilities in 2011 amounted to \$922,797 (2010 - \$996,922).



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2011

### 7. 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.

	2011 <u>\$</u>	2010 <u>\$</u>
Operating fund		
General Operations	294,804	1,019,301
Sewer Operations	145,736	(9,749)
Water Operations	286,422	107,735
Elgin-St. Thomas Health Unit	45,650	17,120
Downtown Development Board (BIA)	<u>63,653</u>	<u>47,000</u>
	836,265	1,181,407
Invested in tangible capital assets	299,901,927	285,225,894
Capital fund	7,680,837	10,191,921
Equity in government business enterprise	23,032,126	24,458,556
Reserves	20,982,249	20,125,893
Reserve funds	<u>2,801,198</u>	<u>3,075,160</u>
	355,234,602	344,258,831
<b>UNFUNDED</b>		
Employee benefits payable	(8,936,466)	(8,841,812)
Net long-term debt	<u>(18,658,823)</u>	<u>(20,315,916)</u>
<b>ACCUMULATED SURPLUS</b>	<u><u>327,639,313</u></u>	<u><u>315,101,103</u></u>
<b>Reserves and reserve funds consist of the following:</b>		
Reserves set aside for specific purposes by Council:		
- for working capital and contingencies	4,136,069	4,022,883
- for human resource issues	1,281,066	1,281,066
- for social and family services	1,579,027	1,328,348
- for acquisition of tangible capital assets		
general operations	3,061,532	3,681,041
sewer operations	<u>10,924,555</u>	<u>9,812,555</u>
Total reserves	<u><u>20,982,249</u></u>	<u><u>20,125,893</u></u>
Reserve funds set aside for specific purposes by Council and Joint Boards:		
- general operations	26,332	20,231
- water operations	2,755,130	3,034,092
- for human resource issues	<u>19,736</u>	<u>20,837</u>
Total reserve funds	<u><u>2,801,198</u></u>	<u><u>3,075,160</u></u>

# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2011

---

### 8. 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, 2011. Details are as follows:

		<b>2011</b>	<b>2010</b>
		<b><u>\$</u></b>	<b><u>\$</u></b>
Future payments required to WSIB	a)	<b>2,405,594</b>	2,428,739
Accumulated sick leave benefit plan entitlements	b)	<b>1,534,098</b>	1,573,505
Post employment and retirement benefits	c)	<b><u>4,996,774</u></b>	<b><u>4,839,567</u></b>
		<b><u>8,936,466</u></b>	<b><u>8,841,811</u></b>

#### 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 2010.

The benefit obligation continuity is as follows:

	<b>2011</b>	<b>2010</b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
Accrued benefit obligation, January 1	<b>2,562,867</b>	2,518,399
Expense	<b>287,587</b>	386,721
Payment	<b><u>(333,607)</u></b>	<b><u>(342,253)</u></b>
Actual accrued benefit obligation	<b>2,516,847</b>	2,562,867
Less: unamortized actuarial gains and loss (straight-line, ten years)	<b><u>(111,253)</u></b>	<b><u>(134,128)</u></b>
Accrued benefit obligation, December 31	<b><u>2,405,594</u></b>	<b><u>2,428,739</u></b>



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2011

---

### 8. 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 \$1,534,098 (2010 - \$1,573,505) at the end of the year. An amount of \$180,318 (2010 - \$205,552) was paid to employees who left the Corporation's employment during the current year. An actuarial gain of \$592,719 was determined for the sick leave liability in the 2010 review and is being amortized over 14 years.

#### 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	2.0%
Discount rate	5.0%
Rate of compensation increase	3.0%
Healthcare cost increase	4.0% - 7.333%
Dental cost increase	4.0%

The benefit obligation continuity is as follows:

	2011	2010
	\$	\$
Accrued benefit obligation, January 1	4,839,567	3,919,022
Expense	462,715	440,401
Increase due to plan amendment	-	264,949
Actuarial loss due to revaluation	-	503,491
Payment	(305,508)	(288,296)
Unfunded benefit obligation, December 31	4,996,774	4,839,567

### 9. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of approximately 414 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 2011 was \$2,479,507 (2010 - \$2,190,724).



