

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

**Consolidated Financial Statements**

**December 31, 2013**

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

## **Consolidated Financial Statements**

**For the Year Ended December 31, 2013**

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<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
Consolidated Schedule of Segment Disclosure	26 - 27
Schedule of Segment Disclosure	28 - 30



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## **INDEPENDENT AUDITORS' REPORT**

To the Members of Council, Inhabitants and Ratepayers 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, 2013, 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, 2013, 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

September 2, 2014

*Graham Scott Enns LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Consolidated Statement of Financial Position As at December 31, 2013

	2013 <u>\$</u>	2012 <u>\$</u>
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and short term deposits	68,109,480	60,956,006
Note receivable (Note 3)	7,714,426	7,714,426
Taxes receivable (Note 2)	1,484,812	3,180,479
Accounts receivable (Note 14)	7,152,737	8,396,737
Land held for resale	556,624	467,566
Investment in Ascent Group Inc. (Note 12)	<u>13,582,580</u>	<u>12,427,014</u>
<b>Total financial assets</b>	<u>98,600,659</u>	<u>93,142,228</u>
<b>LIABILITIES</b>		
Deferred revenue (Note 10)	21,617,677	23,109,717
Accounts payable and accrued liabilities	12,305,804	10,237,075
Employee benefits payable (Note 7)	8,922,415	9,127,866
Allowance for tax reassessments	2,692,398	1,950,751
Net long-term liabilities (Note 5)	<u>20,839,529</u>	<u>20,559,271</u>
<b>Total financial liabilities</b>	<u>66,377,823</u>	<u>64,984,680</u>
<b>NET FINANCIAL ASSETS</b>	<u>32,222,836</u>	<u>28,157,548</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 4)	307,604,666	303,590,650
Inventories of supplies	490,518	529,019
Prepaid expenses	<u>1,547,058</u>	<u>1,727,010</u>
<b>Total non-financial assets</b>	<u>309,642,242</u>	<u>305,846,679</u>
<b>ACCUMULATED SURPLUS (NOTE 6)</b>	<u>341,865,078</u>	<u>334,004,227</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, 2013**

	Budget (Note 16) \$	Actual 2013 \$	Actual 2012 \$
<b>REVENUES</b>			
Property taxation	43,005,408	42,489,263	41,215,364
Taxation from other governments	156,990	200,033	200,135
User charges and other revenues	29,212,706	28,530,260	28,096,523
Government grants			
Federal	5,629,186	5,737,125	1,895,722
Provincial	35,304,252	34,588,172	32,138,177
Municipalities	4,962,597	5,530,366	4,030,183
Development charges earned	338,443	727,792	618,989
Investment income	930,374	1,289,830	1,163,674
Penalties and interest on taxes	650,000	764,954	662,823
Developer contributions of tangible capital assets	-	1,996,329	8,459,999
Ascent Group Inc. net income (loss)	-	1,405,566	(2,640,686)
Total Revenues	<u>120,189,956</u>	<u>123,259,690</u>	<u>115,840,903</u>
<b>EXPENSES</b>			
General government	5,155,638	5,956,266	4,512,579
Protection to persons and property	19,880,921	19,900,734	19,582,086
Transportation services	9,661,546	10,674,161	10,190,560
Environmental services	18,715,042	21,343,627	20,165,683
Health service	5,316,882	5,331,619	5,501,080
Social and family services	34,755,823	33,013,856	32,234,193
Social housing	11,199,347	10,901,956	9,133,643
Recreation and cultural services	6,853,226	7,061,882	6,886,612
Planning and development	<u>1,136,241</u>	<u>1,214,738</u>	<u>1,269,553</u>
Total Expenses (Note 15)	<u>112,674,666</u>	<u>115,398,839</u>	<u>109,475,989</u>
<b>ANNUAL SURPLUS</b>	<u>7,515,290</u>	<u>7,860,851</u>	<u>6,364,914</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>334,004,227</u>	<u>334,004,227</u>	<u>327,639,313</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (NOTE 6)</b>	<u><u>341,519,517</u></u>	<u><u>341,865,078</u></u>	<u><u>334,004,227</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, 2013

	Budget (Note 16) \$	Actual 2013 \$	Actual 2012 \$
<b>ANNUAL SURPLUS</b>	7,515,290	7,860,851	6,364,914
Amortization of tangible capital assets	11,361,363	11,361,363	10,654,183
Acquisition of tangible capital assets	(26,513,553)	(13,885,058)	(6,469,648)
Change in inventories of supplies and prepaid expenses	-	218,453	(789,093)
Loss on disposal of tangible capital assets	-	506,008	586,741
Developer contributions of tangible capital assets	-	(1,996,329)	(8,459,999)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	(7,636,900)	4,065,288	1,887,098
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>28,157,548</u>	<u>28,157,548</u>	<u>26,270,450</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u><u>20,520,648</u></u>	<u><u>32,222,836</u></u>	<u><u>28,157,548</u></u>

