

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

Consolidated Financial Statements

December 31, 2014

The Corporation of the City of St. Thomas

Consolidated Financial Statements

For the year ended December 31, 2014

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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, 2014, 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, 2014, 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 21, 2015

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, 2014**

	2014	2013
	<u>\$</u>	<u>\$</u>
FINANCIAL ASSETS		
Cash and short term deposits	59,383,079	68,109,480
Note receivable (Note 3)	7,714,426	7,714,426
Taxes receivable (Note 2)	1,173,958	1,484,812
Accounts receivable (Note 14)	13,855,212	7,152,737
Land held for resale	606,442	556,624
Investment in Ascent Group Inc. (Note 12)	<u>6,837,619</u>	<u>13,582,580</u>
Total financial assets	<u>89,570,736</u>	<u>98,600,659</u>
LIABILITIES		
Deferred revenue (Note 10)	24,200,603	22,664,355
Accounts payable and accrued liabilities	9,309,930	11,259,126
Employee benefits payable (Note 7)	9,238,749	8,922,415
Allowance for tax reassessments	1,250,751	2,692,398
Net long-term liabilities (Note 5)	<u>19,480,432</u>	<u>20,839,529</u>
Total liabilities	<u>63,480,465</u>	<u>66,377,823</u>
NET FINANCIAL ASSETS	<u>26,090,271</u>	<u>32,222,836</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 4)	307,765,005	307,604,666
Inventories of supplies	525,336	490,518
Prepaid expenses	<u>1,694,852</u>	<u>1,547,058</u>
Total non-financial assets	<u>309,985,193</u>	<u>309,642,242</u>
ACCUMULATED SURPLUS (NOTE 6)	<u>336,075,464</u>	<u>341,865,078</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, 2014

	Budget (Note 16) \$	Actual 2014 \$	Actual 2013 \$
REVENUES			
Property taxation	44,772,770	44,325,696	42,489,263
Taxation from other governments	192,507	196,098	200,033
User charges and other revenues	28,558,470	29,412,957	28,530,260
Government transfers:			
Federal	4,947,570	4,882,782	5,737,125
Provincial	37,270,083	36,966,224	34,588,172
Municipalities	4,771,956	4,441,849	5,530,366
Development charges earned	608,966	558,966	727,792
Investment interest and dividends	1,237,725	1,306,736	1,289,830
Penalties and interest on taxes	550,000	522,130	764,954
Developer contributions of tangible capital assets	-	1,274,140	1,996,329
Income (loss) from government business enterprise - Ascent Group Inc. (Note 12)	-	(6,744,961)	1,405,566
Total Revenues	122,910,047	117,142,617	123,259,690
EXPENSES			
General government	5,765,483	6,487,469	5,956,266
Protection to persons and property	21,198,581	20,709,072	19,900,734
Transportation services	12,954,634	13,486,697	10,674,161
Environmental services	22,327,762	22,222,875	21,343,627
Health service	5,696,912	6,257,297	5,331,619
Social and family services	35,577,510	34,924,526	33,013,856
Social housing	10,490,977	10,463,191	10,901,956
Recreation and cultural services	7,009,855	6,960,623	7,061,882
Planning and development	1,249,975	1,420,481	1,214,738
Total Expenses (Note 15)	122,271,689	122,932,231	115,398,839
ANNUAL SURPLUS (DEFICIT)	638,358	(5,789,614)	7,860,851
ACCUMULATED SURPLUS, BEGINNING OF YEAR	341,865,078	341,865,078	334,004,227
ACCUMULATED SURPLUS, END OF YEAR (NOTE 6)	342,503,436	336,075,464	341,865,078

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, 2014

	Budget (Note 16) \$	Actual 2014 \$	Actual 2013 \$
ANNUAL SURPLUS (DEFICIT)	638,358	(5,789,614)	7,860,851
Amortization of tangible capital assets	11,158,200	11,158,200	11,361,363
Acquisition of tangible capital assets	(10,606,372)	(10,606,372)	(13,885,058)
Change in inventories of supplies and prepaid expenses	(182,612)	(182,612)	218,453
Loss on disposal of tangible capital assets	561,973	561,973	506,008
Developer contributions of tangible capital assets	<u>(1,274,140)</u>	<u>(1,274,140)</u>	<u>(1,996,329)</u>
CHANGE IN NET FINANCIAL ASSETS	295,407	(6,132,565)	4,065,288
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>32,222,836</u>	<u>32,222,836</u>	<u>28,157,548</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>32,518,243</u>	<u>26,090,271</u>	<u>32,222,836</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, 2014