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2011

---

### 10. 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., Lizco Sales Inc., ECM Controls Inc. and Terra Vox 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:

	2011	2010
	\$	\$
<b>Financial Position:</b>		
Current assets	26,778,840	28,288,638
Capital assets	24,673,687	23,531,429
Deferred charges and other assets	8,130,316	7,631,940
Total assets	59,582,843	59,452,007
Current liabilities	21,587,180	22,295,813
Other long-term liabilities	22,677,963	20,412,064
Total Liabilities	44,265,143	42,707,877
Net Assets	15,317,700	16,744,130
<b>Results of operations:</b>		
Revenues	77,589,877	63,350,237
Operating expenses	78,516,307	62,765,736
Net income (loss)	(926,430)	584,501

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

### 11. 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, 2011 the outstanding debentures totalled \$3,486,939 (2010, \$3,675,963) and \$518,524 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 For the Year Ended December 31, 2011

---

### 12. 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:

	2011	2010
	<u>\$</u>	<u>\$</u>
Development Charges	12,117,609	11,410,529
Parkland	310	(5,074)
Parking	629	622
Federal and Provincial gas taxes	6,864,826	5,639,166
Other	<u>923,478</u>	<u>919,987</u>
	<u>19,906,852</u>	<u>17,965,230</u>

### 13. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2011	2010
	<u>\$</u>	<u>\$</u>
<b>General</b>		
Land	12,262,911	12,262,911
Buildings	40,674,098	40,695,492
Vehicles	3,965,517	2,641,992
Machinery and equipment	941,962	610,615
Land improvements	6,018,268	6,080,354
<b>Infrastructure</b>		
Plants and facilities	9,797,963	10,088,498
Roads	31,397,430	28,330,817
Underground and other networks	172,602,905	168,719,975
Machinery and equipment	<u>6,206,462</u>	<u>4,632,523</u>
	283,867,516	274,063,177
Assets under construction	<u>16,034,411</u>	<u>11,162,717</u>
	<u>299,901,927</u>	<u>285,225,894</u>

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

During the year there were no write-downs of assets (2010 - \$nil). In addition, roads and underground networks contributed to the Municipality totalled \$6,899,601 (2010 - \$1,683,421) 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 For the Year Ended December 31, 2011

---

### 14. CONTINGENT LIABILITIES

As at December 31, 2011 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.

### 15. 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:

	2011 \$	2010 \$
Transactions during the year:		
Purchase of services	<u>590,738</u>	<u>636,562</u>
Balances at end of year:		
Amounts due from St. Thomas Energy Services Inc	<u>1,960,390</u>	<u>1,973,270</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 \$520,724 from St. Thomas Energy Inc. on its note receivable as disclosed in Note 3 and \$500,000 in dividend payments.

### 16. SUPPLEMENTARY INFORMATION:

	2011 \$	2010 \$
Current fund expenditures by object:		
Salaries, wages and employees benefits	40,662,358	39,747,473
Long-term debt interest expense	922,797	996,922
Materials	11,041,397	12,395,528
Contracted services	20,922,600	18,578,501
Rents and financial expenses	359,715	245,133
Amortization	9,869,753	9,725,939
Loss on sale of tangible capital assets	1,170,231	671,652
External transfers	<u>18,141,212</u>	<u>22,895,950</u>
	<u>103,090,063</u>	<u>105,257,098</u>

---



# **THE CORPORATION OF THE CITY OF ST. THOMAS**

## **Notes to the Consolidated Financial Statements For the Year Ended December 31, 2011**

---

### **17. 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 For the Year Ended December 31, 2011**

---

### **17. SEGMENTED INFORMATION (CONTINUED)**

#### **The Water and Wastewater 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.



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Consolidated Schedule of Segment Disclosure - Operating Revenues and Expenses December 31, 2011

