

Notes to Consolidated Financial Statements

Year Ended December 31, 2008

1. Summary of Significant Accounting Policies

The consolidated financial statements of The Corporation of the City of Kitchener (the "City") are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

a. Basis of Consolidation

- i. These consolidated financial statements reflect the assets, liabilities, revenues, and expenditures of the operating fund, capital fund, reserves and reserve funds and include the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

Kitchener Public Library Board

Kitchener Downtown Improvement Area Board of Management

Belmont Improvement Area Board of Management

Centre in the Square Inc.

Waterworks Enterprise

Gasworks Enterprise

Sewer Surcharge Enterprise

Doon Valley Golf Club

Rockway Golf Club

All inter-organizational and inter-fund transactions and balances have been eliminated.

ii. Government Business Enterprises

Kitchener Power Corporation and its affiliates are not consolidated but are accounted for on the modified equity basis which reflects the City of Kitchener's investment in the enterprises and its share of net income since acquisition. Under the modified equity basis, the enterprises' accounting principles are not adjusted to conform to those of the City, and inter-organizational transactions and balances are not eliminated.

iii. Accounting for Region and School Board Transactions

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

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iv. Trust Funds

Trust funds and their related operations administered by the City are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Balance Sheet" (see note 3).

b. Basis of Accounting

i. Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that gave rise to the revenues; expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

ii. Trade and Other Accounts Receivable

Trade and other accounts receivable are reported net of any allowance for doubtful accounts.

iii. Inventory for Resale

Inventory for resale is included on the Consolidated Statement of Financial Position as part of financial assets. These are valued at the lower of cost or net realizable value on a first-in-first-out basis.

iv. Investments

Portfolio investments are carried at cost, net of accumulated amortization on premiums and discounts. Premiums and discounts are amortized on a straight line basis over the term to maturity. Interest income is recorded as it accrues. When the value of any portfolio investment is identified as impaired, the carrying amount is adjusted to estimated realizable amount and any adjustments are included in investment income in the period the impairment is recognized.

v. Capital Assets

The historical cost and accumulated amortization for capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the Consolidated Statement of Financial Activities in the year of acquisition.

vi. Employee Future Benefits

The City has adopted the following policies:

The contributions to a multi-employer, defined benefit pension plan are expensed when contributions are due;

Notes to Consolidated Financial Statements

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The costs of post-employment benefits are recognized when the event that obligates the City occurs; costs include projected future income payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis;

The costs of post-employment benefits are actuarially determined using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation, expected health care costs and plan investment performance;

Liabilities are actuarially determined using discount rates that are consistent with the market rates of high quality debt instruments; and

Any gains or losses from changes in assumptions or experience are amortized over the average remaining service period for active employees.

vii. Government Transfers

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

viii. Use of Estimates

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

2. Operations of School Boards and the Regional Municipality of Waterloo

Further to note 1 a) iii, the taxation, other revenues and requisitions for the school boards and the Regional Municipality of Waterloo are comprised of the following:

(\$000's)	School Boards	Region	Total
Taxation and user charges	82,163	161,383	243,546
Share of payments in lieu of taxes	(6)	1,033	1,027
Share of linear properties	64	110	174
Amounts Requisitioned	82,221	162,526	244,747

Notes to Consolidated Financial Statements

Year Ended December 31, 2008

3. Trust Funds

Trust funds administered by the City amounting to \$10,084,609 (2007 - \$9,652,991) have not been included in the "Consolidated Statement of Financial Position", nor have their operations been included in the "Consolidated Statement of Financial Activities". The trust funds under administration are composed of the following:

(\$000's)	2008	2007
Cemetery perpetual care and prepaid interment funds	9,039	8,600
Musagetes - Arts & Culture Fund	1,046	1,053
	10,085	9,653

4. Investments

Investments are made up of the following:

(\$000's)	2008 Cost	2008 Market Value	2007 Cost	2007 Market Value
Bonds and debentures	11,872	11,505	17,873	17,630
Common stock	513	482	481	481
	12,385	11,987	18,354	18,111

Included in the total are investments of \$nil (2007 - \$438,911) in debentures issued on behalf of the City by the Regional Municipality of Waterloo. Also included in the total are investments of \$nil (2007 - \$438,911) expected to mature in the coming year.