	2014	2013
	<u>\$</u>	<u>\$</u>
OPERATING ACTIVITIES		
Annual surplus (deficit)	(5,789,614)	7,860,851
Items not involving cash:		
Amortization of tangible capital assets	11,158,200	11,361,363
Loss on disposal of tangible capital assets	561,973	506,008
Developer contributions of tangible capital assets	(1,274,140)	(1,996,329)
Change in employee benefits	316,334	(205,451)
Equity loss (income) from Ascent Group Inc.	<u>6,744,961</u>	<u>(1,405,566)</u>
	11,717,714	16,120,876
Change in non-cash assets and liabilities (Note 15[a])	<u>(8,478,646)</u>	<u>4,387,398</u>
	<u>3,239,068</u>	<u>20,508,274</u>
CAPITAL ACTIVITIES		
Tangible capital asset and assets under construction additions	<u>(10,606,372)</u>	<u>(13,885,058)</u>
INVESTING ACTIVITIES		
Dividends from Ascent Group Inc. (Note 12)	<u>-</u>	<u>250,000</u>
FINANCING ACTIVITIES		
Long-term debt principal repayment	(2,191,010)	(2,100,179)
Proceeds from issue of long-term debt	<u>831,913</u>	<u>2,380,437</u>
	<u>(1,359,097)</u>	<u>280,258</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,726,401)	7,153,474
OPENING CASH AND CASH EQUIVALENTS	<u>68,109,480</u>	<u>60,956,006</u>
CLOSING CASH AND CASH EQUIVALENTS	<u>59,383,079</u>	<u>68,109,480</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, 2014

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

Inter-departmental 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, 2014

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 which include user fees for recreation, transit, licensing and water and sewer charges. 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, 2014

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 and services are 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 less than one year 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 amortized over the expected service period.

The Corporation of the City of St. Thomas

Notes to the Consolidated Financial Statements For the year ended December 31, 2014

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, 2014

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 2014 the City received \$44,521,794 (2013 - \$42,689,296) 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, 2014

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, 2015. 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.

PSAB released a standard related to Liabilities for Contaminated Sites (PS 3260). The standard applies to all local governments for fiscal years beginning on or after April 1, 2014. The standard requires that a liability for remediation of contaminated sites be recognized when an environmental standard exists, the contamination exceeds the environmental standard, the government is directly responsible for remediation of the contaminated site and a reasonable estimate of the amount can be made. The liability will be recorded on the Consolidated Statement of Financial Position at each recording date, beginning in 2015 with comparative restatement of opening balances. Any changes to the liability will be recognized when revisions are made. The change in liability will be reflected on the Consolidated Statement of Operations in 2015.

2. TAXES RECEIVABLE

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

	2014	2013
	\$	\$
Taxes receivable	951,799	1,308,120
Penalties and interest	322,159	276,692
Allowance for doubtful accounts	<u>(100,000)</u>	<u>(100,000)</u>
	<u>1,173,958</u>	<u>1,484,812</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 2014 annual interest of \$520,724 was received on this loan (2013 - \$520,724).

The Corporation of the City of St. Thomas

Notes to the Consolidated Financial Statements For the year ended December 31, 2014