	St, Thomas Holding Inc. \$	Social & Family Services \$	Planning \$	Public Works \$	Finance & Administration \$	Protection \$	Water and Waste Funds \$	Community Services \$	Other Funds & Corporation \$	Consolidated \$
<b>REVENUES</b>										
Taxation	-	4,999,137	1,021,840	5,591,687	2,674,221	16,292,895	-	4,487,937	5,386,378	40,454,095
Sales of services and regulatory fees	-	4,537,026	652,224	452,561	327,227	537,934	13,344,996	1,154,093	2,449,543	23,455,604
Government transfers	-	29,986,113	154,416	1,534,839	33,722	18,699	5,253,164	592,724	5,496,476	43,070,153
Other	(926,430)	-	-	956,515	-	-	5,943,085	-	1,652,239	7,625,409
Development charges earned	-	-	-	386,210	-	104,043	148,903	383,856	-	1,023,012
	<u>(926,430)</u>	<u>39,522,276</u>	<u>1,828,480</u>	<u>8,921,812</u>	<u>3,035,170</u>	<u>16,953,571</u>	<u>24,690,148</u>	<u>6,618,610</u>	<u>14,984,636</u>	<u>115,628,273</u>
<b>EXPENSES</b>										
Salaries, wages and employees benefits	-	10,688,494	1,082,882	1,863,425	2,267,764	15,794,465	2,424,561	3,647,236	2,893,531	40,662,358
Long-term debt interest expense	-	664,039	-	-	-	-	104,647	154,111	-	922,797
Materials	-	1,473,291	409,080	1,582,948	137,879	1,184,261	4,535,112	1,637,608	81,218	11,041,397
Contracted services	-	10,160,433	425,407	2,734,614	419,228	446,290	1,425,857	550,373	4,760,398	20,922,600
Rents, financial and other transfers	-	16,757,056	-	-	75,000	-	393,457	-	2,445,645	19,671,158
Amortization	-	744,593	-	3,084,165	10,500	209,021	5,053,910	749,945	17,619	9,869,753
	<u>-</u>	<u>40,487,906</u>	<u>1,917,369</u>	<u>9,265,152</u>	<u>2,910,371</u>	<u>17,634,037</u>	<u>13,937,544</u>	<u>6,739,273</u>	<u>10,198,411</u>	<u>103,090,063</u>
<b>NET REVENUE BEFORE</b>										
<b>FINANCING AND TRANSFERS</b>	<u>(926,430)</u>	<u>(965,630)</u>	<u>(88,889)</u>	<u>(343,340)</u>	<u>124,799</u>	<u>(680,466)</u>	<u>10,752,604</u>	<u>(120,663)</u>	<u>4,786,225</u>	<u>12,538,210</u>