5. Investment in Kitchener Power Corporation and its Affiliates

Under the provincial government's Electricity Competition Act (Bill 35), Kitchener Power Corporation, a holding company, along with its wholly owned subsidiaries, including Kitchener-Wilmot Hydro Inc., was incorporated on July 1, 2000.

On August 1, 2000, under by-laws passed by the City and the Township of Wilmot, the net assets of the former Hydro-Electric Commission of Kitchener-Wilmot were transferred to the new corporations. The City took back a 92.25% share in the common shares of Kitchener Power Corporation and a 92.25% share in long-term notes payable by the affiliates for the assets transferred. Certain surplus property assets and cash funds were excluded from the transfer and turned over to the City and the Township.

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Year Ended December 31, 2008

The investment is composed of the following:

(\$000's)	2008	2007
Kitchener Power Corporation common shares	61,244	61,244
Kitchener-Wilmot Hydro Inc. long-term notes receivable	70,998	70,998
Share of net income and prior period adjustments due to changes in accounting policies since acquisition, net of dividends	37,578	24,811
	169,820	157,053

The Kitchener-Wilmot Hydro Inc. notes are unsecured and bear interest at the rate of 6%. There are no repayment terms and there is no intent to redeem the notes or the shares.

During the year, Kitchener Power Corporation changed its accounting policy for the accounting for income taxes from the taxes payable method to the future tax method. This resulted in the restatement of the 2007 financial statements to record an \$11,367,344 future income tax asset.

During the year, Kitchener Power Corporation also changed its accounting policy for the recognition of actuarial gains and losses from recognition in the period for which the actuarial gains and losses are recorded to the corridor method. This resulted in the restatement of the 2007 financial statements to increase the post-employment benefit liability by \$341,575

The net impact of these two changes is an increase in the opening 2008 shareholders equity of Kitchener Power Corporation of \$11,025,769. The City's share of 92.25% is \$10,171,272, which results in an increase in the City's investment in Kitchener Power Corporation and an increase in the City's operating fund balance.

Notes to Consolidated Financial Statements

Year Ended December 31, 2008

The following table provides condensed financial information in respect of Kitchener Power Corporation:

(\$000's)	2008	2007
Current assets	75,056	73,607
Capital assets	137,850	134,634
Regulatory assets	4,306	2,751
Long-term investments	20	66
Future Income Taxes	11,643	0
Total assets	228,875	211,058
Current liabilities	25,235	24,199
Long-term debt	76,962	76,962
Regulatory liabilities	10,500	7,929
Other liabilities	9,051	8,680
Total Liabilities	121,748	117,770
Net assets	107,127	93,288
Results of operation		
Revenues	173,299	178,281
Expenses	(168,184)	(172,782)
Net income	5,115	5,499
City's share of net income - 92.25%	4,718	5,073

6. Long-Term Assets

Long-term assets represent the unamortized cost of natural gas water heaters, which are rented out by the City's Gasworks Enterprise and natural gas held in storage on a long-term basis to ensure safety of supply to Gasworks Enterprise customers. The cost of installed water heaters is charged to expense on a straight-line basis over seven years. This year's charge is \$2,404,339 (2007 - \$2,103,279).

(\$000's)	2008	2007 (Restated Note 15)
Water heater total cost	21,415	17,886
Accumulated amortization	(10,440)	(8,629)
	10,975	9,257
Natural gas core supply asset	0	555
	10,975	9,812

Notes to Consolidated Financial Statements

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7. Insurance Pool

Liabilities include an amount of \$4,268,374 (2007 - \$1,552,631) which represents funds belonging to the Waterloo Region Municipalities Insurance Pool and administered by the City on behalf of the Pool's members. The members entered an agreement in 1998 to purchase property damage and public liability insurance on a group basis and share a retained level of risk.