4. TANGIBLE CAPITAL ASSETS

December 31, 2014

Cost	Opening	Additions	Disposals	Ending
<u>Infrastructure</u>				
Land	392,592	-	-	392,592
Buildings/Building Improvements	90,695,695	897,900	-	91,593,595
Machinery and Equipment	10,589,075	446,215	(587,862)	10,447,428
Linear - Roadways	75,517,390	2,046,240	(10,634)	77,552,996
Linear - Sewer and Water Services	<u>253,315,812</u>	<u>2,239,377</u>	<u>(61,797)</u>	<u>255,493,392</u>
Infrastructure Total	<u>430,510,564</u>	<u>5,629,732</u>	<u>(660,293)</u>	<u>435,480,003</u>
<u>General</u>				
Land	12,582,385	234,892	-	12,817,277
Land Improvements	22,859,485	3,561,359	-	26,420,844
Building/Building Improvements	58,441,064	5,954,597	(798,749)	63,596,912
Machinery and Equipment	1,727,516	640,649	-	2,368,165
Vehicles	<u>6,590,725</u>	<u>252,848</u>	<u>-</u>	<u>6,843,573</u>
General Total	<u>102,201,175</u>	<u>10,644,345</u>	<u>(798,749)</u>	<u>112,046,771</u>
Work In Progress	<u>16,045,621</u>	<u>3,299,412</u>	<u>(7,692,977)</u>	<u>11,652,056</u>
Total Cost	<u>548,757,360</u>	<u>19,573,489</u>	<u>(9,152,019)</u>	<u>559,178,830</u>
Accumulated Amortization	Opening	Amortization	Disposal	Ending
<u>Infrastructure</u>				
Buildings/Building Improvements	82,099,620	534,521	-	82,634,141
Machinery and Equipment	4,733,632	1,034,150	(587,862)	5,179,920
Linear - Roadways	44,690,231	2,968,645	(12,210)	47,646,666
Linear - Sewer and Water Services	<u>73,541,567</u>	<u>4,501,175</u>	<u>(38,560)</u>	<u>78,004,182</u>
Infrastructure Total	<u>205,065,050</u>	<u>9,038,491</u>	<u>(638,632)</u>	<u>213,464,909</u>
<u>General</u>				
Land Improvements	16,356,302	365,415	-	16,721,717
Building/Building Improvements	15,737,188	1,466,406	(258,437)	16,945,157
Machinery and Equipment	676,142	78,937	-	755,079
Vehicles	<u>3,318,012</u>	<u>208,951</u>	<u>-</u>	<u>3,526,963</u>
General Total	<u>36,087,644</u>	<u>2,119,709</u>	<u>(258,437)</u>	<u>37,948,916</u>
Total Accumulated Amortization	<u>241,152,694</u>	<u>11,158,200</u>	<u>(897,069)</u>	<u>251,413,825</u>
Net Book Value	Opening			Ending
<u>Infrastructure</u>				
Land	392,592			392,592
Building/Building Improvements	8,596,075			8,959,454
Machinery and Equipment	5,855,443			5,267,508
Linear - Roadways	30,827,159			29,906,330
Linear - Sewer and Water Services	<u>179,774,245</u>			<u>177,489,210</u>
	225,445,514			222,015,094
<u>General</u>				
Land	12,582,385			12,817,277
Land Improvements	6,503,183			9,699,127
Building/Building Improvements	42,703,876			46,651,755
Machinery and Equipment	1,051,374			1,613,086
Vehicles	<u>3,272,713</u>			<u>3,316,610</u>
	66,113,531			74,097,855
Assets under construction	<u>16,045,621</u>			<u>11,652,056</u>
Total Net Book Value	<u>307,604,666</u>			<u>307,765,005</u>

The Corporation of the City of St. Thomas

Notes to the Consolidated Financial Statements For the year ended December 31, 2014

4. TANGIBLE CAPITAL ASSETS (CONTINUED)

December 31, 2013

Cost	Opening	Additions	Disposals	Ending
<u>Infrastructure</u>				
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	<u>250,360,798</u>	<u>3,353,990</u>	<u>(398,976)</u>	<u>253,315,812</u>
Infrastructure Total	<u>427,464,466</u>	<u>6,104,875</u>	<u>(3,058,777)</u>	<u>430,510,564</u>
<u>General</u>				
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
Vehicle	<u>6,567,306</u>	<u>60,577</u>	<u>(37,158)</u>	<u>6,590,725</u>
General Total	<u>98,388,541</u>	<u>3,849,792</u>	<u>(37,158)</u>	<u>102,201,175</u>
Assets under construction	<u>10,118,901</u>	<u>9,254,053</u>	<u>(3,327,333)</u>	<u>16,045,621</u>
Total Cost	<u>535,971,908</u>	<u>19,208,720</u>	<u>(6,423,268)</u>	<u>548,757,360</u>
Accumulated Amortization	Opening	Amortization	Disposal	Ending
<u>Infrastructure</u>				
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	<u>68,674,652</u>	<u>4,908,020</u>	<u>(41,105)</u>	<u>73,541,567</u>
Infrastructure Total	<u>198,489,543</u>	<u>9,128,276</u>	<u>(2,552,769)</u>	<u>205,065,050</u>
<u>General</u>				
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
Vehicle	<u>2,976,501</u>	<u>378,669</u>	<u>(37,158)</u>	<u>3,318,012</u>
General Total	<u>33,891,715</u>	<u>2,233,087</u>	<u>(37,158)</u>	<u>36,087,644</u>
Total Accumulated Amortization	<u>232,381,258</u>	<u>11,361,363</u>	<u>(2,589,927)</u>	<u>241,152,694</u>
Net Book Value	Opening			Ending
<u>Infrastructure</u>				
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	<u>181,686,146</u>			<u>179,774,245</u>
	228,974,923			225,445,514
<u>General</u>				
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	<u>3,590,805</u>			<u>3,272,713</u>
	64,496,826			66,113,531
Assets under construction	<u>10,118,901</u>			<u>16,045,621</u>
Total Net Book Value	<u>303,590,650</u>			<u>307,604,666</u>