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, 2013

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	2013 \$	2012 \$
<b>OPERATIONS</b>		
Annual Surplus	7,860,851	6,364,914
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	11,361,363	10,654,183
Loss on disposal of tangible capital assets	506,008	586,741
Developer contributions of tangible capital assets	(1,996,329)	(8,459,999)
Change in employee benefits	(205,451)	191,400
Equity loss (income) from Ascent Group Inc.	<u>(1,405,566)</u>	<u>2,640,686</u>
	8,260,025	5,613,011
<b>Change in non-cash assets and liabilities</b> (Note 15[a])	<u>4,387,398</u>	<u>1,405,154</u>
Net change in cash from operations	<u>20,508,274</u>	<u>13,383,079</u>
<b>CAPITAL ACTIVITIES</b>		
Tangible capital asset and assets under construction additions	<u>(13,885,058)</u>	<u>(6,469,648)</u>
<b>INVESTING ACTIVITIES</b>		
Dividends from Ascent Group Inc. (Note 12)	<u>250,000</u>	<u>250,000</u>
<b>FINANCING ACTIVITIES</b>		
Long-term debt principal repayment	(2,100,179)	(1,733,059)
Proceeds from issue of long-term debt	<u>2,380,437</u>	<u>3,633,507</u>
Net change in cash from financing	<u>280,258</u>	<u>1,900,448</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	7,153,474	9,063,879
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>60,956,006</u>	<u>51,892,127</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u>68,109,480</u>	<u>60,956,006</u>

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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, 2013**

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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 (the "City") are prepared by management in accordance with Canadian accounting standards for public sector entities. 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
- 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, 2013**

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Equity Accounting**

The investment in Ascent Group 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 Ascent Group 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 Ascent Group 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 Canadian accounting standards for public sector entities and is recognized as revenue in the period in which the resources are used for the purpose specified.

In addition, the City 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, 2013**

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### **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, 2013

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### 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

Amortization is charged at half the annual rate in the year of acquisition and 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, 2013

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### 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 2013 the City received \$ 42,689,296 (2012 - \$41,415,499) 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. City 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 accounting standards for public sector entities 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 useful life and net realizable value of tangible capital assets, provisions for accrued liabilities and in performing actuarial valuations of employee future benefits. 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, 2013

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Recent Accounting Pronouncements

PSAB released a standard related to Financial Instruments (PS 3450). The standard applies to all local governments for fiscal years beginning on or after April 1, 2016. The standard applies to all types of financial instruments. The new standard requires equity and derivative instruments be measured at fair value, with changes in value being recorded in statement of remeasurement gains/losses. The standard gives the option of cost/amortized cost vs. fair value of remaining instruments, which is elected upon by the government organization. The City has not yet determined what, if any, financial reporting implications may arise from this standard.

### 2. TAXES RECEIVABLE

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

	2013 <u>\$</u>	2012 <u>\$</u>
Taxes receivable	1,308,120	2,750,726
Penalties and interest	276,692	529,753
Allowance for doubtful accounts	<u>(100,000)</u>	<u>(100,000)</u>
	<u><u>1,484,812</u></u>	<u><u>3,180,479</u></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., with interest only payable semi-annual at a net rate of 6.75% and is due November 2015. In 2013 annual interest of \$520,724 was received on this loan (2012 - \$520,724).



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

### 4. TANGIBLE CAPITAL ASSETS

December 31, 2013

Cost	Opening	Additions	Disposals	Ending
<b><u>Infrastructure</u></b>				
Land	392,592	-	-	392,592
Buildings/Building Improvements	92,611,762	32,445	(1,948,512)	90,695,695
Machinery and Equipment	10,264,713	525,493	(201,131)	10,589,075
Linear - Roadways	73,834,601	2,192,947	(510,158)	75,517,390
Linear - Sewer and Water Services	250,360,798	3,353,990	(398,976)	253,315,812
<b>Infrastructure Total</b>	<b>427,464,466</b>	<b>6,104,875</b>	<b>(3,058,777)</b>	<b>430,510,564</b>
<b><u>General</u></b>				
Land	12,582,385	-	-	12,582,385
Land Improvements	21,819,403	1,040,082	-	22,859,485
Building/Building Improvements	55,993,805	2,447,259	-	58,441,064
Machinery and Equipment	1,425,642	301,874	-	1,727,516
Vehicles	6,567,306	60,577	(37,158)	6,590,725
<b>General Total</b>	<b>98,388,541</b>	<b>3,849,792</b>	<b>(37,158)</b>	<b>102,201,175</b>
Work In Progress	10,118,901	9,254,053	(3,327,333)	16,045,621
<b>Total Cost</b>	<b>535,971,908</b>	<b>19,208,720</b>	<b>(6,423,268)</b>	<b>548,757,360</b>