# THE CORPORATION OF THE CITY OF ST. THOMAS

## Consolidated Schedule of Segment Disclosure - Operating Revenues and Expenses December 31, 2010

	St. Thomas Holding Inc. \$	Social & Family Services \$	Planning \$	Public Works \$	Finance & Administration \$	Protection \$	Water and Waste Funds \$	Community Services \$	Other Funds & Corporation \$	Consolidated \$
<b>REVENUES</b>										
Taxation	-	8,529,134	771,772	3,739,757	2,575,658	15,693,099	-	4,072,368	4,221,444	39,603,232
Sales of services and regulatory fees	-	4,340,098	786,897	516,133	386,975	661,588	12,366,292	1,254,704	3,235,530	23,548,217
Government transfers	-	29,662,424	197,050	2,269,625	12,516	263,641	3,154,390	151,488	5,731,793	41,442,927
Other	584,501	-	-	228,405	10,555	-	1,708,021	135,840	1,086,003	3,753,325
Development charges earned	-	-	5,118	-	-	11,800	-	-	279,421	296,339
	<u>584,501</u>	<u>42,531,656</u>	<u>1,760,837</u>	<u>6,753,920</u>	<u>2,985,704</u>	<u>16,630,128</u>	<u>17,228,703</u>	<u>5,614,400</u>	<u>14,554,191</u>	<u>108,644,040</u>
<b>EXPENSES</b>										
Salaries, wages and employees benefits	-	10,331,790	1,016,788	1,003,773	2,253,697	15,453,820	2,373,903	3,476,671	3,837,031	39,747,473
Long-term debt interest expense	-	694,513	-	-	-	-	114,732	187,677	-	996,922
Materials	-	3,624,671	290,610	962,155	136,432	695,285	3,772,853	1,390,244	1,523,278	12,395,528
Contracted services	-	9,595,988	397,999	2,343,647	461,026	337,537	1,207,656	315,857	3,918,791	18,578,501
Rents, financial and other transfers	-	18,101,289	-	-	22,470	22,696	8,858	45,896	5,611,526	23,812,735
Amortization	-	641,319	-	2,805,403	3,380	591,347	4,820,115	864,375	-	9,725,939
	<u>-</u>	<u>42,989,570</u>	<u>1,705,397</u>	<u>7,114,978</u>	<u>2,877,005</u>	<u>17,100,685</u>	<u>12,298,117</u>	<u>6,280,720</u>	<u>14,890,626</u>	<u>105,257,098</u>
<b>NET REVENUE BEFORE</b>										
<b>FINANCING AND TRANSFERS</b>	<u>584,501</u>	<u>(457,914)</u>	<u>55,440</u>	<u>(361,058)</u>	<u>108,699</u>	<u>(470,557)</u>	<u>4,930,586</u>	<u>(666,320)</u>	<u>(336,435)</u>	<u>3,386,942</u>



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Schedule of Segment Disclosure- Operating Revenues and Expenses For the Year Ended December 31, 2011

	Actual 2011 \$	Actual 2010 \$
<b>PROTECTION</b>		
<b>Revenue</b>		
Taxation	16,292,895	15,693,099
Sales of services and regulatory fees	537,934	661,588
Government transfers	18,699	263,641
Development charges earned	<u>104,043</u>	<u>11,800</u>
Total Revenues	<u>16,953,571</u>	<u>16,630,128</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	15,794,465	15,453,820
Materials	1,184,261	695,285
Contracted services	446,290	337,537
Rents and financial expenses	-	22,696
Amortization	<u>209,021</u>	<u>591,347</u>
Total Expenditures	<u>17,634,037</u>	<u>17,100,685</u>
<b>Net Deficit</b>	<u><u>(680,466)</u></u>	<u><u>(470,557)</u></u>
<b>COMMUNITY SERVICES</b>		
<b>Revenue</b>		
Taxation	4,487,937	4,072,368
Sales of services and regulatory fees	1,154,093	1,254,704
Government transfers	592,724	151,488
Other	-	135,840
Development charges earned	<u>383,856</u>	<u>-</u>
Total Revenues	<u>6,618,610</u>	<u>5,614,400</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	3,647,236	3,476,671
Long-term debt interest expense	154,111	187,677
Materials	1,637,608	1,390,244
Contracted services	550,373	315,857
Transfer to others	-	45,896
Amortization	<u>749,945</u>	<u>864,375</u>
Total Expenditures	<u>6,739,273</u>	<u>6,280,720</u>
<b>Net Deficit</b>	<u><u>(120,663)</u></u>	<u><u>(666,320)</u></u>