During the year roads and underground networks contributed to the City totaled \$1,274,140 (2013 - \$1,996,329) 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, 2014

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:

	2014	2013
	<u>\$</u>	<u>\$</u>
Long-term liabilities incurred by the municipality and outstanding at the end of the year amount to	12,213,429	13,893,995
Long-term liabilities assumed by the city	<u>7,267,003</u>	<u>6,945,534</u>
Total long-term liabilities at the end of the year	<u>19,480,432</u>	<u>20,839,529</u>

Principal repayments are summarized as follows:

Recoverable From	2015	2016	2017	2018	2019	Beyond	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
General taxation	1,345,260	819,516	858,989	900,363	943,731	7,345,570	12,213,429
User charges	<u>613,373</u>	<u>637,089</u>	<u>661,663</u>	<u>686,939</u>	<u>422,547</u>	<u>4,245,392</u>	<u>7,267,003</u>
	<u>1,958,633</u>	<u>1,456,605</u>	<u>1,520,652</u>	<u>1,587,302</u>	<u>1,366,278</u>	<u>11,590,962</u>	<u>19,480,432</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, \$563,403 is repayable in monthly instalments of \$81,606, due July 2016 bearing interest at 4.2% and the remaining \$11,650,026 is repayable in semi-annual instalments of \$663,602, due December 2026, bearing interest at 4.8%.

- c) Interest expense on long-term liabilities in 2014 amounted to \$870,342 (2013 - \$844,219).

The Corporation of the City of St. Thomas

Notes to the Consolidated Financial Statements For the year ended December 31, 2014

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.

	2014 \$	2013 \$
Operating fund:		
General Operations	(5,082)	145,483
Sewer Operations	-	784,923
Water Operations	-	374,299
Elgin-St. Thomas Health Unit	98,822	31,380
Downtown Development Board (BIA)	<u>106,382</u>	<u>103,245</u>
	200,122	1,439,330
Invested in tangible capital assets	307,765,005	307,604,666
Capital fund	18,784,627	15,940,138
Equity in government business enterprise	14,552,045	21,297,006
Reserves	21,140,681	22,508,142
Reserve funds	<u>2,352,165</u>	<u>2,837,740</u>
	364,794,645	371,627,022
UNFUNDED		
Employee benefits payable	(9,238,749)	(8,922,415)
Net long-term debt	<u>(19,480,432)</u>	<u>(20,839,529)</u>
ACCUMULATED SURPLUS	<u>336,075,464</u>	<u>341,865,078</u>
Reserves and reserve funds consist of the following:		
Reserves set aside for specific purposes by Council:		
- for working capital and contingencies	4,074,710	4,854,718
- for human resource issues	1,751,255	1,543,059
- for social and family services	1,672,050	1,847,249
- for general operations	1,422,455	3,246,211
- for sewer operations	9,948,328	10,206,038
- for water operations	<u>2,271,883</u>	<u>810,867</u>
Total reserves	<u>21,140,681</u>	<u>22,508,142</u>
Reserve funds set aside for specific purposes by Council and Joint Boards:		
- general operations	11,332	6,332
- water operations	2,213,942	2,707,005
- health services	<u>126,891</u>	<u>124,403</u>
Total reserve funds	<u>2,352,165</u>	<u>2,837,740</u>

The Corporation of the City of St. Thomas

Notes to the Consolidated Financial Statements For the year ended December 31, 2014

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, 2014. Details are as follows:

	2014	2013
	<u>\$</u>	<u>\$</u>
a) Future payments required to WSIB	2,430,203	2,375,464
b) Accumulated sick leave benefit plan entitlements	1,509,421	1,499,111
c) Post employment and retirement benefits	<u>5,299,125</u>	<u>5,047,840</u>
	<u>9,238,749</u>	<u>8,922,415</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 2014.