Accumulated Amortization	Opening	Amortization	Disposal	Ending
<b><u>Infrastructure</u></b>				
Buildings/Building Improvements	83,231,575	835,852	(1,967,807)	82,099,620
Machinery and Equipment	4,112,499	783,035	(161,902)	4,733,632
Linear - Roadways	42,470,817	2,601,369	(381,955)	44,690,231
Linear - Sewer and Water Services	68,674,652	4,908,020	(41,105)	73,541,567
<b>Infrastructure Total</b>	<b>198,489,543</b>	<b>9,128,276</b>	<b>(2,552,769)</b>	<b>205,065,050</b>
<b><u>General</u></b>				
Land Improvements	15,997,003	359,299	-	16,356,302
Building/Building Improvements	14,375,895	1,361,293	-	15,737,188
Machinery and Equipment	542,316	133,826	-	676,142
Vehicles	2,976,501	378,669	(37,158)	3,318,012
<b>General Total</b>	<b>33,891,715</b>	<b>2,233,087</b>	<b>(37,158)</b>	<b>36,087,644</b>
<b>Total Accumulated Amortization</b>	<b>232,381,258</b>	<b>11,361,363</b>	<b>(2,589,927)</b>	<b>241,152,694</b>

Net Book Value	Opening	Ending
<b><u>Infrastructure</u></b>		
Land	392,592	392,592
Building/Building Improvements	9,380,187	8,596,075
Machinery and Equipment	6,152,214	5,855,443
Linear - Roadways	31,363,784	30,827,159
Linear - Sewer and Water Services	181,686,146	179,774,245
	228,974,923	225,445,514
<b><u>General</u></b>		
Land	12,582,385	12,582,385
Land Improvements	5,822,400	6,503,183
Building/Building Improvements	41,617,910	42,703,876
Machinery and Equipment	883,326	1,051,374
Vehicles	3,590,805	3,272,713
	64,496,826	66,113,531
Assets under construction	10,118,901	16,045,621
<b>Total Net Book Value</b>	<b>303,590,650</b>	<b>307,604,666</b>



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

### 4. TANGIBLE CAPITAL ASSETS (CONTINUED)

December 31, 2012

Cost	Opening	Additions	Disposals	Ending
<b><u>Infrastructure</u></b>				
Land	392,592	-	-	392,592
Buildings/Building Improvements	91,577,983	1,033,779	-	92,611,762
Machinery and Equipment	9,670,095	752,997	(158,379)	10,264,713
Linear - Roadways	71,450,653	2,689,487	(305,539)	73,834,601
Linear - Sewer and Water Services	237,225,275	13,176,360	(40,837)	250,360,798
<b>Infrastructure Total</b>	<b>410,316,598</b>	<b>17,652,623</b>	<b>(504,755)</b>	<b>427,464,466</b>
<b><u>General</u></b>				
Land	12,262,911	335,775	(16,301)	12,582,385
Land Improvements	21,444,375	375,028	-	21,819,403
Building/Building Improvements	54,657,485	2,212,431	(876,111)	55,993,805
Machinery and Equipment	1,471,483	11,848	(57,689)	1,425,642
Vehicle	6,603,734	257,452	(293,880)	6,567,306
<b>General Total</b>	<b>96,439,988</b>	<b>3,192,534</b>	<b>(1,243,981)</b>	<b>98,388,541</b>
Assets under construction	16,034,411	954,535	(6,870,045)	10,118,901
<b>Total Cost</b>	<b>522,790,997</b>	<b>21,799,692</b>	<b>(8,618,781)</b>	<b>535,971,908</b>

Accumulated Amortization	Opening	Amortization	Disposal	Ending
<b><u>Infrastructure</u></b>				
Buildings/Building Improvements	82,172,612	1,058,963	-	83,231,575
Machinery and Equipment	3,463,633	771,347	(122,481)	4,112,499
Linear - Roadways	40,053,223	2,495,141	(77,547)	42,470,817
Linear - Sewer and Water Services	64,622,370	4,093,119	(40,837)	68,674,652
<b>Infrastructure Total</b>	<b>190,311,838</b>	<b>8,418,570</b>	<b>(240,865)</b>	<b>198,489,543</b>
<b><u>General</u></b>				
Land Improvements	15,426,107	570,896	-	15,997,003
Building/Building Improvements	13,983,387	1,193,066	(800,558)	14,375,895
Machinery and Equipment	529,521	70,484	(57,689)	542,316
Vehicle	2,638,217	401,167	(62,883)	2,976,501
<b>General Total</b>	<b>32,577,232</b>	<b>2,235,613</b>	<b>(921,130)</b>	<b>33,891,715</b>
<b>Total Accumulated Amortization</b>	<b>222,889,070</b>	<b>10,654,183</b>	<b>(1,161,995)</b>	<b>232,381,258</b>

Net Book Value	Opening	Ending
<b><u>Infrastructure</u></b>		
Land	392,592	392,592
Building/Building Improvements	9,405,371	9,380,187
Machinery and Equipment	6,206,462	6,152,214
Linear - Roadways	31,397,430	31,363,784
Linear - Sewer and Water Services	172,602,905	181,686,146
	220,004,760	228,974,923
<b><u>General</u></b>		
Land	12,262,911	12,582,385
Land improvements	6,018,268	5,822,400
Building/Building Improvements	40,674,098	41,617,910
Machinery and Equipment	941,962	883,326
Vehicles	3,965,517	3,590,805
	63,862,756	64,496,826
Assets under construction	16,034,411	10,118,901
<b>Total Net Book Value</b>	<b>299,901,927</b>	<b>303,590,650</b>