The members pay an actuarially determined annual levy to fund insurance, pre-fund expected losses and contribute to a surplus. The Pool has purchased insurance to fund losses above a predetermined deductible and any losses above a predetermined total in any year. The City's share of Pool levies is 27.53% (2007 - 28.24%) and its share of the Pool surplus as at May 31, 2008 was \$1,288,854 (2007 - \$1,058,818). The City's share of the Pool surplus has not been included in the "Consolidated Statement of Financial Position".

8. Deferred Revenue - Obligatory Reserve Funds

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants 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. The balances in the obligatory reserve funds of the City are summarized below:

(\$000's)	2008	2007
Development Charges	6,720	12,970
Recreational Land	1,409	736
	8,129	13,706

9. Municipal Debt

- a. The City has assumed responsibility for the payment of principal and interest charges on certain long-term debt issued by other municipalities. At the end of the year, the outstanding principal amount of this liability is \$63,511,759 (2007 - \$56,402,901).

Notes to Consolidated Financial Statements

Year Ended December 31, 2008

- b. Of the long-term debt reported in (a.) of this note, the annual principal payments are:

(\$000's)	
2009	6,413
2010	6,179
2011	5,515
2012	5,099
2013	4,998
2014 - 2023	35,308
	63,512

- c. The annual principal and interest payments required to service the long-term debt in (a.) are within the annual debt repayment limit prescribed by the Ontario Ministry of Municipal Affairs and Housing.
- d. The long-term liabilities carry interest rates ranging from 2.46% to 6.40%.

10. Employee Future Benefits

The City provides certain employee benefits, which will require funding in future periods. An actuarial estimate of the future liabilities for these benefits has been completed as at December 31, 2008 and forms the basis for the estimated liability reported in these financial statements.

(\$000's)	2008	2007	Change
Sick leave benefit plan	10,151	9,664	487
Post retirement benefits	8,350	8,002	348
Future payments required to WSIB	2,658	2,047	611
	21,159	19,713	1,446

a. Pension Plan

The City makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf 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. Employee contributions are matched by the City. Contributions were required on account of current service in 2008 amounting to \$5,464,732 (2007 - \$4,901,607).

Notes to Consolidated Financial Statements

Year Ended December 31, 2008

b. Sick Leave

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to cash payments when they leave the City's employment. The expense for the current year was \$1,668,719 (2007 - \$948,421).

The actuarial estimate of the future liability for sick leave assumes a discount rate of 5% (2007 - 5%).

A reserve fund has been established to provide for this past service liability and is included in reserves and reserve funds on the "Consolidated Statement of Financial Position". The balance at the end of the year is \$3,859,236 (2007 - \$3,433,530) (see note 12).

Anticipated payments over the next five years to employees who are eligible to retire are:

(\$000's)	
2009	2,354
2010	296
2011	524
2012	644
2013	579
	4,397

c. Post-Retirement Benefits

The City of Kitchener pays certain health, dental and life insurance benefits on behalf of its retired employees up to the age of 65 if they have at least ten years service with the City. The expense for the year was \$904,967 (2007 - \$996,281) and is comprised of the following items:

(\$000's)	2008	2007
Current period benefit cost	299	333
Amortization of actuarial losses	149	134
Retirement benefit expenditures	448	467
Retirement benefit interest expenditures	457	529
Total expenditures related to retirement benefits	905	996

Notes to Consolidated Financial Statements

Year Ended December 31, 2008

As at December 31, 2008, the unamortized actuarial losses were \$1,117,657 (2007 - \$1,266,634) and are amortized over 13 years (2007 - 13 years). The amount of contributions and the amount of benefits paid during the year were \$557,736 (2007 - \$870,286).

The actuarial estimate of the future liability for post-retirement benefits assumes a discount rate of 5% (2007 - 5%) and inflation rates for benefit premiums of 4% to 7.21% (2007 - 4% to 9%). No reserve fund has been established to provide for this liability.

d. WSIB

The Workplace Safety and Insurance Board (WSIB) administer injured worker benefits payments on behalf of the City as a Schedule 2 employer. The expense for the year was \$717,858 (2007 - \$738,087).