The benefit obligation continuity is as follows:

	2014	2013
	<u>\$</u>	<u>\$</u>
Accrued benefit obligation, January 1	2,375,464	2,388,084
Expense	330,939	295,533
Payment	<u>(331,293)</u>	<u>(331,030)</u>
Actual accrued benefit obligation	2,375,110	2,352,587
Add: Amortization of actuarial loss over service life (2014 unamortized balance - \$229,428)	<u>55,093</u>	<u>22,877</u>
Accrued benefit obligation, December 31	<u>2,430,203</u>	<u>2,375,464</u>

The Corporation of the City of St. Thomas

Notes to the Consolidated Financial Statements For the year ended December 31, 2014

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 \$1,509,421 (2013 - \$1,499,111) at the end of the year. An amount of \$30,320 (2013 - \$129,600) was paid to employees who left the City's employment during the current year. An unamortized actuarial gain of \$169,180 (2013 - \$192,258) 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%
- Rate of compensation increase - 3.0%
- Healthcare cost increase - 4.0% to 6.33%
- Dental cost increase - 4.0%

The benefit obligation continuity is as follows:

	2014	2013
	<u>\$</u>	<u>\$</u>
Accrued benefit obligation, January 1	5,679,801	5,210,158
Expense	498,402	475,388
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>(305,775)</u>	<u>(300,765)</u>
Actual accrued benefit obligation	5,872,428	5,679,801
Less: unamortized actuarial gain/(loss), (straight-line, 12 years)	<u>(573,303)</u>	<u>(631,961)</u>
Unfunded benefit obligation, December 31	<u>5,299,125</u>	<u>5,047,840</u>

The Corporation of the City of St. Thomas

Notes to the Consolidated Financial Statements For the year ended December 31, 2014

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, 2014 and the results of this valuation disclosed actuarial liabilities of \$76.9 billion in respect of benefits accrued for service with actuarial assets at that date of \$69.8 billion leaving an actuarial deficit of \$7.1 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 2014 was \$3,255,769 (2013 - \$3,090,190).

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, 2014 the outstanding debentures totalled \$2,919,868 (2013 - \$3,108,892) 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, 2014

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:

	2014	2013
	<u>\$</u>	<u>\$</u>
Development Charges	15,020,136	14,182,823
Parkland	22,265	19,547
Parking	652	645
Federal and Provincial gas taxes	5,480,386	6,820,061
Other	<u>3,677,164</u>	<u>1,641,279</u>
	<u>24,200,603</u>	<u>22,664,355</u>

11. TRUST FUNDS

Trust funds administered by the City amounting to \$411,390 (2013 - \$377,205) 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, 2014

12. INVESTMENT IN ASCENT GROUP INC.

The City owns 100% of Ascent Group Inc. which in turn owns 100% of St. Thomas Energy Inc., Ascent Energy Services Inc., Ascent Solutions Inc., Ascent Utility Services 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:

	2014 \$	2013 \$
Financial Position:		
Current assets	31,637,643	27,374,986
Capital assets	30,836,012	29,011,824
Deferred charges and other assets	<u>4,387,705</u>	<u>4,049,870</u>
Total assets	<u>66,861,360</u>	<u>60,436,680</u>
Current liabilities	49,715,089	25,978,844
Other long-term liabilities	<u>10,308,652</u>	<u>20,875,256</u>
Total Liabilities	<u>60,023,741</u>	<u>46,854,100</u>
Net Assets	<u>6,837,619</u>	<u>13,582,580</u>
Results of operations:		
Revenues	99,612,604	66,429,695
Operating expenses	<u>106,357,565</u>	<u>65,024,129</u>
Net income (loss)	<u>(6,744,961)</u>	<u>1,405,566</u>

Total dividends received in the year from Ascent Group Inc. was \$nil (2013 - \$250,000).