During the year roads and underground networks contributed to the City totaled \$1,996,329 (2012 - \$8,459,999) 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, 2013

### 5. 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:

	2013 \$	2012 \$
Long-term liabilities incurred by the municipality and outstanding at the end of the year amount to	13,893,995	15,502,265
Long-term liabilities assumed by the city	<u>6,945,534</u>	<u>5,057,006</u>
Total long-term liabilities at the end of the year	<u><u>20,839,529</u></u>	<u><u>20,559,271</u></u>

Principal repayments are summarized as follows:

Recoverable From	2014 \$	2015 \$	2016 \$	2017 \$	2018 \$	Beyond \$	Total \$
General taxation	1,680,565	1,345,257	819,516	858,989	900,363	8,289,305	13,893,995
User charges	<u>3,307,864</u>	<u>537,523</u>	<u>558,779</u>	<u>580,483</u>	<u>603,299</u>	<u>1,357,586</u>	<u>6,945,534</u>
	<u><u>4,988,429</u></u>	<u><u>1,882,780</u></u>	<u><u>1,378,295</u></u>	<u><u>1,439,472</u></u>	<u><u>1,503,662</u></u>	<u><u>9,646,891</u></u>	<u><u>20,839,529</u></u>

- b) Long-term liabilities 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, \$1,498,039 is repayable in monthly instalments of \$81,606 bearing interest at 4.2% and the remaining \$12,395,956 is repayable in semi-annual instalments of \$663,602 bearing interest at 4.8%.

- c) Interest expense on long-term liabilities in 2013 amounted to \$844,219 (2012 - \$866,839).



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

### 6. 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.

	2013 <u>\$</u>	2012 <u>\$</u>
Operating fund		
General Operations	145,483	394,782
Sewer Operations	784,923	350,232
Water Operations	374,299	364,870
Elgin-St. Thomas Health Unit	31,380	13,990
Downtown Development Board (BIA)	<u>103,245</u>	<u>55,860</u>
	1,439,330	1,179,734
Invested in tangible capital assets	307,604,666	303,590,650
Capital fund	15,940,138	15,565,484
Equity in government business enterprise	21,297,006	20,141,440
Reserves	22,508,142	20,336,049
Reserve funds	<u>2,837,740</u>	<u>2,878,007</u>
	371,627,022	363,691,364
<b>UNFUNDED</b>		
Employee benefits payable	(8,922,415)	(9,127,866)
Net long-term debt	<u>(20,839,529)</u>	<u>(20,559,271)</u>
<b>ACCUMULATED SURPLUS</b>	<u><u>341,865,078</u></u>	<u><u>334,004,227</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	6,180,351	4,758,704
- for human resource issues	1,028,293	1,249,508
- for social and family services	1,847,249	1,830,617
- for acquisition of tangible capital assets		
general operations	3,246,211	2,064,553
sewer operations	<u>10,206,038</u>	<u>10,432,667</u>
Total reserves	<u><u>22,508,142</u></u>	<u><u>20,336,049</u></u>
Reserve funds set aside for specific purposes by Council and Joint Boards:		
- general operations	6,332	26,332
- water operations	2,831,408	2,831,939
- for human resource issues	<u>-</u>	<u>19,736</u>
Total reserve funds	<u><u>2,837,740</u></u>	<u><u>2,878,007</u></u>

# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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### 7. EMPLOYEE BENEFITS PAYABLE

Employee future benefits are liabilities of the City to its employees and early retirees for benefits earned but not taken as at December 31, 2013. Details are as follows:

	2013 \$	2012 \$
a) Future payments required to WSIB	2,375,464	2,388,084
b) Accumulated sick leave benefit plan entitlements	1,499,111	1,529,624
c) Post employment and retirement benefits	<u>5,047,840</u>	<u>5,210,158</u>
	<u>8,922,415</u>	<u>9,127,866</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 2011.

The benefit obligation continuity is as follows:

	2013 \$	2012 \$
Accrued benefit obligation, January 1	2,388,084	2,516,847
Expense	295,533	291,474
Payment	<u>(331,030)</u>	<u>(331,703)</u>
Actual accrued benefit obligation	2,352,587	2,476,618
Less: unamortized actuarial gain/(loss) (straight-line, ten years)	<u>22,877</u>	<u>(88,534)</u>
Accrued benefit obligation, December 31	<u>2,375,464</u>	<u>2,388,084</u>



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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### 7. 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 City'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 \$1,499,111 (2012 - \$1,529,624) at the end of the year. An amount of \$129,600 (2012 - \$137,922) was paid to employees who left the City's employment during the current year. An actuarial gain of \$192,258 (2012 - \$215,336) was determined for the sick leave liability in the 2013 review and is being amortized at \$23,078 per year.