# THE CORPORATION OF THE CITY OF ST. THOMAS

## Schedule of Segment Disclosure- Operating Revenues and Expenses For the Year Ended December 31, 2011

	Actual 2011 \$	Actual 2010 \$
<b>PLANNING</b>		
<b>Revenue</b>		
Taxation	1,021,840	771,772
Sales of services and regulatory fees	652,224	786,897
Government transfers	154,416	197,050
Development charges earned	<u>                    </u>	<u>5,118</u>
Total Revenues	<u>1,828,480</u>	<u>1,760,837</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	1,082,882	1,016,788
Materials	409,080	290,610
Contracted services	<u>425,407</u>	<u>397,999</u>
Total Expenditures	<u>1,917,369</u>	<u>1,705,397</u>
<b>Net Surplus (Deficit)</b>	<u><u>(88,889)</u></u>	<u><u>55,440</u></u>
 <b>PUBLIC WORKS</b>		
<b>Revenue</b>		
Taxation	5,591,687	3,739,757
Sales of services and regulatory fees	452,561	516,133
Government transfers	1,534,839	2,269,625
Transfer from other funds	956,515	228,405
Development charges earned	<u>386,210</u>	<u>-</u>
Total Revenues	<u>8,921,812</u>	<u>6,753,920</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	1,863,425	1,003,773
Materials	1,582,948	962,155
Contracted services	2,734,614	2,343,647
Amortization	<u>3,084,165</u>	<u>2,805,403</u>
Total Expenditures	<u>9,265,152</u>	<u>7,114,978</u>
<b>Net Deficit</b>	<u><u>(343,340)</u></u>	<u><u>(361,058)</u></u>



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Schedule of Segment Disclosure- Operating Revenues and Expenses For the Year Ended December 31, 2011

	Actual 2011 \$	Actual 2010 \$
<b>FINANCE AND ADMINISTRATION</b>		
<b>Revenue</b>		
Taxation	2,674,221	2,575,658
Sales of services and regulatory fees	327,227	386,975
Government transfers	33,722	12,516
Other	<u>-</u>	<u>10,555</u>
Total Revenues	<u>3,035,170</u>	<u>2,985,704</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	2,267,764	2,253,697
Materials	137,879	136,432
Contracted services	419,228	461,026
Transfer to others	75,000	22,470
Amortization	<u>10,500</u>	<u>3,380</u>
Total Expenditures	<u>2,910,371</u>	<u>2,877,005</u>
<b>Net Surplus</b>	<u>124,799</u>	<u>108,699</u>
 <b>SOCIAL AND FAMILY SERVICES</b>		
<b>Revenue</b>		
Taxation	4,999,137	8,529,134
Sales of services and regulatory fees	4,537,026	4,340,098
Government transfers	29,986,113	29,662,424
Other	<u>-</u>	<u>-</u>
Total Revenues	<u>39,522,276</u>	<u>42,531,656</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	10,688,494	10,331,790
Long-term debt interest expense	664,039	694,513
Materials	1,473,291	3,624,671
Contracted services	10,160,433	9,595,988
Transfer to others	16,757,056	18,101,289
Amortization	<u>744,593</u>	<u>641,319</u>
Total Expenditures	<u>40,487,906</u>	<u>42,989,570</u>
<b>Net Deficit</b>	<u>(965,630)</u>	<u>(457,914)</u>