The actuarial estimate of the future liability for WSIB benefits assumes a discount rate of 5% (2007 - 5%).

A reserve fund has been established to provide for this liability and is included in reserves and reserve funds on the "Consolidated Statement of Financial Position". The balance at the end of the year is a deficit of \$119,209 (2007 - surplus of \$103,988) (see note 12).

11. Municipal Position at the End of the Year

The operating fund balance on the "Consolidated Statement of Financial Position" of \$156,950,339 (2007 - \$144,443,857 restated, note 15) at the end of the year is comprised of the following:

(\$000's)	2008	2007 (Restated Note 15)
Surplus to be used:		
For general reduction of taxation	0	0
For specific reduction to designated ratepayers:		
Belmont Improvement Area	31	29
Kitchener Downtown Improvement Area	27	1
Gasworks Enterprise	(5,463)	(8,735)
Waterworks Enterprise	(1,016)	(785)
Sewer Surcharge Enterprise	(5,718)	(2,566)
Golf Courses	(731)	(553)
Equity in Kitchener Power Corporation and its affiliates	169,820	157,053
	<u>156,950</u>	<u>144,444</u>

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Year Ended December 31, 2008

The balance available for the general reduction of taxation for the fiscal year ending December 31, 2008 has been increased by an amount of \$2,457,171 (2007-increase of \$603,377), which has been transferred from the tax stabilization reserve fund as authorized by Council policy. Had this increase not been made, the balance for general reduction of taxation would have shown a deficit of \$2,457,171 (2007 - deficit of \$603,377).

The amounts to be recovered of \$84,671,078 (2007 - \$76,116,074) at the end of the year is comprised of the following:

(\$000's)	2008	2007
Municipal debt (note 9)	63,512	56,403
Employee future benefits liability (note 10)	21,159	19,713
	84,671	76,116

12. Reserves and Reserve Funds

The total balances of reserves and reserve funds are comprised of the following:

(\$000's)	2008	2007
Reserves set aside for specific purpose by Council for:		
Acquisition of capital assets	8,730	9,323
Working Capital	0	4,705
Total Reserves	8,730	14,028
Reserve Funds set aside for specific purpose by Council for:		
Sick leave	3,859	3,434
Capital expenditures	9,495	13,048
Tax rate stabilization	3,938	4,745
Workplace Safety and Insurance	(119)	104
Insurance	424	530
Centre in the Square Inc.	2,440	2,401
Other	4,387	3,329
Total Reserve Funds	24,424	27,591
Total Reserves and Reserve Funds	33,154	41,619

13. Contingent Liabilities

- a. The City has extended a line of credit not to exceed \$2,000,000 to Kitchener Housing Inc. Interest is charged at bank prime plus 1% (rate as at December 31, 2008 was 4.50%) on the outstanding balance.

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- b. Legal action has been undertaken against the City relating to a number of contract disputes and other matters. The outcome of these actions is not presently determinable. It is management's opinion that the City's insurance will adequately cover any potential liability arising from these contract disputes and other matters. Should any liability be determined and not covered by insurance it will be recognized in the period when it is determined.

14. Tangible Capital Assets

For periods prior to January 1, 2009, capital assets are reported as an expenditure on the Consolidated Statement of Financial Activities in the year of acquisition. For fiscal years ending after January 1, 2009, the City will move towards accrual based accounting to reflect historical costs of assets on the Statement of Financial Position and expenses (depreciation) related to asset usage on the Statement of Financial Activities. For fiscal years commencing on and after January 1, 2009, tangible capital assets will be classified as follows:

Assets	Amortization Period
Land	The original cost of land is not amortized
Land Improvements	10 to 25 years
Building & Building Improvements	20 to 50 years
Leasehold Improvements	Over the useful life of the improvement or the lease term, whichever is shorter
Machinery & Equipment	3 to 15 years
Computer Hardware	3 to 10 years
Computer Software	1 to 10 years
Linear Assets	20 to 100 years
Vehicles	3 to 25 years

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As a general principle, the City will utilize the straight line method of amortization for its assets. Betterments will be amortized over the shorter of the useful life of the asset to which the improvement was made or the useful life of the betterment.