#### c) Post employment and retirement benefits

The City provides certain employee medical and life insurance benefits on behalf of its retired and current employees. An actuarial evaluation was performed on the post employment and retirement benefits in February 2014 and covers the period from December 31, 2013 to December 31, 2015.

Significant assumptions are as follows:

- General inflation rate - 2.0%
- Discount rate - 4.25% (2012 - 5.0%)
- Rate of compensation increase - 3.0%
- Healthcare cost increase - 4.0% to 6.333%
- Dental cost increase - 4.0%

The benefit obligation continuity is as follows:

	2013	2012
	<u>\$</u>	<u>\$</u>
Accrued benefit obligation, January 1	5,210,158	4,996,774
Expense	475,388	487,573
Loss due to reduction in discount rate	462,000	-
Loss due to more retirees than expected and change in work force	439,020	-
Gain due to health costs escalating less than projection	(606,000)	-
Payment	<u>(300,765)</u>	<u>(274,189)</u>
Actual accrued benefit obligation	5,679,801	5,210,158
Less: unamortized actuarial gain/(loss), (straight-line, 12 years)	<u>(631,961)</u>	<u>-</u>
Unfunded benefit obligation, December 31	<u><u>5,047,840</u></u>	<u><u>5,210,158</u></u>

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

## **Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013**

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### **8. PENSION AGREEMENTS**

The City makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of approximately 450 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. Each year, an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits the members have earned to date. The most recent actuarial valuation of the Plan was conducted December 31, 2013, and the results of this valuation disclosed actuarial liabilities of \$73.0 billion in respect of benefits accrued for service with actuarial assets at that date of \$64.4 billion leaving an actuarial deficit of \$8.6 billion.

Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the City does not recognize any share of the OMERS Pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS for 2013 was \$3,087,024 (2012 - \$2,845,230).

### **9. 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, 2013 the outstanding debentures totalled \$3,297,916 (2012 - \$3,486,939) and \$514,190 in Ministry funding was applied to the debenture payment of \$514,190 paid in the year.



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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### 10. DEFERRED REVENUE

A requirement of the Canadian accounting standards for public sector entities 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:

	2013 <u>\$</u>	2012 <u>\$</u>
Development Charges	14,182,823	13,149,073
Parkland	19,547	7,035
Parking	645	637
Federal and Provincial gas taxes	6,820,061	8,817,042
Other	<u>594,601</u>	<u>1,135,930</u>
	<u><u>21,617,677</u></u>	<u><u>23,109,717</u></u>

### 11. TRUST FUNDS

Trust funds administered by the City amounting to \$377,205 (2012 - \$352,020) 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, 2013

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### 12. INVESTMENT IN ASCENT GROUP INC.

The City owns 100% of Ascent Group Inc. (formerly St. Thomas Holding Inc.) which in turn owns 100% of St. Thomas Energy Inc., Ascent Energy Services Inc., Ascent Solutions Inc. and Ascent Renewables Inc. As business enterprises of the City, 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 City for the year ended December 31:

	2013	2012
	\$	\$
<b>Financial Position:</b>		
Current assets	27,374,986	19,642,125
Capital assets	29,011,824	28,833,742
Deferred charges and other assets	4,049,870	4,606,874
Total assets	60,436,680	53,082,741
Current liabilities	25,978,844	18,332,889
Other long-term liabilities	20,875,256	22,322,838
Total Liabilities	46,854,100	40,655,727
Net Assets	13,582,580	12,427,014
<b>Results of operations:</b>		
Revenues	66,429,695	61,770,355
Operating expenses	65,024,129	64,411,041
Net income (loss)	1,405,566	(2,640,686)

Total dividends received in the year from Ascent Group Inc. was \$250,000 (2012 - \$250,000).



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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### 13. CONTINGENT LIABILITIES

As at December 31, 2013 certain legal actions are pending against the City. The final outcome of the outstanding claims cannot be determined at this time. However, management believes that ultimate disposition of these matters will not materially exceed the amounts recorded in these consolidated financial statements.

Estimated costs to settle claims are based on available information and projections of estimated future expenses developed based on the City's historical experience. Claims are reported as an operating expense in the year of the loss, where the costs are deemed to be likely and can be reasonably determined. Claim provisions are reported as a liability in the consolidated statement of financial position.

### 14. RELATED PARTY TRANSACTIONS

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

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

	2013 \$	2012 \$
Transactions during the year:		
Purchase of services	<u>296,184</u>	<u>508,705</u>
Balances at end of year:		
Amounts due from Ascent Services Inc.	<u>2,122,531</u>	<u>2,063,300</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 (2012 - 520,724) from Ascent Services Inc. on its note receivable as disclosed in Note 3.

# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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### 15. SUPPLEMENTARY INFORMATION:

#### [a] Changes in non-cash assets and liabilities:

	2013	2012
	<u>\$</u>	<u>\$</u>
Taxes receivable	1,695,667	(420,783)
Accounts receivable	1,244,000	1,599,063
Land held for resale	(89,058)	(9,694)
Prepaid expenses and inventories of supplies	218,453	(789,093)
Accounts payable and accrued liabilities	2,068,729	(3,112,203)
Allowance for tax reassessments	741,647	935,000
Deferred revenue - obligatory reserve funds	<u>(1,492,040)</u>	<u>3,202,864</u>
	<u>4,387,398</u>	<u>1,405,154</u>

#### [b] Supplementary cash flow information:

Cash interest received	<u>1,289,830</u>	<u>1,163,674</u>
Cash interest paid	<u>844,219</u>	<u>866,839</u>

#### [c] Current fund expenditures by object:

Salaries, wages and employees benefits	44,902,468	42,697,735
Long-term debt interest expense	844,219	866,839
Materials	14,621,086	16,244,573
Contracted services	22,821,455	18,571,453
Rents and financial expenses	190,095	359,715
Amortization	11,361,363	10,654,183
Loss on disposal of tangible capital assets	506,008	586,741
External transfers	<u>20,152,146</u>	<u>19,494,750</u>
	<u>115,398,840</u>	<u>109,475,989</u>



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013

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### 16. BUDGETED AMOUNTS

The operating budget approved by the council of the City for 2013 is reflected on the consolidated statement of operations. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. These adjustments include reserve transfers, capital expenditures, amortization and debt financing and repayment.

	Approved Budget \$	Adjustments \$	PSAB Budget \$
<b>REVENUES</b>			
Property taxation	43,005,408	-	43,005,408
Taxation from other governments	156,990	-	156,990
User charges and other revenues	25,638,905	3,573,801	29,212,706
Transfer payments			
Federal	939,801	4,689,385	5,629,186
Provincial	31,409,866	3,894,386	35,304,252
Other municipalities	4,938,673	23,924	4,962,597
Development charges	50,000	288,443	338,443
Investment income	930,374	-	930,374
Penalties and interest on taxes	650,000	-	650,000
Reserve transfers	<u>34,000</u>	<u>(34,000)</u>	<u>-</u>
Total Revenues	<u>107,754,017</u>	<u>12,435,939</u>	<u>120,189,956</u>
<b>EXPENSES</b>			
General government	9,401,505	(4,245,867)	5,155,638
Protection to persons and property	19,549,097	331,824	19,880,921
Transportation services	7,060,177	2,601,369	9,661,546
Environmental services	17,236,477	1,478,565	18,715,042
Health services	2,485,741	2,831,141	5,316,882
Social and family services	34,157,207	598,616	34,755,823
Social housing	11,126,937	72,410	11,199,347
Recreation and cultural services	5,621,528	1,231,698	6,853,226
Planning and development	<u>1,115,348</u>	<u>20,893</u>	<u>1,136,241</u>
Total Expenses	<u>107,754,017</u>	<u>4,920,649</u>	<u>112,674,666</u>
<b>BUDGETED ANNUAL SURPLUS</b>	<u>-</u>	<u>7,515,290</u>	<u>7,515,290</u>



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

## **Notes to the Consolidated Financial Statements For the Year Ended December 31, 2013**

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### **17. SEGMENTED INFORMATION**

The City 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, Fire department, and by-law enforcement. 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, Property and Economic Development**

The Planning, Property and Economic 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, 2013**

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### **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.

### **18. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the 2013 financial statement presentation.

# THE CORPORATION OF THE CITY OF ST. THOMAS

## Consolidated Schedule of Segment Disclosure - Operating Revenues and Expenses For the Year Ended December 31, 2013

	Ascent Group Inc. \$	Social & Family Services \$	Planning \$	Public Works \$	Finance & Administration \$	Protection \$	Water and Waste Funds \$	Community Services \$	Other Funds & Corporation \$	Consolidated \$
<b>REVENUES</b>										
Taxation	-	6,425,526	1,231,999	4,094,951	2,298,968	17,663,643	-	4,297,578	6,676,631	42,689,296
Sales of services and regulatory fees	-	4,783,889	537,798	457,384	1,710,574	255,924	16,909,336	1,696,382	2,178,973	28,530,260
Government transfers	-	32,894,329	217,315	4,429,537	508,931	592,426	672,863	897,344	5,642,918	45,855,663
Other	1,405,566	12,577	781	1,199,548	1,774,228	-	241,525	-	822,454	5,456,679
Development charges earned	-	-	-	12,951	14,000	32,622	77,151	209,098	381,970	727,792
	<u>1,405,566</u>	<u>44,116,321</u>	<u>1,987,893</u>	<u>10,194,371</u>	<u>6,306,701</u>	<u>18,544,615</u>	<u>17,900,875</u>	<u>7,100,402</u>	<u>15,702,946</u>	<u>123,259,690</u>
<b>EXPENSES</b>										
Salaries, wages and employees benefits	-	11,773,798	1,238,096	2,614,903	3,320,767	17,128,195	2,683,111	3,678,806	2,464,792	44,902,468
Long-term debt interest	-	598,616	-	-	-	-	162,953	82,650	-	844,219
Materials	-	2,056,796	269,740	1,571,601	56,081	907,395	7,426,540	1,307,087	1,025,846	14,621,086
Contracted services	-	12,001,843	374,080	2,882,488	1,746,282	545,746	1,584,443	621,566	3,065,007	22,821,455
Rents, financial and other	-	17,156,939	197,000	128,203	53,783	-	371,301	96,000	2,845,023	20,848,249
Amortization	-	327,821	-	2,601,370	378,669	331,824	6,526,906	1,194,773	-	11,361,363
	<u>-</u>	<u>43,915,813</u>	<u>2,078,916</u>	<u>9,798,565</u>	<u>5,555,582</u>	<u>18,913,160</u>	<u>18,755,254</u>	<u>6,980,882</u>	<u>9,400,668</u>	<u>115,398,840</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>1,405,566</u>	<u>200,508</u>	<u>(91,023)</u>	<u>395,806</u>	<u>751,119</u>	<u>(368,545)</u>	<u>(854,379)</u>	<u>119,520</u>	<u>6,302,278</u>	<u>7,860,850</u>