The Corporation of the City of St. Thomas

Notes to the Consolidated Financial Statements For the year ended December 31, 2014

13. CONTINGENT LIABILITIES

As at December 31, 2014 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 Group Inc. (the City's subsidiary). The City has contracted Ascent Group 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:

	2014	2013
	<u>\$</u>	<u>\$</u>
Transactions during the year:		
Purchase of services	<u>289,966</u>	<u>296,184</u>
Balances at end of year:		
Amounts due from Ascent Group Inc.	<u>7,913,913</u>	<u>2,122,531</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 (2013 - 520,724) from Ascent Group Inc. on its note receivable as disclosed in Note 3.

Subsequent to the year end, the City provided Ascent Group Inc. with security for a \$1,000,000 standby letter of credit.

The Corporation of the City of St. Thomas

Notes to the Consolidated Financial Statements For the year ended December 31, 2014

15. SUPPLEMENTARY INFORMATION:

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

	2014 \$	2013 \$
Taxes receivable	310,854	1,695,667
Accounts receivable	(6,702,475)	1,244,000
Land held for resale	(49,818)	(89,058)
Prepaid expenses and inventories of supplies	(182,612)	218,453
Accounts payable and accrued liabilities	(1,949,196)	2,068,729
Allowance for tax reassessments	(1,441,647)	741,647
Deferred revenue - obligatory reserve funds	<u>1,536,248</u>	<u>(1,492,040)</u>
	<u>(8,478,646)</u>	<u>4,387,398</u>

[b] Supplementary cash flow information:

Cash interest received	<u>1,306,736</u>	<u>1,289,830</u>
Cash interest paid	<u>888,095</u>	<u>861,156</u>

[c] Expenditures by object:

Salaries, wages and employees benefits	46,161,084	44,902,467
Long-term debt interest	870,342	844,219
Materials	18,816,325	14,621,207
Contracted services	23,438,747	22,821,334
Rents and financial	20,673	190,095
Amortization	11,173,839	11,361,363
Loss on disposal of tangible capital assets	561,973	506,008
External transfers	<u>21,889,248</u>	<u>20,152,146</u>
	<u>122,932,231</u>	<u>115,398,839</u>

The Corporation of the City of St. Thomas

Notes to the Consolidated Financial Statements For the year ended December 31, 2014

16. BUDGETED AMOUNTS

The operating budget approved by the council of the City for 2014 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 \$
REVENUES			
Property taxation	44,772,770	-	44,772,770
Taxation from other governments	192,507	-	192,507
User charges and other revenues	25,297,024	3,261,446	28,558,470
Transfer payments			
Federal	990,084	3,957,486	4,947,570
Provincial	31,899,956	5,370,127	37,270,083
Other municipalities	4,771,956	-	4,771,956
Development charges	50,000	558,966	608,966
Investment income	954,074	283,651	1,237,725
Penalties and interest on taxes	<u>550,000</u>	<u>-</u>	<u>550,000</u>
 Total Revenues	 <u>109,478,371</u>	 <u>13,431,676</u>	 <u>122,910,047</u>
EXPENSES			
General government	4,636,003	1,129,480	5,765,483
Protection to persons and property	20,743,172	455,409	21,198,581
Transportation services	6,927,277	6,027,357	12,954,634
Environmental services	12,797,808	9,529,954	22,327,762
Health services	2,892,136	2,804,776	5,696,912
Social and family services	34,927,568	649,942	35,577,510
Social housing	10,152,890	338,087	10,490,977
Recreation and cultural services	5,771,511	1,238,344	7,009,855
Planning and development	1,170,060	79,915	1,249,975
Transfers and capital repayments	<u>9,459,946</u>	<u>(9,459,946)</u>	<u>-</u>
 Total Expenses	 <u>109,478,371</u>	 <u>12,793,318</u>	 <u>122,271,689</u>
 BUDGETED ANNUAL SURPLUS	 <u>-</u>	 <u>638,358</u>	 <u>638,358</u>

The Corporation of the City of St. Thomas

Notes to the Consolidated Financial Statements For the year ended December 31, 2014

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, 2014

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 2014 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, 2014