Opening balances will be valued based on the following order:

- i. Actual historic costs will be used where available financial records exist.
- ii. Where partial data is available for annual expenditures for an asset pool, the available data will be averaged and applied to the remaining years for each pool of the total useful life of the asset.
- iii. Where no historic information is available, replacement costs will be estimated using reasonable unit costs using recent contracts to set an average cost. In some cases (particularly buildings) insurance appraisals will be used to establish a current replacement cost. These replacement costs will then be discounted to the date of acquisition or construction by using the consumer price index

Opening balances for assets will be disclosed in fiscal 2009, with year ending 2008 comparative figures being re-stated.

As management is currently in the process of gathering the required information for adoption of PS-3150 (Tangible Capital Assets), it has not gathered sufficient information on each category of capital assets for disclosure under Public Sector Accounting Guideline PSG-7.

15. Gasworks Prior Period Adjustment

During the year, the Gasworks enterprise adjusted its 2007 balances to account for changes to the ending inventories of natural gas. This change has been recorded retroactively and accordingly, the comparative financial statements have been restated as follows:

(\$000's)	As previously stated	Adjustments	Restated
Operating fund balance, Opening	152,431	(7,520)	144,911
Change in operating fund	340	(807)	(467)
Operating fund balance, Closing	152,771	(8,327)	144,444
Inventory for resale	15,874	(3,109)	12,765
Other assets (Natural Gas Core)	5,773	(5,218)	555

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Notes to Consolidated Financial Statements

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16. Segment disclosure

The City of Kitchener is a diversified municipal government institution that provides a wide range of services to its citizens, including fire, roads, water, sewer, gasworks, libraries, and community services.

Segment information has been prepared by major functional classification of activities provided, consistent with the Consolidated Statement of Financial Activities and provincially legislated requirements.

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.

2008 SEGMENTED INFORMATION

(\$000's)	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services
REVENUES					
Taxation	29,971	4,151	674	254	801
User fees and charges	4,168	6,947	26,487	1,192	285
Grants	52	1,152	-	-	500
Investment income	-	-	-	-	-
Penalty and interest on taxes	-	-	-	-	-
Obligatory reserve funds revenue recognized	-	6,050	1,878	-	-
Other	-	-	-	-	-
TOTAL REVENUES	34,191	18,300	29,039	1,446	1,586
Operating Expenses					
Salaries, wages and benefits	29,333	10,833	5,823	1,071	1,231
Materials and services	2,769	8,320	3,278	333	236
Debenture debt interest	193	1,020	81	-	-
Internal Charges & Recoveries	1,474	(1,879)	2,689	22	-
Grants and other	1	6	-	20	120
Total Operating Expenses	33,770	18,300	11,871	1,446	1,587
Capital Expenses					
Salaries, wages and benefits	83	776	213	4	-
Materials and services	1,748	11,546	16,987	12,004	39
Debenture debt interest	-	-	-	-	-
Total Capital Expenses	1,831	12,322	17,200	12,008	39
TOTAL EXPENDITURES	35,601	2 - 3062	29,071	13,454	1,626

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2007 SEGMENTED INFORMATION

(\$000's)	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services
REVENUES					
Taxation	21,165	13,812	674	175	806
User fees and charges	5,554	5,139	27,191	1,234	292
Grants	64	108	726	-	463
Investment income	-	-	-	-	-
Penalty and interest on taxes	-	-	-	-	-
Obligatory reserve funds revenue recognized	3,108	(3,177)	24	-	-
Other	-	-	-	-	-
TOTAL REVENUES	29,891	15,882	28,615	1,409	1,561
	1,450				
Operating Expenses					
Salaries, wages and benefits	24,179	10,391	5,178	991	1,203
Materials and services	2,607	6,334	3,208	373	230
Debenture debt interest	243	1,117	94	-	-
Internal Charges & Recoveries	1,411	(1,965)	2,777	24	-
Grants and other	1	6	-	20	127
Total Operating Expenses	28,441	15,883	11,257	1,408	1,560
Capital Expenses					
Salaries, wages and benefits	9	785	162	2	-
Materials and services	2,682	11,637	15,155	10,977	15
Debenture debt interest	-	-	-	4	-
Total Capital Expenses	2,691	12,422	15,317	10,983	15
TOTAL EXPENDITURES	31,132	28,305	26,574	12,391	1,575
NET REVENUES/(DEFICIENCY)	(1,241)	(12,423)	2,041	(10,982)	(14)