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Consolidated Schedule of Segment Disclosure - Operating Revenues and Expenses For the Year Ended December 31, 2012

	Ascent Group Inc. \$	Social & Family Services \$	Planning \$	Public Works \$	Finance & Administration \$	Protection \$	Water and Waste Funds \$	Community Services \$	Other Funds & Corporation \$	Consolidated \$
<b>REVENUES</b>										
Taxation	-	6,494,469	1,489,958	3,977,687	2,265,903	17,210,184	-	4,363,137	5,614,161	41,415,499
Sales of services and regulatory fees	-	4,773,712	846,001	482,277	821,585	613,217	16,790,651	1,306,883	2,462,197	28,096,523
Government transfers	-	29,488,672	207,652	642,278	182,135	34,835	4,551,493	115,651	2,841,366	38,064,082
Other	(2,640,686)	50,000	4,050	1,547,643	1,014,582	1,936	4,506,274	540,918	2,621,093	7,645,810
Development charges earned	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,089</u>	<u>-</u>	<u>103,947</u>	<u>7,894</u>	<u>433,059</u>	<u>-</u>	<u>618,989</u>
	<u>(2,640,686)</u>	<u>40,806,853</u>	<u>2,547,661</u>	<u>6,723,974</u>	<u>4,284,205</u>	<u>17,964,119</u>	<u>25,856,312</u>	<u>6,759,648</u>	<u>13,538,817</u>	<u>115,840,903</u>
<b>EXPENSES</b>										
Salaries, wages and employees benefits	-	11,489,120	1,371,540	1,969,355	2,506,286	16,719,878	2,460,756	3,709,091	2,471,709	42,697,735
Long-term debt interest	-	632,096	-	-	-	-	115,621	119,122	-	866,839
Materials	-	2,078,844	306,693	2,410,931	135,642	850,820	8,133,126	1,346,359	982,158	16,244,573
Contracted services	-	9,523,491	486,929	1,983,271	1,324,378	414,395	1,403,971	541,626	2,893,392	18,571,453
Rents, financial and other	-	16,959,081	251,269	-	98,014	-	37,396	102,587	2,992,859	20,441,206
Amortization	<u>-</u>	<u>685,225</u>	<u>-</u>	<u>3,167,680</u>	<u>27,495</u>	<u>253,383</u>	<u>5,452,574</u>	<u>1,067,826</u>	<u>-</u>	<u>10,654,183</u>
	<u>-</u>	<u>41,367,857</u>	<u>2,416,431</u>	<u>9,531,237</u>	<u>4,091,815</u>	<u>18,238,476</u>	<u>17,603,444</u>	<u>6,886,611</u>	<u>9,340,118</u>	<u>109,475,989</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>(2,640,686)</u>	<u>(561,004)</u>	<u>131,230</u>	<u>(2,807,263)</u>	<u>192,390</u>	<u>(274,357)</u>	<u>8,252,868</u>	<u>(126,963)</u>	<u>4,198,699</u>	<u>6,364,914</u>