# THE CORPORATION OF THE CITY OF ST. THOMAS

## Consolidated Schedule of Tangible Capital Assets For the Year Ended December 31, 2011

ASSET TYPE	Opening Historical Cost Balance Jan 1/2011	2011 Acquisitions	2011 Disposals	2011 Write-Offs	Ending Historical Cost Balance Dec 31/2011	Opening Accumulated Amortization Balance Jan 1/2011	2011 Disposals	2011 Amortization	2011 Write-Offs	Ending Accumulated Amortization Balance Dec 31/2011	Ending Net Book Value Dec 31/2011
<b><u>Infrastructure Related</u></b>											
Land	392,592	-	-	-	392,592	-	-	-	-	-	<b>392,592</b>
Buildings/Building Improvements	91,293,113	566,562	(281,692)	-	91,577,983	81,597,207	(281,692)	857,097	-	82,172,612	<b>9,405,371</b>
Machinery and Equipment	7,306,288	2,253,139	110,668	-	9,670,095	2,673,765	147,708	642,160	-	3,463,633	<b>6,206,462</b>
Linear - Roadways	66,097,418	5,850,781	(497,546)	-	71,450,653	37,766,601	(132,013)	2,418,635	-	40,053,223	<b>31,397,430</b>
Linear - Sewer and Water Services	<u>229,810,214</u>	<u>8,549,894</u>	<u>(1,134,833)</u>	<u>-</u>	<u>237,225,275</u>	<u>61,090,239</u>	<u>(299,675)</u>	<u>3,831,806</u>	<u>-</u>	<u>64,622,370</u>	<u><b>172,602,905</b></u>
<b>Infrastructure Related Total</b>	<b><u>394,899,625</u></b>	<b><u>17,220,376</u></b>	<b><u>(1,803,403)</u></b>	<b><u>-</u></b>	<b><u>410,316,598</u></b>	<b><u>183,127,812</u></b>	<b><u>(565,672)</u></b>	<b><u>7,749,698</u></b>	<b><u>-</u></b>	<b><u>190,311,838</u></b>	<b><u>220,004,760</u></b>
<b><u>General</u></b>											
Land	12,262,911	-	-	-	12,262,911	-	-	-	-	-	<b>12,262,911</b>
Land Improvements	21,168,958	275,417	-	-	21,444,375	15,088,604	-	337,503	-	15,426,107	<b>6,018,268</b>
Building/Building Improvements	53,397,773	1,259,712	-	-	54,657,485	12,702,281	(55,000)	1,336,106	-	13,983,387	<b>40,674,098</b>
Machinery and Equipment	1,053,583	417,900	-	-	1,471,483	442,968	-	86,553	-	529,521	<b>941,962</b>
Vehicle	<u>4,920,316</u>	<u>1,683,418</u>	<u>-</u>	<u>-</u>	<u>6,603,734</u>	<u>2,278,324</u>	<u>-</u>	<u>359,893</u>	<u>-</u>	<u>2,638,217</u>	<u><b>3,965,517</b></u>
<b>General Total</b>	<b><u>92,803,541</u></b>	<b><u>3,636,447</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>96,439,988</u></b>	<b><u>30,512,177</u></b>	<b><u>(55,000)</u></b>	<b><u>2,120,055</u></b>	<b><u>-</u></b>	<b><u>32,577,232</u></b>	<b><u>63,862,756</u></b>
<b>Total Capital Assets Sub-Total</b>	<b><u>487,703,166</u></b>	<b><u>20,856,823</u></b>	<b><u>(1,803,403)</u></b>	<b><u>-</u></b>	<b><u>506,756,586</u></b>	<b><u>213,639,989</u></b>	<b><u>(620,672)</u></b>	<b><u>9,869,753</u></b>	<b><u>-</u></b>	<b><u>222,889,070</u></b>	<b><u>283,867,516</u></b>
Work In Progress	<u>11,162,717</u>	<u>6,284,063</u>	<u>(1,412,369)</u>	<u>-</u>	<u>16,034,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>16,034,411</b></u>
<b>Total Tangible Capital Assets</b>	<b><u>498,865,883</u></b>	<b><u>27,140,886</u></b>	<b><u>(3,215,772)</u></b>	<b><u>-</u></b>	<b><u>522,790,997</u></b>	<b><u>213,639,989</u></b>	<b><u>(620,672)</u></b>	<b><u>9,869,753</u></b>	<b><u>-</u></b>	<b><u>222,889,070</u></b>	<b><u>299,901,927</u></b>



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Consolidated Schedule of Tangible Capital Assets For the year ended December 31, 2010