	Ascent Group Inc. \$	Social & Family Services \$	Planning \$	Public Works \$	Finance & Administration \$	Protection \$	Water and Waste Funds \$	Community Services \$	Other Funds & Corporation \$	Consolidated \$
REVENUES										
Taxation	-	6,309,064	1,140,628	4,168,987	2,523,719	18,877,896	-	4,419,264	7,082,236	44,521,794
Sales of services and regulatory fees	-	4,956,691	643,057	517,074	642,856	488,413	18,276,614	1,469,766	2,418,486	29,412,957
Government transfers	-	33,031,614	145,622	4,879,111	170,797	310,918	1,249,595	410,840	6,092,358	46,290,855
Other	(6,744,961)	5,298	18,750	1,233,863	1,545,214	-	257,898	-	41,983	(3,641,955)
Development charges earned	-	-	-	68,257	22,500	-	-	307,361	160,848	558,966
	<u>(6,744,961)</u>	<u>44,302,667</u>	<u>1,948,057</u>	<u>10,867,292</u>	<u>4,905,086</u>	<u>19,677,227</u>	<u>19,784,107</u>	<u>6,607,231</u>	<u>15,795,911</u>	<u>117,142,617</u>
EXPENSES										
Salaries, wages and employees benefits	-	12,063,142	1,415,363	2,596,060	2,960,858	18,030,313	2,755,734	3,865,992	2,473,622	46,161,084
Long-term debt interest	-	563,522	-	-	-	-	146,913	44,632	115,275	870,342
Materials	-	2,090,332	307,273	2,904,115	711,773	997,780	9,198,636	1,613,091	993,325	18,816,325
Contracted services	-	12,230,204	409,915	3,050,876	1,901,580	388,819	1,871,798	592,532	2,993,023	23,438,747
Rents, financial and other	-	17,705,243	116,164	561,973	60,470	-	12,453	7,598	4,007,993	22,471,894
Amortization	-	735,273	-	3,650,179	83,088	260,727	5,607,794	836,778	-	11,173,839
	<u>-</u>	<u>45,387,716</u>	<u>2,248,715</u>	<u>12,763,203</u>	<u>5,717,769</u>	<u>19,677,639</u>	<u>19,593,328</u>	<u>6,960,623</u>	<u>10,583,238</u>	<u>122,932,231</u>
ANNUAL SURPLUS (DEFICIT)	<u>(6,744,961)</u>	<u>(1,085,049)</u>	<u>(300,658)</u>	<u>(1,895,911)</u>	<u>(812,683)</u>	<u>(412)</u>	<u>190,779</u>	<u>(353,392)</u>	<u>5,212,673</u>	<u>(5,789,614)</u>

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 \$
REVENUES										
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>
EXPENSES										
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	2,464,791	44,902,467
Long-term debt interest	-	598,616	-	-	-	-	162,953	82,650	-	844,219
Materials	-	2,056,796	269,740	1,571,601	56,202	907,395	7,426,540	1,307,087	1,025,846	14,621,207
Contracted services	-	12,001,843	374,080	2,882,488	1,746,161	545,746	1,584,443	621,566	3,065,007	22,821,334
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>9,400,667</u>	<u>115,398,839</u>
ANNUAL SURPLUS (DEFICIT)	<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>6,302,279</u>	<u>7,860,851</u>

The Corporation of the City of St. Thomas

Schedule of Segment Disclosure- Operating Revenues and Expenses For the year ended December 31, 2014

	Actual 2014 \$	Actual 2013 \$
PROTECTION		
Revenue		
Taxation	18,877,896	17,663,643
Sales of services and regulatory fees	488,413	255,924
Government transfers	310,918	592,426
Development charges earned	<u>-</u>	<u>32,622</u>
Total Revenues	<u>19,677,227</u>	<u>18,544,615</u>
Expenditures		
Salaries, wages and employees benefits	18,030,313	17,128,195
Materials	997,780	907,395
Contracted services	388,819	545,746
Amortization	<u>260,727</u>	<u>331,824</u>
Total Expenditures	<u>19,677,639</u>	<u>18,913,160</u>
Net Surplus (Deficit)	<u>(412)</u>	<u>(368,545)</u>
COMMUNITY SERVICES		
Revenue		
Taxation	4,419,264	4,297,578
Sales of services and regulatory fees	1,469,766	1,696,382
Government transfers	410,840	897,344
Development charges earned	<u>307,361</u>	<u>209,098</u>
Total Revenues	<u>6,607,231</u>	<u>7,100,402</u>
Expenditures		
Salaries, wages and employees benefits	3,865,992	3,678,806
Long-term debt interest expense	44,632	82,650
Materials	1,613,091	1,307,087
Contracted services	592,532	621,566
Rents and financial expenses	7,598	-
Transfer to others	-	96,000
Amortization	<u>836,778</u>	<u>1,194,773</u>
Total Expenditures	<u>6,960,623</u>	<u>6,980,882</u>
Net Surplus (Deficit)	<u>(353,392)</u>	<u>119,520</u>