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2008 SEGMENTED INFORMATION

(\$000's)	Recreation and Cultural Services	Planning and Development	Gasworks	Unallocated	Total
REVENUES					
Taxation	20,634	4,398	-	29,873	90,756
User fees and charges	19,580	1,984	110,580	1,558	172,781
Grants	337	-	-	97	2,138
Investment income	-	-	-	9,856	9,856
Penalty and interest on taxes	-	-	-	2,658	2,658
Obligatory reserve funds revenue recogni	6,059	61	-	640	14,688
Other	-	-	-	14,697	14,697
TOTAL REVENUES	46,610	6,443	110,580	59,379	307,574
Operating Expenses					
Salaries, wages and benefits	30,619	4,152	4,493	19,215	106,770
Materials and services	12,894	1,059	85,140	11,054	125,083
Debenture debt interest	841	486	-	26	2,647
Internal Charges & Recoveries	249	745	2,596	(5,896)	-
Grants and other	2,186	-	-	125	2,458
Total Operating Expenses	46,789	6,442	92,229	24,524	236,958
Capital Expenses					
Salaries, wages and benefits	558	16	617	2,577	4,844
Materials and services	17,567	1,376	6,182	27,417	94,866
Debenture debt interest	-	-	-	16	16
Total Capital Expenses	18,125	1,392	6,799	30,010	99,726
TOTAL EXPENDITURES	64,914	7,834	99,028	54,534	336,684
NET REVENUES/(DEFICIENCY)	18,304	(1,391)	11,552	4,845	(29,110)

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2007 SEGMENTED INFORMATION

(\$000's)	Recreation and Cultural Services	Planning and Development	Gasworks	Unallocated	Total
REVENUES					
Taxation	16,206	4,282	-	29,326	86,446
User fees and charges	17,581	1,016	107,371	609	165,987
Grants	1,064	-	31	12	2,468
Investment income	-	-	-	10,901	10,901
Penalty and interest on taxes	-	-	-	2,228	2,228
Obligatory reserve funds revenue recogni	8,951	20	-	960	9,886
Other	-	-	-	15,555	15,555
TOTAL REVENUES	43,802	5,318	107,402	59,591	293,471
Operating Expenses					
Salaries, wages and benefits	28,648	3,562	4,197	18,748	97,097
Materials and services	12,618	882	82,984	10,466	119,702
Debenture debt interest	698	98	-	8	2,258
Internal Charges & Recoveries	264	776	2,416	(5,703)	-
Grants and other	2,126	-	-	143	2,423
Total Operating Expenses	44,354	5,318	89,597	23,662	221,480
Capital Expenses					
Salaries, wages and benefits	776	19	786	2,087	4,626
Materials and services	13,265	2,394	14,247	5,704	76,076
Debenture debt interest	-	-	-	22	26
Total Capital Expenses	14,041	2,413	15,033	7,813	80,728
TOTAL EXPENDITURES	58,395	7,731	104,630	31,475	302,208
NET REVENUES/(DEFICIENCY)	(14,593)	(2,413)	2,772	28,116	(8,737)

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17. Budget Figures

The budget figures reflected in these consolidated statements are those approved by Council at a meeting on January 12, 2008. Capital budget figures are based on the capital forecast for the current year. Actual revenues and expenditures may be significantly different from budget depending on the timing of projects, which may occur in a different year than originally budgeted.

18. Comparative Figures

Certain of the prior year's comparative figures have been restated to conform to the current year's presentation.

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