# THE CORPORATION OF THE CITY OF ST. THOMAS

## Schedule of Segment Disclosure- Operating Revenues and Expenses For the Year Ended December 31, 2013

	Actual 2013 <u>\$</u>	Actual 2012 <u>\$</u>
<b>PROTECTION</b>		
<b>Revenue</b>		
Taxation	17,663,643	17,210,184
Sales of services and regulatory fees	255,924	613,217
Government transfers	592,426	34,835
Other	-	1,936
Development charges earned	<u>32,622</u>	<u>103,947</u>
Total Revenues	<u>18,544,615</u>	<u>17,964,119</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	17,128,195	16,719,878
Materials	907,395	850,820
Contracted services	545,746	414,395
Amortization	<u>331,824</u>	<u>253,383</u>
Total Expenditures	<u>18,913,160</u>	<u>18,238,476</u>
<b>Net Surplus (Deficit)</b>	<u><u>(368,545)</u></u>	<u><u>(274,357)</u></u>
<b>COMMUNITY SERVICES</b>		
<b>Revenue</b>		
Taxation	4,297,578	4,363,137
Sales of services and regulatory fees	1,696,382	1,306,883
Government transfers	897,344	115,651
Other	-	540,918
Development charges earned	<u>209,098</u>	<u>433,059</u>
Total Revenues	<u>7,100,402</u>	<u>6,759,648</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	3,678,806	3,709,091
Long-term debt interest expense	82,650	119,122
Materials	1,307,087	1,346,359
Contracted services	621,566	541,626
Rents and financial expenses	-	6,587
Transfer to others	96,000	96,000
Amortization	<u>1,194,773</u>	<u>1,067,826</u>
Total Expenditures	<u>6,980,882</u>	<u>6,886,611</u>
<b>Net Surplus (Deficit)</b>	<u><u>119,520</u></u>	<u><u>(126,963)</u></u>



# THE CORPORATION OF THE CITY OF ST. THOMAS

## Schedule of Segment Disclosure- Operating Revenues and Expenses For the Year Ended December 31, 2013

	Actual 2013 \$	Actual 2012 \$
<b>PLANNING</b>		
<b>Revenue</b>		
Taxation	1,231,999	1,489,958
Sales of services and regulatory fees	537,798	846,001
Government transfers	217,315	207,652
Other	<u>781</u>	<u>4,050</u>
Total Revenues	<u>1,987,893</u>	<u>2,547,661</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	1,238,096	1,371,540
Materials	269,740	306,693
Contracted services	374,080	486,929
Rents and financial expenses	-	14,657
Transfer to others	<u>197,000</u>	<u>236,612</u>
Total Expenditures	<u>2,078,916</u>	<u>2,416,431</u>
<b>Net Surplus (Deficit)</b>	<u><u>(91,023)</u></u>	<u><u>131,230</u></u>
 <b>PUBLIC WORKS</b>		
<b>Revenue</b>		
Taxation	4,094,951	3,977,687
Sales of services and regulatory fees	457,384	482,277
Government transfers	4,429,537	642,278
Other	1,199,548	1,547,643
Development charges earned	<u>12,951</u>	<u>74,089</u>
Total Revenues	<u>10,194,371</u>	<u>6,723,974</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	2,614,903	1,969,355
Materials	1,571,601	2,410,931
Contracted services	2,882,488	1,983,271
Amortization	2,601,370	3,167,680
Loss on disposal of tangible capital assets	<u>128,203</u>	<u>-</u>
Total Expenditures	<u>9,798,565</u>	<u>9,531,237</u>
<b>Net Surplus (Deficit)</b>	<u><u>395,806</u></u>	<u><u>(2,807,263)</u></u>

# THE CORPORATION OF THE CITY OF ST. THOMAS

## Schedule of Segment Disclosure- Operating Revenues and Expenses For the Year Ended December 31, 2013

	Actual 2013 \$	Actual 2012 \$
<b>FINANCE AND ADMINISTRATION</b>		
<b>Revenue</b>		
Taxation	2,298,968	2,265,903
Sales of services and regulatory fees	1,710,574	821,585
Government transfers	508,931	182,135
Other	1,774,228	1,014,582
Development charges earned	<u>14,000</u>	<u>-</u>
Total Revenues	<u>6,306,701</u>	<u>4,284,205</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	3,320,767	2,506,286
Materials	56,081	135,642
Contracted services	1,746,282	1,324,378
Rents and financial expenses	33,849	98,014
Transfer to others	-	-
Amortization	378,669	27,495
Loss on disposal of tangible capital assets	<u>19,934</u>	<u>-</u>
Total Expenditures	<u>5,555,582</u>	<u>4,091,815</u>
<b>Net Surplus (Deficit)</b>	<u><u>751,119</u></u>	<u><u>192,390</u></u>
 <b>SOCIAL AND FAMILY SERVICES</b>		
<b>Revenue</b>		
Taxation	6,425,526	6,494,469
Sales of services and regulatory fees	4,783,889	4,773,712
Government transfers	32,894,329	29,488,672
Other	<u>12,577</u>	<u>50,000</u>
Total Revenues	<u>44,116,321</u>	<u>40,806,853</u>
<b>Expenditures</b>		
Salaries, wages and employees benefits	11,773,798	11,489,120
Long-term debt interest expense	598,616	632,096
Materials	2,056,796	2,078,844
Contracted services	12,001,843	9,523,491
Transfer to others	17,156,939	16,959,081
Amortization	<u>327,821</u>	<u>685,225</u>
Total Expenditures	<u>43,915,813</u>	<u>41,367,857</u>
<b>Net Surplus (Deficit)</b>	<u><u>200,508</u></u>	<u><u>(561,004)</u></u>