The Corporation of the City of St. Thomas

Schedule of Segment Disclosure- Operating Revenues and Expenses For the year ended December 31, 2014

	Actual 2014 <u>\$</u>	Actual 2013 <u>\$</u>
PLANNING		
Revenue		
Taxation	1,140,628	1,231,999
Sales of services and regulatory fees	643,057	537,798
Government transfers	145,622	217,315
Other	<u>18,750</u>	<u>781</u>
Total Revenues	<u>1,948,057</u>	<u>1,987,893</u>
Expenditures		
Salaries, wages and employees benefits	1,415,363	1,238,096
Materials	307,273	269,740
Contracted services	409,915	374,080
Rents and financial expenses	164	-
Transfer to others	<u>116,000</u>	<u>197,000</u>
Total Expenditures	<u>2,248,715</u>	<u>2,078,916</u>
Net Surplus (Deficit)	<u>(300,658)</u>	<u>(91,023)</u>
 PUBLIC WORKS		
Revenue		
Taxation	4,168,987	4,094,951
Sales of services and regulatory fees	517,074	457,384
Government transfers	4,879,111	4,429,537
Other	1,233,863	1,199,548
Development charges earned	<u>68,257</u>	<u>12,951</u>
Total Revenues	<u>10,867,292</u>	<u>10,194,371</u>
Expenditures		
Salaries, wages and employees benefits	2,596,060	2,614,903
Materials	2,904,115	1,571,601
Contracted services	3,050,876	2,882,488
Amortization	3,650,179	2,601,370
Loss on disposal of tangible capital assets	<u>561,973</u>	<u>128,203</u>
Total Expenditures	<u>12,763,203</u>	<u>9,798,565</u>
Net Surplus (Deficit)	<u>(1,895,911)</u>	<u>395,806</u>

The Corporation of the City of St. Thomas

Schedule of Segment Disclosure- Operating Revenues and Expenses For the year ended December 31, 2014

	Actual 2014 <u>\$</u>	Actual 2013 <u>\$</u>
FINANCE AND ADMINISTRATION		
Revenue		
Taxation	2,523,719	2,298,968
Sales of services and regulatory fees	642,856	1,710,574
Government transfers	170,797	508,931
Other	1,545,214	1,774,228
Development charges earned	<u>22,500</u>	<u>14,000</u>
Total Revenues	<u>4,905,086</u>	<u>6,306,701</u>
Expenditures		
Salaries, wages and employees benefits	2,960,858	3,320,767
Materials	711,773	56,202
Contracted services	1,901,580	1,746,161
Rents and financial expenses	10,470	33,849
Transfer to others	50,000	-
Amortization	83,088	378,669
Loss on disposal of tangible capital assets	<u>-</u>	<u>19,934</u>
Total Expenditures	<u>5,717,769</u>	<u>5,555,582</u>
Net Surplus (Deficit)	<u>(812,683)</u>	<u>751,119</u>
 SOCIAL AND FAMILY SERVICES		
Revenue		
Taxation	6,309,064	6,425,526
Sales of services and regulatory fees	4,956,691	4,783,889
Government transfers	33,031,614	32,894,329
Other	<u>5,298</u>	<u>12,577</u>
Total Revenues	<u>44,302,667</u>	<u>44,116,321</u>
Expenditures		
Salaries, wages and employees benefits	12,063,142	11,773,798
Long-term debt interest expense	563,522	598,616
Materials	2,090,332	2,056,796
Contracted services	12,230,204	12,001,843
Rents and financial expenses	33,183	-
Transfer to others	17,672,060	17,156,939
Amortization	<u>735,273</u>	<u>327,821</u>
Total Expenditures	<u>45,387,716</u>	<u>43,915,813</u>
Net Surplus (Deficit)	<u>(1,085,049)</u>	<u>200,508</u>