ASSET TYPE	Opening Historical Cost Balance Jan 1/2010	2010 Acquisitions	2010 Disposals	2010 Write-Offs	Ending Historical Cost Balance Dec 31/2010	Opening Accumulated Amortization Balance Jan 1/2010	2010 Disposals	2010 Amortization	2010 Write-Offs	Ending Accumulated Amortization Balance Dec 31/2010	Ending Net Book Value Dec 31/2010
<b><u>Infrastructure Related</u></b>											
Land	392,592	-	-	-	392,592	-	-	-	-	-	392,592
Buildings/Building Improvements	91,182,174	110,939	-	-	91,293,113	80,771,280	-	825,927	-	81,597,207	9,695,906
Machinery and Equipment	6,786,001	681,790	(161,503)	-	7,306,288	2,163,854	(23,129)	533,040	-	2,673,765	4,632,523
Linear - Roadways	63,559,252	2,968,061	(429,895)	-	66,097,418	35,750,273	(252,671)	2,268,999	-	37,766,601	28,330,817
Linear - Sewer and Water Services	<u>226,801,491</u>	<u>3,650,967</u>	<u>(642,244)</u>	<u>-</u>	<u>229,810,214</u>	<u>57,696,461</u>	<u>(286,190)</u>	<u>3,679,968</u>	<u>-</u>	<u>61,090,239</u>	<u>168,719,975</u>
<b>Infrastructure Related Total</b>	<b><u>388,721,510</u></b>	<b><u>7,411,757</u></b>	<b><u>(1,233,642)</u></b>	<b><u>-</u></b>	<b><u>394,899,625</u></b>	<b><u>176,381,868</u></b>	<b><u>(561,990)</u></b>	<b><u>7,307,934</u></b>	<b><u>-</u></b>	<b><u>183,127,812</u></b>	<b><u>211,771,813</u></b>
<b><u>General</u></b>											
Land	11,829,911	433,000	-	-	12,262,911	-	-	-	-	-	12,262,911
Land Improvements	21,095,244	502,714	(429,000)	-	21,168,958	15,125,012	(429,000)	392,592	-	15,088,604	6,080,354
Building/Building Improvements	50,016,941	3,380,832	-	-	53,397,773	11,037,991	-	1,664,290	-	12,702,281	40,695,492
Machinery and Equipment	929,267	124,316	-	-	1,053,583	378,436	-	64,532	-	442,968	610,615
Vehicle	<u>4,685,461</u>	<u>234,855</u>	<u>-</u>	<u>-</u>	<u>4,920,316</u>	<u>1,981,733</u>	<u>-</u>	<u>296,591</u>	<u>-</u>	<u>2,278,324</u>	<u>2,641,992</u>
<b>General Total</b>	<b><u>88,556,824</u></b>	<b><u>4,675,717</u></b>	<b><u>(429,000)</u></b>	<b><u>-</u></b>	<b><u>92,803,541</u></b>	<b><u>28,523,172</u></b>	<b><u>(429,000)</u></b>	<b><u>2,418,005</u></b>	<b><u>-</u></b>	<b><u>30,512,177</u></b>	<b><u>62,291,364</u></b>
<b>Total Capital Assets Sub-Total</b>	<b><u>477,278,334</u></b>	<b><u>12,087,474</u></b>	<b><u>(1,662,642)</u></b>	<b><u>-</u></b>	<b><u>487,703,166</u></b>	<b><u>204,905,040</u></b>	<b><u>(990,990)</u></b>	<b><u>9,725,939</u></b>	<b><u>-</u></b>	<b><u>213,639,989</u></b>	<b><u>274,063,177</u></b>
Work In Progress	<u>8,737,674</u>	<u>2,425,043</u>	<u>-</u>	<u>-</u>	<u>11,162,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,162,717</u>
<b>Total Tangible Capital Assets</b>	<b><u>486,016,008</u></b>	<b><u>14,512,517</u></b>	<b><u>(1,662,642)</u></b>	<b><u>-</u></b>	<b><u>498,865,883</u></b>	<b><u>204,905,040</u></b>	<b><u>(990,990)</u></b>	<b><u>9,725,939</u></b>	<b><u>-</u></b>	<b><u>213,639,989</u></b>	<b><u>285,225,894</u></b>